

Amended Report

1. Amended Disclosure Document: Business Report

2. First Submission Date of the Amended Disclosure Document: March 16, 2026

3. Amendments

Item	Required Amendment/Instruc tion Whether It Is Related	Reason for Amendments	Before Amendment	After Amendment
*Amendments and additional disclosures have been indicated in bold blue text.				
IX. Matters Concerning Affiliates, Etc. -G. Status of Investments in Other Corporations (Summarized) XII. Detailed Tables -3. Status of Investments in Other Corporations (Details)	Not applicable	Simple typographical error amendment	(Note 1) Before correction	(Note 1) After correction

(Note 1)

G. Status of Investments in Other Corporations (Summarized)

(Reference Date: 2025-12-31) (Unit: KRW million)

Purp ose of inve stm ent	Number of Companies Invested In			Total Amount of Investment			
	Listed	Unlisted	Total	Beginning of Period Carr ying Amo unt	Increase (Decrease)		End of Period Carr ying Amo unt
					Acquisition (Disposal)	Valuation Gain/Loss:	
Management Participation	1	11	12	441,378	59,100	-	500,478
General Investment	-	-	-	-	-	-	-
Simple Investment	1	7	8	63,477	2,024	6,741	72,242
Total	2	18	20	504,855	61,124	6,741	572,720

1. Status of Investments in Other Corporations (Details)

(Reference Date: 2025-12-31) (Unit: KRW million, shares, %)

Name of Corporation	Whether Listed	Date of Initial Acquisition	Purpose of Investment	Amount of Initial Acquisition	Balance at Beginning of Period			Increase (Decrease)			Balance at End of Period			Most Recent Business Year	
					Quantity	Equity Interest	Carrying Amount	Acquired (Disposed)		Valuation Gain/Loss	Quantity	Equity Interest	Carrying Amount	Total Assets	Net Profit and Loss for the Current Period
								Quantity	Amount						

SK bioscience Co., Ltd.	Listed	2018-07-01	Management Participation	193,664	52,059,724	66.45	168,035	-	-	-	52,059,724	66.37	168,035	2,955,744	-56,173
SK chemicals Daejeong Co., Ltd.	Unlisted	2020-04-17	Management Participation	3	877,303	50.00	6,141	-	-	-	877,303	50.00	6,141	17,508	1,047
SK Multi-Utility Co., Ltd.	Unlisted	2021-12-01	Management Participation	160,012	1,000,000	100.00	160,012	100,000	59,100	-	1,100,000	100.00	219,112	964,674	-8,314
SK Chemicals (Yantai) Co., Ltd.	Unlisted	2020-07-13	Management Participation	505	-	100.00	33,848	-	-	-	-	100.00	33,848	74,774	3,568
SK chemicals (Shanghai) Co., Ltd.	Unlisted	2019-02-28	Management Participation	102	-	100.00	102	-	-	-	-	100.00	102	6,953	1,011
Shuye-SK Chemicals(Shantou) Co., Ltd.	Unlisted	2023-03-06	Management Participation	66,094	-	100.00	66,094	-	-	-	-	100.00	66,094	208,451	2,088
SK chemicals America	Unlisted	2002-07-26	Management Participation	1,058	-	100.00	1,448	-	-	-	-	100.00	1,448	40,709	1,940
SK chemicals GmbH	Unlisted	2008-06-20	Management Participation	40	-	100.00	433	-	-	-	-	100.00	433	53,911	2,287
SK chemicals Malaysia	Unlisted	2020-12-28	Management Participation	373	1,347,316	100.00	373	-	-	-	1,347,316	100.00	373	744	33
Entis (formerly SK Cytech)	Unlisted	1987-08-10	Management Participation	1,250	250,000	50.00	4,892	-	-	-	250,000	50.00	4,892	4,352	698
JSI Co., Ltd.	Unlisted	2015-04-29	Management Participation	6,078	160,000	40.00	-	-	-	-	160,000	40.00	-	952	71
HDC Polyall	Unlisted	2022-03-31	Management Participation	7,700	-	20.00	-	-	-	-	-	20.00	-	-1,779	50
Eastman Fiber Korea Ltd. (EFKL) (preferred stocks)	Unlisted	2019-08-28	Simple Investment	24,053	14,000,000	20.00	29,147	-	-	-696	14,000,000	20.00	28,451	287,483	24,898
Korea Investment Bio Global Fund	Unlisted	2020-11-18	Simple Investment	2,500	-	1.43	1,602	-	-65	377	-	1.43	1,914	335,636	-1,729
Standigm Inc. (preferred stocks)	Unlisted	2021-05-27	Simple Investment	3,000	194,301	1.39	3,000	-	-	-	194,301	1.35	3,000	3,525	-5,806
J2HBIOTECH Inc.	Unlisted	2021-08-06	Simple Investment	1,500	24,136	0.88	1,500	-	-	-	24,136	0.88	1,500	19,160	-2,725
Oncobix Co., Ltd.	Unlisted	2021-11-18	Simple Investment	1,000	27,066	2.20	1,000	-	-	-	27,066	2.20	1,000	714	-549
Sante Health Ventures IV, LP	Unlisted	2021-11-04	Simple Investment	971	-	5.30	12,540	-	2,089	1,486	-	5.30	16,115	377,529	93,037
Yongyeon Industrial District 4 Industrial Water Management Association	Unlisted	2006-12-29	Simple Investment	128	-	31.70	419	-	-	-	-	31.70	419	1,602	-24
Tiumbio Co., Ltd.	Listed	2023-12-28	Simple Investment	20,000	2,320,185	7.90	14,269	-	-	5,574	2,320,185	7.44	19,843	83,736	-14,768
Total				-	-	-	504,855	100,000	61,124	6,741	-	-	572,720	5,436,378	40,640

*The above "Financial Status for the Most Recent Fiscal Year" has been prepared as of the end of the fiscal year 2025.

*The parent company sold 50% of the shares of its subsidiary of SK chemicals Daejeong Co., Ltd., to Daejeong Chemicals & Metals Co., Ltd. The parent company is judged to have control over SK chemicals

Daejeong Co., Ltd. based on the fact that the chief executive officer of the parent company serves as the chief executive officer even after the equity interest was sold, and the chief executive officer has the decision-making authority given a deadlock situation.

*The shares of Eastman Fiber Korea (EFKL) are preferred stocks with voting rights, and the ownership percentage is based on the total number of issued shares and have been prepared according to K-GAAP standards.

*The shares of Standigm Inc. are convertible redeemable preferred stocks with voting rights, and the ownership percentage is based on the total number of issued shares and have been prepared according to K-GAAP standards.

***The financial status for the most recent fiscal year of Sante Health Ventures IV, LP has been prepared by translating amounts at the exchange rate as of the reporting date.**

*This is the financial status based on the consolidated financial statements adjusted to achieve consistency with the accounting policies of the consolidated subsidiaries to those of the parent company.

*The corporations without a separation marking are based on the common shares.

【 Confirmation of the Chief Executive Officer, Etc.】

Confirmation

In our capacities as Chief Executive Officer and reporting executive of the Company, we have directly confirmed and reviewed the contents of this disclosure document with due diligence. We hereby confirm that there are no omissions or false statements or representations of material information, and that this disclosure document does not contain any statement or representation that would cause a material misunderstanding to users of the information presented herein.

Furthermore, we confirm that the Company has established and operates an internal accounting control system in accordance with Article 8 of the Act on External Audit of Stock Companies, Etc.

March 19, 2026

[SK chemicals Co., Ltd.]

CEO [Ahn Jae Hyun]

Reporting Executive [Jung Hai Wook]

The block contains two handwritten signatures in black ink. The top signature is a stylized, cursive signature, likely belonging to Ahn Jae Hyun. The bottom signature is also cursive and appears to be 'Jung Hai Wook'.

Business Report

(The 9th Period)

Business Year	January 1, 2025	Starting Date
	December 31, 2025	End Date

Respectfully submitted to

Financial Services Commission, the Korea Exchange

March 16, 2026

Type of Corporation Subject to Submission: Stock-listed corporation

Reason for Exemption: Not applicable

Company Name: SK chemicals Co., Ltd.

Chief Executive Officer: Ahn Jae Hyun

Head Office: 310 Pangyo-ro (Sampyeong-dong),
Bundang-gu, Seongnam-si, Gyeonggi-do
(Phone) +82-2-2008-2008
(Website) <http://www.skchemicals.com>

Principal Officer: (Position) Head of Finance
(Name) Jung Hai Wook
(Phone) +82-2-2008-2008

【 Confirmation of the Chief Executive Officer, Etc.】

Confirmation

In our capacities as Chief Executive Officer and reporting executive of the Company, we have directly confirmed and reviewed the contents of this disclosure document with due diligence. We hereby confirm that there are no omissions or false statements or representations of material information, and that this disclosure document does not contain any statement or representation that would cause a material misunderstanding to users of the information presented herein.

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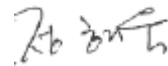
March 16, 2026

[SK chemicals Co., Ltd.]

CEO [Ahn Jae Hyun]



Reporting Executive [Jung Hai Wook]



I. Overview of the Company

1. Overview of the Company

A. Overview of the Consolidated Subsidiaries

1) Status of the Consolidated Subsidiaries (Summary)

(Unit: company)

Classification	Number of Consolidated Companies				Number of Major Subsidiaries
	Beginning of Period	Increase	Decrease	End of Period	
Listed	1	-	-	1	1
Unlisted	13	-	-	13	5
Total	14	-	-	14	6

*For detailed status, refer to "Detailed Table-1. Status of Consolidated Subsidiaries (Details)."

2) Changes in the Consolidated Companies

Classification	Subsidiaries	Reason
Newly Consolidated	-	-
Excluded from Consolidation	-	-

B. Legal and Commercial Name of the Company

The Company's name is "SK chemicals Co., Ltd.," which in Korean is noted as "에스케이케미칼 주식회사," and in English as "SK CHEMICALS CO., LTD."

C. Date of Establishment & Survival Period

The Company is a split-off company newly established on December 1, 2017 through the split-off of the Green Chemicals and Life Science business divisions previously operated by SK discovery Co., Ltd. pursuant to the provisions of Articles 530-2 to 530-11 of the Commercial Act.

D. Head Office's Address, Phone Number, and Website Address

Classification	Details
Head Office's Address	310 Pangyo-ro (Sampyeong-dong), Bundang-gu, Seongnam-si, Gyeonggi-do
Phone Number	+82-2-2008-2008
Website	http://www.skchemicals.com/

E. Whether Applicable as an SME, Etc.

Whether applicable as an SME		Not applicable
	Whether applicable as a venture company	Not applicable
Whether applicable as a middle standing enterprise		Not applicable

F. Contents of the Main Businesses

The Company was established through the split-off of the Green Chemicals and Life Science business divisions from SK discovery Co., Ltd. It operates in two main business areas: Green Chemicals Biz., focusing on environmentally friendly materials, and Life Science Biz., which produces and sells pharmaceuticals and vaccines. The consolidated revenue for the year-end 2025 is KRW 2.3652 trillion, with the following composition: 65.6% from high-performance Copolyester resins and other products, 20.6% from natural and synthetic pharmaceuticals, 27.6% from vaccine products, and -13.8% from other sources.  For more details, please refer to "II. Business Description" of these disclosure documents.

G. Matters Concerning the Credit Rating [Corporate Bond]

Meeting Number	Amount Issued (KRW 100 million)	Date of Issuance	Date of Maturity	Classification	Date of Rating	Rating	Rating Agency
15-2	1,000	2025-01-31	2028-01-31	Periodic rating	A+	2025-05-09	Korea Investors Service

15-1	700	2025-01-31	2027-01-29	Periodic rating	A+	2025-05-09	Korea Investors Service
14-2	1,000	2024-04-26	2027-04-26	Periodic rating	A+	2025-05-09	Korea Investors Service
14-1	500	2024-04-26	2026-04-24	Periodic rating	A+	2025-05-09	Korea Investors Service
13-3	700	2023-02-24	2026-02-24	Periodic rating	A+	2025-05-09	Korea Investors Service
15-2	1,000	2025-01-31	2028-01-31	This rating	A+	2025-01-06	Korea Investors Service
15-1	700	2025-01-31	2027-01-29	This rating	A+	2025-01-06	Korea Investors Service
14-2	1,000	2024-04-26	2027-04-26	This rating	A+	2024-04-12	Korea Investors Service
14-1	500	2024-04-26	2026-04-24	This rating	A+	2024-04-12	Korea Investors Service
13-3	700	2023-02-24	2026-02-24	Periodic rating	A+	2024-04-12	Korea Investors Service
15-2	1000	2025-01-31	2028-01-31	Periodic rating	A+	2025-04-28	NICE Investors Service
13-3	700	2023-02-24	2026-02-24	Periodic rating	A+	2025-04-28	NICE Investors Service
15-2	1000	2025-01-31	2028-01-31	This rating	A+	2025-01-09	NICE Investors Service
13-3	700	2023-02-24	2026-02-24	Periodic rating	A+	2024-04-11	NICE Investors Service
14-2	1000	2024-04-26	2027-04-26	This rating	A+	2024-04-11	NICE Investors Service
13-3	700	2023-02-24	2026-02-24	Periodic rating	A+	2023-05-04	NICE Investors Service
13-2	950	2023-02-24	2025-02-24	This rating	A+	2023-01-26	NICE Investors Service
15-2	1,000	2025-01-31	2028-01-31	Periodic rating	A+	2025-04-29	Korea Ratings Inc.
15-1	700	2025-01-31	2027-01-29	Periodic rating	A+	2025-04-29	Korea Ratings Inc.
14-2	1,000	2024-04-26	2027-04-26	Periodic rating	A+	2025-04-29	Korea Ratings Inc.
14-1	500	2024-04-26	2026-04-24	Periodic rating	A+	2025-04-29	Korea Ratings Inc.
13-3	700	2023-02-24	2026-04-24	Periodic rating	A+	2025-04-29	Korea Ratings Inc.

[Commercial Paper]

Date of Rating	Type of Rating	Rating	Effective Date	Rating Agency
This rating	A2+	2025-05-09	2025-12-01	Korea Investors Service
Periodic rating	A2+	2024-12-18	2025-06-30	Korea Investors Service
Periodic rating	A2+	2024-04-12	2025-06-30	Korea Investors Service
This rating	A2+	2025-04-28	2025-12-09	NICE Investors Service
Periodic rating	A2+	2024-12-10	2025-06-30	NICE Investors Service
This rating	A2+	2024-04-11	2025-06-30	NICE Investors Service

*About Corporate Bond Ratings

AAA	An "AAA" rating indicates the highest probability of payment of principal and interest.
AA	An "AA" rating indicates a very high probability of the payment. However, the probability may be slightly lower than the highest rating category (AAA).
A	An "A" rating indicates a high probability of the payment. However, the probability may be more sensitive to changes in circumstances and economic conditions than the higher rating category (AA).
BBB	A "BBB" rating indicates a moderate probability of the payment. However, changes in circumstances and economic conditions are more likely to impair this likelihood than the higher rating category (A).
BB	A "BB" rating indicates some uncertainty about the probability of the payment and speculative elements.
B	A "B" rating indicates substantial uncertainty about the probability of the payment and is considered speculative, and interest payments are not guaranteed in times of recession.
CCC	A "CCC" rating indicates a high risk of default, questionable probability of the payment, and is considered highly speculative.
CC	A "CC" rating indicates much greater uncertainty than the higher rating category (CCC).
C	A "C" rating indicates the highest risk of default and no capacity to repay the principal and interest.
D	A "D" rating indicates default.

*Ratings of Commercial Papers and Electronic Short-Term Bonds

A1	The capacity for timely payment is extremely strong, and the stability of its repayment capacity is also at the highest level.
A2	The capacity for timely payment is very strong, but stability is somewhat less than "A1."
A3	The capacity for timely payment and its stability are very good, but somewhat less than "A2."
B	The capacity for timely payment is adequate, but depending on short-term changes in conditions, speculative elements are inherent in its stability.
C	The capacity for timely payment and its stability are poor and is considered highly speculative.
D	A "D" rating indicates default.

H. Matters Related to the Company's Listing (or Registration/Designation) of Shares and Special Listing

Status of Stock Certificates Listed (or Registered/Designated)	Date of Stock Certificates Listed (or Registered/Designated)	Type of Special Listing
Listed on the securities market	January 5, 2018	Not applicable

2. History of the Company

A. History of the Company

- 1969** Founded Sunkyung Synthetic Fiber
- 1987** Acquired Samshin Pharmaceutical
- 1989** Established Life Science Research Institute
- 1998** Changed the company name to SK chemicals
- 1999** Developed Sunpla®, the world's first 3rd generation platinum complex anticancer drug (Korea's first new drug)
- 2002** Launched Joins®, an arthritis treatment (First natural treatment)
- 2005** Established SK Petrochemical (DMT business)
 Merged with SK Pharmaceutical
- 2006** Merged with Dongshin Pharmaceutical (Began the vaccine and blood products businesses)
 Developed biodiesel production technology
- 2008** Acquired UB Care Co., Ltd., a healthcare company
- 2009** Launched Ecogen®, a biomass-containing polyester resin
 Licensed out hemophilia treatment of NBP601, a new biopharmaceutical drug (CSL Limited.), for the first time in Korea
- 2012** NBP601 selected as Top 10 New Technologies in Korea
 Completed the construction of Andong Vaccine Plant (L House)
- 2013** Established Initz Co., Ltd. (Began the PPS business through a joint venture with Teijin Limited)
- 2014** Pursued a joint development of next generation pneumococcal vaccine with Sanofi Pasteur SA
 Andong Vaccine Plant (L House) approved to be qualified for KGMP (Korea Good Manufacturing Practice)
- 2015** Launched SKYCellflu® Trivalent (Korea's first cell-cultured influenza vaccine)
- 2016** Launched SKYCellflu® Quadrivalent (World's first quadrivalent cell-cultured influenza vaccine)
 Launched Afstyla (NBP601), a hemophilia treatment (CSL Limited.)
- 2017** Launched SKYZoster® (World's second and Korea's first herpes zoster vaccine)
 Launched a holding company (Surviving entity: SK discovery / Newly established entity: SK chemicals)
- 2018** Entered into a technology transfer agreement with Sanofi Pasteur for the

- production of highly efficient influenza vaccines
 Launched SKYVaricella® (Varicella vaccine)
 Established SK bioscience (through a split-off of the vaccine business)
- 2019** Merged with Initiz Co., Ltd.
- 2020** Sold off the bio-energy business
- 2021** Listed SK bioscience on the securities market
 Established SK Multi-Utility (through a split-off of the utility supply business)
 Sold off the PPS business
 Commercialized ECOTRIA CR
- 2022** Bio-polyol (PO3G) commercialized
 Commercialized SKYPET CR (Korea's first chemically recycled PET)
 Received UL Low Carbon Certification for CR-Copolyester
- 2023** Shuye-SK Chemicals(Shantou) Co., Ltd. established
- 2024** Launch of Subex (The First combination therapy for migraine treatment in Korea)
 Launch of ECOTRIA CLARO 300
- 2025** Recycle Innovation Center (RIC) established

B. Location of the Company's Head Office and Its Change

310 Pangyo-ro (Sampyeong-dong), Bundang-gu, Seongnam-si, Gyeonggi-do

C. Significant Changes in Management and Auditors

Date of Change	Type of General Meeting of Shareholders	Appointment		Expiry or Dismissal
		Newly Appointed	Reappointed	
2021-03-31	Regular Meeting of Shareholders	-	Outside Director An Yang Ho	-
2022-03-28	Regular Meeting of Shareholders	Non-Executive Director Ahn Jae Hyun	Chief Executive Officer Jeon Kwang Hyun Outside Director Park Jung Soo	-

2023-03-28	Regular Meeting of Shareholders	Chief Executive Officer Ahn Jae Hyun Non-Executive Director Jeon Kwang Hyun	Chief Executive Officer Kim Cheol Outside Director Moon Sung Hwan Outside Director Cho Hong Hee	-
2024-03-26	Regular Meeting of Shareholders	Outside Director Choi Sun Mee	-	Outside Director An Yang Ho
2025-03-26	Regular Meeting of Shareholders	Outside Director Park Tae Jin Non-Executive Director Son Hyeon Ho	-	Outside Director Park Jung Soo Non-Executive Director Jeon Kwang Hyun

D. Changes in the Largest Shareholder

When the Company was split off and newly established on December 1, 2017, the largest shareholder of the Company was Vice Chairman Choi Chang Won.

However, as a result of SK discovery's tender offer for the Company's registered common shares on April 19, 2018, SK discovery Co., Ltd. held 24.15% (3,148,571 shares) of the Company's total issued shares at that time and became the largest shareholder. As of December 31, 2025, it holds 36.35% (7,056,899 shares) of the Company's total issued shares.

☞ For more details related to the largest shareholder, please refer to "VII. Matters Concerning Shareholders."

E. Change of the Trade Name

The Company was newly established on December 1, 2017 under the trade name "SK chemicals Co., Ltd." through the split-off of the Green Chemicals and Life Science businesses previously operated by SK discovery Co., Ltd. pursuant to the provisions of Articles 530-2 to 530-11 of the Commercial Act.

F. If the Company Has Executed Merger, Its Relevant Details

What follows are the matters which have taken place within the last 5 business years.

1) Split-off of the utility supply business division

- Date of split-off: December 1, 2021

For more details, please refer to "XI. Other Matters Required for the Investor Protection -

4. Other Matters Such as Major Issues Which Arose After the Reference Date of

Preparation - B. Post-merger Information, Etc. - 2) Please refer to the 'Utility Supply

Business Division Split-off'."

G. The following details pertain to **important matters related to business activities** that occurred within the past five fiscal years.

[SK chemicals]

1) Publicly Offered Sales of SK bioscience

Following the listing of SK bioscience, the Company's subsidiary, on the securities market, the Company decided to publicly offer and sell the old stocks of the relevant subsidiary on February 5, 2021. For more information, refer to the securities declaration initially submitted by SK bioscience on February 5, 2021.

2) Decision on the Capital Increase Without Consideration

Based on the resolution of the board of directors dated October 7, 2021, the Company decided to carry out a capital increase without consideration for the allotment of new shares in the ratio of 0.5 share for each share held by the shareholders (excluding treasury shares) registered in the list of shareholders as of the date of new shares allocation.

The details of the allocation following the execution of the capital increase without consideration are as follows:

– Details of the Allocation Following the Capital Increase Without Consideration

(Unit: stocks)

Classification	Before the Capital Increase Without Consideration	Details of the Allocation Following the Capital Increase Without Consideration	After the Capital Increase Without Consideration
Common shares (excluding treasury shares)	11,738,768	5,869,384	17,608,152
Preferred stocks (excluding treasury shares)	1,313,519	656,759	1,970,278
Treasury shares	157,779	-	157,779
Total	13,210,066	6,526,143	19,736,209

Following the execution of the capital increase without consideration, the Company acquired treasury shares (18,229 common shares, 2,982 preferred stocks) in order to process fractional shares on November 9, 2021.

3) Decision to Acquire the Stocks and Equity Securities of Another Corporation

On March 6, 2023, the Company paid in RMB 350 million in capital and established Shuye-SK Chemicals(Shantou) Co., Ltd., a wholly owned overseas

subsidiary, and incorporated it as a subsidiary.

- Target company: Shuye-SK Chemicals(Shantou) Co., Ltd.
- Acquisition amount: KRW 66,094,000,000
- Date of acquisition: March 7, 2023
- Method of acquisition: Cash acquisition

4) Decision to Acquire the Stocks and Equity Securities of Another Corporation

The Company acquired shares of its wholly owned subsidiary, SK Multi-Utility Co., Ltd., for cash by participating in a paid-in capital increase, paying KRW 59.1 billion on June 25, 2025, in order to fulfill its capital contribution obligation to SK Multi-Utility Co., Ltd.

- Target company: SK Multi-Utility Co., Ltd.
- Acquisition amount: KRW 59,100,000,000
- Date of acquisition: June 26, 2025
- Method of acquisition: Cash acquisition

5) Decision to Issue Exchangeable Bonds

On September 19, 2025, the Company resolved to issue exchangeable bonds amounting to KRW 220 billion by utilizing the registered common shares of SK bioscience Co., Ltd. held by the Company. For further details, please refer to the Report on Material Events (Decision on Issuance of Exchangeable Bonds) submitted on September 19, 2025.

- Shares subject to exchange: Registered common shares of SK bioscience Co., Ltd.
- Number of shares: 3,822,430 shares
- Total face value of bonds: KRW 220,000,000,000
- Period of conversion claim: November 20, 2025 - September 20, 2030
- Bond maturity date: October 20, 2030

[SK bioscience]

The Company's subsidiary, SK bioscience, was established on July 1, 2018, through the physical split-off of SK chemicals' VAX business division, and its main history is as follows:

Year	History
2001	Acquired Dongshin Pharmaceutical
2005	Established the Vaccine R&D Center
2009	License Out of NBP601 (Hemophilia Treatment) – The First Domestic Bio-New Drug (CSL)
2012	Completed the construction of a vaccine production plant (Andong L House)
2013	Co-development and Global Supply Agreement for Typhoid Vaccine (IVI, GF)
2014	Executed a contract on the joint development of next-generation pneumococcal vaccine (Sanofi)

2015	Released Korea's first trivalent cell culture-based influenza vaccine
2016	Released the world's first quadrivalent cell-cultured influenza vaccine
2017	Co-development and Manufacturing Agreement for Pediatric Diarrhea Vaccine for Developing Countries (PATH, GF) Released the world's second shingles vaccine
2018	Executed a contract on the export of cell cultured flu vaccine production technology (Sanofi) Released chickenpox vaccine Established SK bioscience Co., Ltd. (by splitting off the SK chemicals' VAX business division on July 1, 2018)
2019	Acquired WHO PQ certification for trivalent and quadrivalent influenza vaccines and varicella vaccine
2020	Entered global Phase 2 clinical trials for the 21-valent pneumococcal vaccine co-developed with Sanofi; initiated development of a COVID-19 vaccine COVID-19 Vaccine Development GF Grant COVID-19 Vaccine Capacity Reservation Agreement (CEPI) and COVID-19 Vaccine CMO Agreement (AstraZeneca) COVID-19 Vaccine CDMO Agreement (Novavax)
2021	Executed a contract on the introduction of Novavax's COVID-19 vaccine technology Listed on the securities market (March 18, 2021) Acquired EU GMP for the first time as a vaccine company in Korea (Andong L HOUSE) Received IND approval for a phase 3 clinical trial plan for the COVID-19 vaccine candidate, "GBP510"
2022	Obtained domestic product approval for Novavax COVID-19 vaccine Signed a pre-purchase agreement for the COVID-19 vaccine "GBP510" with the government Approval of Phase 3 Clinical Trial Plan (IND) for COVID-19 Vaccine "GBP510" Booster Shot Obtained Export Item License for Typhoid Vaccine SkyTyphoid Multi and Domestic Product License for COVID-19 Vaccine "SKYCovione (GBP510)" from the Ministry of Food and Drug Safety
2023	Signed a CMO contract for a 2nd generation Ebola vaccine (MSD) Obtained "Marketing Authorisation" from the UK MHRA for COVID-19 Vaccine "SKYCovione (GBP510)" (Note 1) and Signed Supply Agreement for Influenza Vaccine with the Korea Customs Service COVID-19 Vaccine "SKYCovione (GBP510)" Listed in the World Health Organization (WHO) Emergency Use Listing (Note 1) Announced the results of global phase 2 clinical trial for the jointly developed 21-valent pneumococcal vaccine with Sanofi Signed a glocalization MOU and influenza vaccine stock solution supply contract

	with the state-owned pharmaceutical company GPO under the Thai government Acquired shares in Novavax, USA Membrane Patch Vaccine Development Agreement (Vaxxas) Co-development Agreement for 2nd Generation Ebola Vaccine (Hilleman Laboratories)
2024	Export of Influenza Vaccine SkyCellflu to Thailand and commencement of construction for the expansion of Andong L House Factory Signed Domestic Distribution Agreement for Five Vaccines, including Pediatric DTaP Vaccine, with Sanofi and Conditional Equity Acquisition of Sunflower Therapeutics, USA Acquisition of Equity in Fina Biosolutions, USA and Acquisition of Controlling Stake in IDT Biologika, Germany Obtained product approval in Indonesia for the influenza vaccine SkyCellflu SkyCellflu influenza vaccine received certification as a Next-Generation World-Class Product Initiated global Phase 3 clinical trials for the 21-valent pneumococcal vaccine co-developed with Sanofi Signed Revised Agreement for Next-Generation Pneumococcal Vaccine Co-developed with Sanofi (NextGene Vaccines Development)
2025	Entered into a domestic distribution agreement with Sanofi for RSV preventive antibodies and a Hepatitis A vaccine Completion of the WHO-led joint research project to establish an international standard material for the SARS virus Additional orders secured from PAHO for the varicella vaccine SKY Varicella (supply to the Central and South American region from 2025 to 2027) Final favorable judgment obtained in the patent invalidation litigation related

	to mRNA technology against Moderna Selected for the Korea Disease Control and Prevention Agency's "Priority Infectious Disease Pandemic Preparedness Rapid Development Technology Establishment Support Program" Final favorable judgment in a patent infringement prohibition and damages claim lawsuit related to the 13-valent pneumococcal vaccine against Pfizer Completion of the Andong L HOUSE pneumococcal vaccine manufacturing facility Completion of the Songdo Global R&PD (Research & Process Development) Center

(Note 1) Due to the transition to endemic and the World Health Organization's recommendation to compose variants for the vaccine strain, it was voluntarily withdrawn and revoked in 2024.

[IDT Biologika]

Year	History
1921	Establishment of the Altmark County Bacterial Research Institute (Dessau, Germany)
1925	Commencement of Production for Human Tuberculosis Vaccine and Swine Erysipelas Vaccine
1930	Expansion of Industrial Production for Passive Immunization Serum Establishment of Anhalt Serum Institute Dessau GmbH (ASID)
1945	Development of Vaccines and Diagnostics for Infectious Disease Response Newly Establishment of the Vaccine Research Institute (Forschungsinstitut für Impfstoffe)
1960	Decisions made for the direction of research and production regarding, and implementation of government policies for, the Prevention and Treatment of Animal Infectious Diseases
1980	Spin-off of Human Pharmaceutical Production Division Renaming of the Vaccine Factory to Impfstoffwerk Dessau-Tornau
1993	Privatization of the Company (Acquisition by Hartmut Klocke)
1999	Expansion of Production Capacity and Focus on Core Businesses: 1) Human Vaccine and Biologics CDMO, 2) Development, Production, and Distribution of Animal Pharmaceuticals
2007	Renamed to IDT Biologika
2015	Acquisition of Aeras TB's Contract Manufacturing Division (Rockville, Maryland) and Expansion into the North American Market
2019	Sale of the Animal Health Division to Ceva Sante Animale
2023	Official Certification of Pandemic Response Capabilities by the German Government, the First in Germany
2024	SK bioscience Acquires 60% Stake in IDT Biologika

[SK Multi-Utility]

The Company's subsidiary, SK Multi-Utility, was established on December 1, 2021, through the physical split-off of SK chemicals' power, steam and other utility supply divisions, and its main history is as follows:

Year	History
1989	Completed the construction of a coal-fired boiler
2009	Completion of Environmentally Friendly Eco Green Boiler
2021	Established SK Multi-Utility Co., Ltd. (by physically splitting off SK chemicals' power, steam, and other utility supply divisions on December 1, 2021)
2022	Signed an EPC contract for an LNG/LPG-fired combined heat and power (CHP) plant
2023	Signed a Project Financing Agreement for LNG/LPG-fired CHP plant
2025	Signed a Project Refinancing Agreement for LNG/LPG-fired CHP plant Commencement of commercial operations of the LNG/LPG-fired CHP plant, and change in the head office location

3. Changes in Capital

A. Changes in the Capital

The Company increased its capital by a total of KRW 337,375,000 by issuing 22,492 common shares in 2022 and 44,983 common shares in 2025.

(Unit: KRW, stocks)

Type	Classification	The 9th Period (End of 2025)	The 8th Period (End of 2024)	The 7th Period (End of 2023)	The 6th Period (End of 2022)	The 5th Period (End of 2021)
Common shares	Total number of issued shares	17,298,766	17,253,783	17,253,783	17,253,783	17,620,780
	Par value	5,000	5,000	5,000	5,000	5,000
	Capital	88,441,275,000	88,216,360,000	88,216,360,000	88,216,360,000	88,103,900,000
Preferred stocks	Total number of issued shares	2,115,429	2,115,429	2,115,429	2,115,429	2,115,429
	Par value	5,000	5,000	5,000	5,000	5,000
	Capital	10,577,145,000	10,577,145,000	10,577,145,000	10,577,145,000	10,577,145,000
Total	Capital	99,018,420,000	98,793,505,000	98,793,505,000	98,793,505,000	98,681,045,000

*On September 28, 2022, the board of directors decided to retire 389,489 treasury shares held by the company, and due to the retirement out of profits, there was no decrease in capital.

4. Total Number of Shares, Etc.

A. Status of the Total Number of Stocks

(Reference Date: 2025-12-31)

(Unit: stocks, %)

Classification		Type of Stock			Note
		Common shares	Preferred stocks	Total	
I. Total number of issued shares		40,000,000	10,000,000	50,000,000	-
II. Total number of issued shares to date		17,688,255	2,115,429	19,803,684	-
III. Total number of stocks decreased to date		389,489	-	389,489	-
	1. Capital reduction	-	-	-	-
	2. Retirement of profits	389,489	-	389,489	-
	3. Redemption of redeemable shares	-	-	-	-
	4. Other	-	-	-	-
IV. Total Number of Issued Shares (II - III)		17,298,766	2,115,429	19,414,195	-
V. Number of Treasury Shares		29,909	4,366	34,275	-
VI. Number of Shares in Circulation (IV - V)		17,268,857	2,111,063	19,379,920	-
VII. Treasury Shares Ownership Ratio		0.17	0.21	0.18	-

*On September 29, 2025, the Company issued common shares upon the exercise of share options, and the number of common shares increased by 44,983 on October 24, 2025.

*Pursuant to a resolution of the board of directors dated April 23, 2025, the Company decided to dispose of treasury shares comprising 948 common shares and 143,767 preferred shares held by the Company, and the disposal was completed on April 30, 2025.

*As of November 11, 2022, the exercise of stock options resulted in an increase of 22,492 common shares.

*On September 28, 2022, the board of directors decided to retire 389,489 treasury shares held by the company, and the retirement was completed on October 5, 2022.

*5,869,384 common shares and 656,759 preferred stocks were increased as a result of the capital increase without consideration on October 22, 2021.

*As of April 02, 2021, the exercise of stock options resulted in an increase of 10,000 common shares.

B. Status of the Treasury Share Acquisition and Disposal

The Company repurchased and retired treasury shares in 2022 for the purpose of shareholder return, and disposed of treasury shares in 2025.

(Reference Date: 2025-12-31)

(Unit: stocks)

Method of Acquisition			Type of Stock	Beginning Balance	Changes in Quantity			Closing Balance	Note
					Acquisition (+)	Disposal (-)	Share Retirement (-)		
Amount of shares acquired within profits available for dividends	Direct acquisition	On-market direct acquisition	Common shares	-	-	-	-	-	-
			Preferred stocks	-	-	-	-	-	-
		Off-market direct acquisition	Common shares	-	-	-	-	-	-
			Preferred stocks	-	-	-	-	-	-
		Tender offer	Common shares	-	-	-	-	-	-
			Preferred stocks	-	-	-	-	-	-
		Subtotal (a)	Common shares	-	-	-	-	-	-
			Preferred stocks	-	-	-	-	-	-
	Acquisition by trust contract	Number of shares indirectly held through trust contracts	Common shares	-	-	-	-	-	-
			Preferred stocks	-	-	-	-	-	-
		Number of shares directly held	Common shares	-	-	-	-	-	-
			Preferred stocks	-	-	-	-	-	-
		Subtotal (b)	Common shares	-	-	-	-	-	-
Preferred stocks	-		-	-	-	-	-		
Amount of shares acquired for other reasons (c)			Common shares	30,857	-	948	-	29,909	-
			Preferred stocks	148,133	-	143,767	-	4,366	-
Total (a+b+c)			Common shares	30,857	-	948	-	29,909	-
			Preferred stocks	148,133	-	143,767	-	4,366	-

*Pursuant to a resolution of the board of directors dated April 23, 2025, the Company decided to dispose of treasury shares comprising 948 common shares and 143,767 preferred shares held by the Company, and the disposal was completed on April 30, 2025.

*On September 28, 2022, the board of directors decided to retire 389,489 treasury shares directly held by the Company.

*On March 22, 2022, through the decision to enter into a trust agreement for the acquisition of treasury shares, 389,489 common shares as treasury shares were acquired. Upon termination of the trust agreement, the acquired stocks were received in kind.

*On November 9, 2021, treasury shares (18,229 common shares and 2,982 preferred stocks) were acquired to process fractional stocks resulting from the bonus issue.

C. Status of Treasury Share Direct Acquisitions and Disposals

(Reference Date: 2025-12-31)

(Unit: KRW 1,000, %)

Classification	Expected Period		Expected Amount (A)	Executed Amount (B)	Percentage of Completion (B/A)	Date of Reporting Results
	Start Date	End Date				
Direct disposal	2025-04-28	2025-04-30	2,806,572	2,806,572	100.0	-

*As this transaction constitutes an acquisition and disposal of treasury shares for specific purposes under Article 341-2 of the Commercial Act, no separate result report has been submitted.

D. Status of Issuance of Classes of Stocks (Name)

(Unit: KRW)

Date of Issuance		December 01, 2017	
Issuing price per stock (par value)		39,791	5,000
Total amount of issuance (number of issued shares)		84,174,339,850	2,115,429
Current balance (current number of stocks)		84,174,339,850	2,115,429
	Duration (valid period for preferred stock rights)	-	

Details of stocks	Matters concerning the dividends		- For preferred stocks without voting rights, A dividend of 1% per year, based on the par value, is paid in cash in addition to the dividend on common shares. - Dividends on preferred shares may not be paid if no dividends are paid on the common shares.
	Matters concerning the distribution of residual assets		-
	Matters concerning redemption	Holder of the redemption right	None
		Terms and conditions of the redemption	-
		Method of redemption	-
		Period of redemption	-
		Redemption amount per stock	-
		If redemption is planned	-
		for within 1 year or less	
	Matters concerning the conversion	Holder of the conversion right	None
		Terms and conditions of the conversion (including whether the conversion ratio has changed)	-
		Exercise of conversion right since issuance	N
		Period of conversion claim	-
		Types of stocks to be issued following the conversion	-
		Number of stocks to be issued following the conversion	-
	Matters concerning voting rights		- Registered preferred shares to be issued by the Company shall be non-participating, non-cumulative, indefinite, non-voting shares. - If any dividends on preferred shares shall not be paid from the profits of the fiscal year concerned, the holders of such

		preferred shares shall be deemed to have voting rights, from the next general meeting where the resolution not to pay the prescribed dividends for such preferred shares is made until the end of the general meeting where the resolution to pay to such preferred dividends is made.
	Other matters to be factored into investment decisions (inter-shareholder agreements and financial agreements, etc.)	– The date of issuance above is the date of the split off of the Company. – The total amount of issuance and the current balance above are the figures that were obtained by multiplying the number of preferred stocks by dividing the sum of the capital at the point in time of the split off and newly establishment and the excess amount of the stock issuance of the Company by the total number of issued shares. – The issuing price per stock above is the amount obtained by dividing the total issuance amount by the total number of issued shares.

5. Matters Concerning the Articles of Incorporation

A. History of the Changes Made to the Articles of Incorporation

Date of Change of the Articles of Incorporation	Name of the Relevant General Meeting of Shareholders	Major Changes	Reason for the Relevant Change Made
2024-03-26	The 7th Annual General Meeting of Shareholders	1. Extension of the Board of Directors Meeting Notice Date 2. Amendment of Certain Provisions Due to Improvement of Dividend Procedures	1. Securing sufficient review time for board agenda items through extension of the board of directors meeting notice period 2. Separation of the record date for voting rights and the dividend record date, with the dividend amount confirmed first and the dividend record date set after, to improve the dividend process and allow shareholders to know the dividend amount before making investments.

B. Matters Scheduled to be Amended in the Articles of Incorporation

The most recent amendment date of the Articles of Incorporation attached to the Business Report is March 26, 2024, and the agenda for the 9th Annual General Meeting of Shareholders (scheduled to be held on March 24, 2026) includes an agenda item for

amending the Articles of Incorporation.

Before Amendment	After Amendment	Note
Article 22 (Notice of Convening and Publication) ① (Omitted) ② (Omitted) ③ (Omitted)	① <Same as the current> ② <Same as the current> ③ <Same as the current> ④ <u>In accordance with Article 542-14(2) of the Korean Commercial Act, the Company allows shareholders not to attend the place of the meeting in person and to participate in the resolution by electronic means from a remote location, and such a method of general meeting shall be conducted.</u>	Adoption of an electronic general meeting of shareholders
Article 27 (Exercise of Voting Rights by Proxy) ① (Omitted) ② The proxy under Paragraph (1) shall submit written documents (power of attorney) evidencing his/her authority to act as proxy prior to the opening of a general meeting of shareholders.	Article 27 (Exercise of Voting Rights by Proxy) ① <Same as the current> ② The proxy under Paragraph (1) shall submit written electronic documents evidencing his/her authority to act as proxy prior to the opening of a general meeting of shareholders.	
Article 29 (Minutes of the General Meeting of Shareholders) The proceedings and results of a general meeting of shareholders shall be recorded in minutes. The chairperson and directors present shall affix their seals or signature thereon and keep them at the head office and branches of the Company.	Article 29 (Minutes of the General Meeting of Shareholders) ① <Same as the current> ② <u>If an electronic general meeting of shareholders is held in accordance with Article 22(4), the Company shall keep records relating to the holding of the electronic general meeting of shareholders at its head office.</u>	
Article 30 (Number of Directors) ① (Omitted) ② The Company shall appoint some of the directors as outside directors. The number, requirements, and other specific matters necessary for the operation of outside directors shall be subject to the relevant laws and regulations, and matters determined by the BOD.	Article 30 (Number of Directors) ① <Same as the current> ② The Company shall appoint some of the directors as independent directors. The number, requirements, and other specific matters necessary for the operation of independent directors shall be subject to the relevant laws and regulations, and matters determined by	

	the BOD.	
Article 33 (Appointment of Directors in Case of Vacancy) ① If, due to reasons such as resignation or death of a director during the term of office, there is a decrease in the number of directors resulting in a deficiency in the statutory number of directors prescribed under Article 383(1) of the Commercial Act, or a deficiency in the number of outside directors prescribed under Article 542-8(1) of the Commercial Act, a successor director shall be elected at the first general meeting of shareholders convened after such cause arises. ② (Omitted)	Article 33 (Appointment of Directors in Case of Vacancy) ① If, due to reasons such as resignation or death of a director during the term of office, there is a decrease in the number of directors resulting in a deficiency in the statutory number of directors prescribed under Article 383(1) of the Commercial Act, or a deficiency in the number of independent directors prescribed under Article 542-8(1) of the Commercial Act, a successor director shall be elected at the first general meeting of shareholders convened after such cause arises. ② <Same as the current>	Change the title of outside director to independent director
Article 39 (Committees) ① (Omitted) 1. Audit Committee 2. Outside Director Candidate Nomination Committee 3. Management Committee 4. Committees established by a resolution of the BOD as necessary	Article 39 (Committees) ① (Omitted) 1. Audit Committee 2. Independent Director Candidate Nomination Committee 3. Management Committee 4. Committees established by a resolution of the BOD as necessary	
Article 41 (Outside Director Candidate Nomination Committee) ① An Outside Director Candidate Nomination Committee may be established by a resolution of the BOD pursuant to the provisions of Article 39. ② The Outside Director Candidate Nomination Committee recommends candidates for outside director from among those who meet the qualifications prescribed by the Commercial Act for independent director from among those	Article 41 (Independent Director Candidate Nomination Committee) ① An Independent Director Candidate Nomination Committee may be established by a resolution of the BOD pursuant to the provisions of Article 39. ② The Independent Director Candidate Nomination Committee recommends candidates for outside director from among those who meet the qualifications prescribed by the Commercial Act for independent director from among those	

who meet the qualifications prescribed by the Commercial Act and other applicable laws and regulations. ③ Details regarding the composition, operation, etc. of the <u>Outside Director</u> Candidate Nomination Committee shall be determined by the BOD.	who meet the qualifications prescribed by the Commercial Act and other applicable laws and regulations. ③ Details regarding the composition, operation, etc. of the <u>Independent Director</u> Candidate Nomination Committee shall be determined by the BOD.	
Article 43 (Audit Committee) ① (Omitted) ② (Omitted) ③ Members of the Audit Committee shall be appointed in accordance with the Commercial Act and other applicable laws and regulations. ④ (Omitted)	Article 43 (Audit Committee) ① (Omitted) ② (Omitted) ③ Members of the Audit Committee shall be appointed in accordance with the Commercial Act and other applicable laws and regulations. <u>In this case, two members of the Audit Committee are appointed as directors who will serve as members of the Audit Committee, separately from the other directors, by a resolution of the general meeting of shareholders.</u> ④ (Omitted)	Expansion of separate election of audit committee members
<Newly established>	<u>Addendum <Amended on 2026-03-24></u> <u>These Articles of Incorporation shall be effective from March 24, 2026. However, the amendments to Articles 22, 27 and 29 shall come into effect on January 1, 2027. Articles 30, 33, 39 and 41 shall come into effect starting July 23, 2026.</u>	

C. Current Status of Business Objectives

Classification	Business Purpose	Whether Conducting Business
1	Manufacture, processing, sale and import/export of synthetic resins and related products;	Conducting
2	Manufacture, processing, sale, and import/export of carbon fiber, composite materials, and related products (Note 1)	Not conducting
3	Manufacture, processing, sale, and import/export of inorganic materials and related products (Note 1)	Not conducting
4	Manufacture, processing, sale, and import/export of pesticides and related products (Note 2)	Conducting
5	Manufacture, processing, sale, and import/export of various surfactants, synthetic detergents, and other household goods and related products (Note 2)	Conducting
6	Manufacture, processing, sale, and import/export of information electronic materials and related products (Note 2)	Conducting
7	Manufacture, processing, sale and import/export of fine chemical products;	Conducting
8	Manufacture, processing, sale and import/export of food, food additives, ginseng products and related products (Note 2)	Conducting
9	Manufacture, processing, repair, sale, and import/export, and wholesale distribution of pharmaceuticals, quasi-drugs, veterinary drugs, cosmetics, medical supplies, medical equipment, and sanitary products, healthcare-related businesses	Conducting
10	Manufacture, processing, sale, and import/export of raw materials for polyester fiber and regenerated fiber (acetate fiber, etc.) and related chemical products	Conducting
11	Manufacture, processing, sale and import/export of polyester fibers and related products;	Conducting
12	Manufacture, processing, sale, and import/export of regenerated fiber (acetate fiber, etc.) and related products (Note 1)	Not conducting
13	Manufacture, processing, dyeing, sale, and import/export of woven/knitted fabrics, clothing, and related products (Note 1)	Not conducting
14	Manufacture, processing, sale, and import/export of building materials and related products (Note 1)	Not conducting
15	Venture capital or business support for start-ups	Conducting
16	E-commerce and service provider through the Internet	Conducting
17	Real estate sales and leasing services	Conducting
18	Specialized construction business, building and civil engineering construction business (Note 2)	Conducting
19	Environmental measurement agency business and environmental management service business (Note 2)	Conducting
20	Environmental pollution prevention facility business (Note 2)	Conducting
21	Manufacture, processing, sale and import/export of high-purity organic solvents, and retail business of ethanol	Conducting
22	Manufacture, cultivation, storage, processing, sale, and import/export of biodiesel and other petroleum alternative fuels, their raw materials, mixtures, by-products, and production plant facilities (Note 1)	Not conducting
23	Refining, processing, sale, import/export of by-products (toxic substances, methanol, etc.) generated in the manufacturing process of the products in each of the above items, and sale of utilities (nitrogen, compressed air, steam, etc.)	Conducting
24	Manufacture, sale, and import/export of machinery, equipment, and facilities related to the businesses in each of the above items	Conducting
25	Technical services related to the businesses of each of the foregoing subparagraphs	Conducting
26	Investment in the textile and chemical industries and investment deemed necessary for the management of the businesses in each of the above items	Conducting
27	Provision and sale of computer system services including analysis, design, development, integration, education, and operation of computer systems	Conducting
28	Manufacture, processing, and sale of health functional foods (Note 2)	Conducting
29	Business related to the operation of and investment in medical institutions (Note 2)	Conducting
30	Business related to the manufacture, processing, sale, and import/export of automotive parts and related products (Note 1)	Not conducting
31	Leasing of intellectual property rights such as trademarks and patents related to each of the foregoing subparagraphs	Conducting
32	Construction and operation of facilities necessary for the implementation of the businesses, product manufacturing and research of each of the foregoing subparagraphs	Conducting
33	Any business and investment related to, necessary for, or concomitant of each of the foregoing subparagraphs	Conducting

(Note 1) Regarding the business purposes in each of the above items, the Company previously conducted the businesses but has sold them

and is not currently conducting them as of the reference date of the disclosure document preparation. (Note 2) Regarding the business

purposes in each of the above items, the Company previously conducted the businesses but has discontinued them as of the reference date

of the disclosure document preparation.

II. Business Description

1. Business Overview

The Company is based in Pangyo and operates three domestic manufacturing plants in Ulsan, Cheongju, and Andong, as well as two manufacturing plants in Yantai and Shantou, China. Additionally, the Company operates local subsidiaries and regional offices in China, the United States, Germany, Japan, and Malaysia.

The Company's business is primarily divided into Green Chemicals Biz., which oversees environmentally friendly materials, including the Copolyester business, recycling business, and the functional materials business, which manufactures and sells adhesives and coatings. Additionally, there is the bio-polyol (PO3G) business.

In particular, the Company is securing new growth drivers by establishing a circular economy business portfolio centered on green chemicals, including equity investments in a China-based recycling specialist (Shuye) and the establishment of a RIC (Recycle Innovation Center), while building production infrastructure for chemically recycled PET (CR-PET) and feedstock (r-BHET).

Life Science Biz., which oversees the pharmaceutical and biotechnology businesses, is engaged in the production and sale of new drugs developed in-house, such as a natural substance-based arthritis treatment and a blood circulation enhancer, and premium vaccines such as the world's first cell-cultured quadrivalent influenza vaccine developed by its subsidiary SK bioscience and herpes zoster vaccine.

Other businesses include SK Multi-Utility, which operates as a district energy supply business and, as a deemed electricity business operator, engages in the sale of heat (steam) and electricity within its supply area.

The main products which the Company offers by business division are as follows:

- Green Chemical Biz.: High-functional Copolyester resins, DMT, coating, Copolyester adhesives, bio-polyols (PO3G), CR-PET materials, CR raw materials (r-BHET), etc.
- Life Science Biz. (Pharma Business): Joins, Gynexin, Rivastigmine patch, and other natural and synthetic pharmaceuticals
- Life Science Biz. (SK bioscience): In-house vaccines, Boostrix, intravenous solutions, CDMO, etc.
- Other business (SK Multi-Utility): Steam and electricity production, etc.

The Company's consolidated revenue for 2025 is KRW 2.37 trillion, with the business segments including Green Chemicals Biz. 65.6%, Life Science Biz. Pharma Business 20.6%, SK bioscience 27.6%, and other segments 13.8%. Additionally, by region, the revenue is composed of 50.3% from exports and 49.7% from domestic sales.

For details and information not included in "1. Business Overview" above, please refer to content from "2. Key Products and Services" to "7. Other Matters of Reference" under "II. Business Description."

2. Key Products and Services

A. Key Product Sales

The Company's Green Chemicals Biz. provides differentiated products based on customer needs, including high-performance Copolyester resins, DMT, coating, Copolyester adhesives, bio-polyol (PO3G), circularly recycled PET materials and raw materials (r-BHET), etc. Life Science Biz. operates in the healthcare sector across two areas: the Pharmaceutical Business (Pharma Biz.) and the Vaccine Business (SK bioscience). The other segment (SK Multi-Utility) is engaged in the district energy supply business. The net sales amount and the weight of sales by business division are as follows:

(Reference date: December 31, 2025) (Unit: KRW million, %)

Division		Key Products	Sales Revenue	Percentage
Green Chemicals Biz.		High-functional Copolyester resins, DMT, coating, Copolyester adhesives, bio-polyols (PO3G), CR-PET materials, CR raw materials (r-BHET), etc.	1,551,421	65.6
Life Science Biz.	Pharma Business	Natural substance based and synthetic drugs (arthritis treatment, blood circulation improving agent, etc.), etc.	488,091	20.6
	SK bioscience	In-house vaccines, Boostrix, intravenous solutions, CDMO, etc.	651,724	27.6
Other (including consolidation adjustments)			(326,071)	-13.8
Total			2,365,165	100.0

*For detailed sales information, please refer to "II. Business Description," section "4. Status of Sales & Contracts Won," subsection "A. Sales Performance."

B. Key Products

1) Green Chemicals Biz.

[SKYGREEN] Copolyester Resin

Copolyester (PETG, PCTG) SKYGREEN is used in a wide range of applications from household items to industrial materials such as cosmetic containers, electronic

components, and building materials based on its excellent transparency, chemical resistance, processability, and moldability. A stable production system has been established through vertical integration from CHDM, the main raw material, to Copolyester.

[ECOZEN] Bio-Based Copolyester Resin

Launched in 2009, ECOZEN incorporates bio-based (plant-derived) components, with a biomass content of 1-15% by carbon weight, resulting in a product with improved heat resistance compared to the existing Copolyester SKYGREEN. Additionally, it does not contain Bisphenol derivatives (such as BPA) or Phthalate-based plasticizers regulated by the EU RoHS directive. It meets the requirements for food contact materials in Korea, the United States, Europe, China, and Japan. Based on its excellent properties, ECOZEN is used in a wide range of applications, including electronics, food containers, and baby products.

[ECOTRIA] Resource circulated Copolyester resin

ECOTRIA is a Copolyester product made from post-consumer recycled materials or complies with the definition of PET as described in ASTM D7611-20. It is divided into the R series, which uses physically recycled materials, and the CR series, which uses chemically recycled materials, along with RIC #1 PET. The series is composed of the CLARO series, which offers superior moldability.

ECOTRIA offers transparency, physical performance, and moldability close to that of conventional Copolyester products, making it suitable for a wide range of applications, including cosmetic containers, packaging materials, and household products.

[SKYDMT] DMT

DMT is primarily used in the synthesis of Polyesters such as PET and PBT through ester exchange reactions, and is used in high-quality products such as films, fibers, engineering plastics, and adhesives. Also, the Company's DMT is used as a raw material for CHDM for the production of Copolyester.

[SKYBON] Polyester resin for coating and adhesion

The high molecular weight Polyester resin, SKYBON, is renowned for its flexibility and excellent adhesion, making it highly sought after as an adhesive and coating resin in various fields, including steel plates for home appliances and food can coatings. Its solvent-free, hot-melt type, which does not use organic solvents, offers excellent wash

resistance and is increasingly applied as an adhesive resin for heat transfer films in the apparel industry. In addition, to respond to the eco-friendly trend, the Company is expanding its portfolio of water-based polyester resins and developing high-functionalspecialty resins that can be applied to rapidly evolving electronic component materials.

[SKYPURA] PCT

SKYPURA, a PCT material, is a type of super engineering plastic made based on CHDM. This material has excellent heat stability, reflectance, and light resistance, making it used for TV or lighting LED reflectors. It also has excellent electrical properties as a high-heat-resistant material, expanding its use as a material for electrical and electronic components such as SMT connectors. Recently, it is being sold with expanded applications such as automotive films and high-heat-resistant fibers due to the needs for heat resistance, durability, and insulation resistance.

[SKYPEL] TPEE

SKYPEL is a thermoplastic elastomer based on high molecular weight polyester. As an elastic material with intermediate characteristics between plastic and rubber, it is used in a range of applications such as automobiles, E&E, fiber, and film. Recently, with the emphasis on aesthetic/tactile properties, the demand for TPEE, which has excellent cost-effectiveness, is expanding as a material for shoes and synthetic leather, and the market is expanding at an annual average of 6%, making it an attractive material. We continue to expand our market efforts by developing differentiated materials with low hardness but excellent physical properties, and by creating products that meet customer needs.

[SKYTRA] Compound Product

SK chemicals' compounding brand, SKYTRA, is based on high-performance resins produced by SK chemicals, offering solutions that meet the diverse needs of customers. Based on the resin produced by SK chemicals, it is achieving continuous growth through business development for various applications, including automobiles, electricity and electronics, and living environment.

[PO3G] 100% Bio-based Polyol

PO3G is a 100% new biomaterial that replaces polyols that use conventional petroleum-based raw materials. Polyol is one of the key raw materials for polyurethane materials,

which are widely used in synthetic leather, clothing, coatings and adhesives, and spandex fibers. PO3G, produced using biomass-derived raw materials, is based on renewable resources rather than finite resources such as petroleum. It contributes to carbon emissions reduction and is expected to support the mitigation of global environmental and climate-related issues. In terms of physical properties, it enables excellent low-temperature characteristics, elasticity, tensile strength, and superior surface properties, allowing for the development of differentiated products that can meet the diverse needs of customers. The PO3G commercial facility completed its trial operation in March 2022 and is currently equipped with an annual production capacity of 5,000 tons. It is set to actively venture into the eco-friendly market as a new growth driver.

[SKYPET CR] Chemically recycled PET resin

SKYPET CR is the world's first commercially available chemically recycled PET resin. It offers the same level of physical properties as conventional PET, making it applicable in a wide range of uses. Our SKYPET CR has been recognized for its excellent quality and safety, and is expanding its application range to include source containers, tire cords, and more. Moving forward, we aim to meet the eco-friendly material needs of various global brand owners and continue to expand our reach.

2) Life Science Biz.

(1) Pharmaceutical Business (Pharma Biz.)

[Joins] NaturalProduct ArthritisTreatment

Joins is Korea's first herbal ingredient-based arthritis treatment that has proven equivalent anti-inflammatory and analgesic effects and low side effects compared to existing anti-inflammatory analgesics in clinical trials conducted at five general hospitals, including Seoul National University Hospital. In addition to anti-inflammatory and analgesic effects, it is evaluated as a fundamental treatment for arthritis as it exhibits protective effects on cartilage tissue. In 2023, the approval of the high-dose product, Joins F 300mg, is expected to enhance convenience of administering and expand the product lineup, further solidifying its position in the osteoarthritis market.

[Ginexin-F] Blood circulation improvement and cognitive function enhancement agent with ginkgo leaf ingredients

Ginexin-F, a blood circulation improvement and cognitive function enhancement agent, has maintained the No. 1 market share for ginkgo leaf products.

This product, developed using proprietary patented technology, extracts active ingredients such as ginkgolides from ginkgo leaves. It helps reduce blood viscosity and expand blood vessels. In 2021, the launch of the high-dose product, Ginexin F 240mg, improved patient convenience by allowing once-a-day dosage. Since its launch in 1992, the Company has consistently worked to enhance consumer convenience. In addition, Ginexin launched "Rinexin" in 2010, which combines the antiplatelet agent cilostazol, improving its efficacy and receiving a positive response. In July 2020, the Company launched "Rinexin SR" to improve patient compliance and convenience compared to the original Rinexin, thereby expanding its product lineup and solidifying its position in the domestic blood circulation disorder market.

[Rivastigmine Patch] A transdermal patch-type dementia treatment

In 2010, SK chemicals developed the patch-type dementia treatment, Rivastigmine Patch (domestic product name: Windron). In 2013, it obtained marketing authorization in Europe as the first generic product, thereby demonstrating its strong technological capability in the European market as well. The Company has been continuously expanding its overseas entry, obtaining approval in Australia and Colombia in 2016, Mexico and Jordan in 2017, Canada in 2018, U.S. FDA approval in 2019, and approval in Brazil in 2021.

[Mvix S] World's First Film-Type Erectile Dysfunction Treatment

In 2011, SK chemicals introduced Mvix S, the world's first film-type erectile dysfunction treatment, followed by a high-dose film-type formulation in 2012, establishing a portfolio of various formulations. Mvix S is a product that innovatively changed the existing tablet into a film formulation, making it thin and light enough to fit in a wallet, maximizing the convenience of carrying and taking the medication, and receiving positive reviews in the market. In 2014, the formulation of Mvix S was improved to significantly reduce its melting speed and size, making it even more convenient.

[Trast] Patch-type arthritis treatment with strong efficacy

Trast has grown into a representative brand in Korea as a patch-type arthritis treatment that has been consistently loved since its launch in 1996. It has the strength of minimizing the side effects of existing oral medications by directly attaching it to the joint area with pain and providing long-lasting efficacy for 48 hours with a single application. It maximized the persistence of the arthritis treatment effect by delivering the anti-inflammatory and analgesic drug piroxicam at the same concentration through the

transdermal drug delivery system (TDDS) technology.

[SK bioscience]

A. Status of major products, etc.

(Reference date: 2025-12-31)

(Unit: KRW million)

Division	Type of Sales	Classification	Item	Sales Revenue	Ratio
① Vaccine development and commercialization	Product	Vaccine medicine	SKYZOSTER, SKYCellflu and others	102,606	15.8%
	Goods	Vaccine products, etc.	Beyportus, Hexasim, etc.	59,511	9.1%
	Other	Service revenue, etc.	Other services, etc.	23,618	3.6%
CDMO		Service revenue, etc.	CDMO, etc.	465,633	71.5%
Total				651,368	100.0%

B. Price fluctuation trend of major products, etc. and reasons for price fluctuation

The sales prices of the Company's products vary depending on various factors such as market conditions, government policies, fluctuations in raw material prices, and the prices of competing products. Therefore, price fluctuation trends are not provided separately.

– Vaccine Development/Commercialization

In general, the price of vaccine products is determined according to the market or government demand in response to the outbreak of infectious diseases and the supply situation of vaccine companies.

– CDMO

In the case of the CDMO/CMO business, prices are determined through mutual agreement with clients while considering market conditions and key contract terms.

[SK Multi-Utility]

In 2021, SK chemicals established a new subsidiary, SK Multi-Utility, through a physical split-off to enhance its expertise and strengthen management efficiency by focusing on its core competencies in the utility supply business, including the electricity and steam businesses. The main products of the SK Multi-Utility business are heat (steam) and electricity, and it sells steam and electricity to customers within its supply area as a collective energy business operator and a deemed district electricity business operator. SK Multi-Utility completed its LNG/LPG-fired CHP plant in the second half of 2025 and has since entered stable commercial operations. A high-efficiency facility that simultaneously produces electricity and steam has strengthened the stability of energy supply for companies within the Mipo National Industrial Complex, and a dual-fuel system has been established to enable flexible responses to fuel price volatility. In addition, with the designation of Ulsan City as a specialized distributed energy zone and the Company's selection as a distributed energy operator, it has enabled a more cost-efficient supply of energy to local industrial complexes.

3. Raw Materials and Production Facilities

A. Matters Concerning Key Raw Materials

1) Status of the purchase of key raw materials

(Reference date: 2025-12-31) (Unit: KRW million)

Division	Type of Purchase	Item	Purpose of Use	Amount of Purchase	Major Place of Purchase
Green Chemicals Biz.	Raw materials	PTA, MEG	Main raw material for the Copolyester resin production	167,893	PTA - Hanwha Impact, Taekwang Industrial MEG - Lotte Chemical, Glowide, Korea Petrochemical Ind. Co., LTD.
	Raw materials	QTA, MeOH	Main raw material for the DMT production	123,828	QTA - Samnam Petrochemical MeOH - Glowide Co. Ltd.
Life Science Biz.	Raw materials	Polaprezinc, Febuxostat, Rivastigmine	Main raw materials for Promac Tab./Fabric Tab./Dementia Patch	12,800	Enzychem Life Sciences, Teijin, Shodhana
	Raw materials	Cellufine Sulfate, FBS, media	Raw materials for SKY Cellflu/SKY Zoster	8,048	Lonza, JNC Corporation, Thermofisher

2) Trends in the changes of the major raw materials' prices

(1) Green Chemicals Biz.

Green Chemicals Biz. uses PTA, MEG, and CHDM as raw materials to produce our highly functional Copolyester resins and polyester adhesives. These raw materials are directly affected by oil prices and exchange rates. In particular, PTA (Purified Terephthalic Acid), a key raw material for Copolyester resin, has the characteristic of repeating booms and recessions depending on the global economy and supply and demand.

In Q4 2025, the polyester chain market continued to experience weakness in upstream segments such as crude oil and naphtha. Meanwhile, downstream products showed divergent trends by product category, with differentiation within the value chain becoming increasingly pronounced. Overall, in the fourth quarter, the Polyester Chain experienced continued PX strength, a limited increase in PTA, and persistent weakness in MEG. Despite weakness in upstream segments, PX significantly improved its spread driven by tight supply-demand conditions and market sentiment, whereas PTA saw only limited spread improvement due to increased supply, and MEG continued to weaken amid excess inventory, showing a marked imbalance across the value chain.

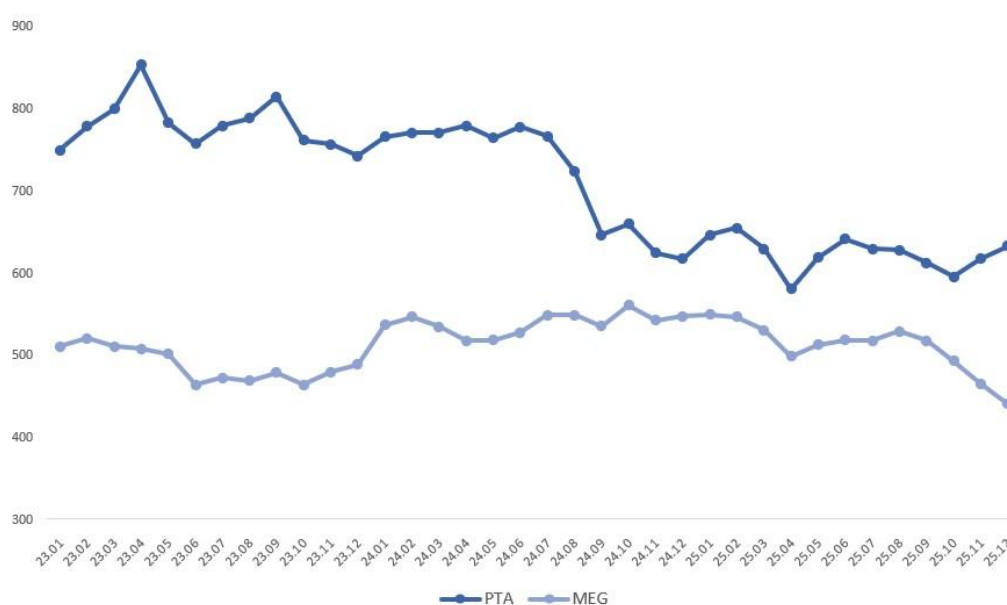
PX showed a relatively strong upward trend, driven by a combination of expectations of tight supply-demand conditions, sustained downstream operating rates, and inflows of speculative capital into the futures market. Amid this, the decline in naphtha prices led to a significant widening of the PX–naphtha spread to its highest level of the year, resulting in a substantial improvement in upstream value chain margins.

On the other hand, PTA prices increased, partially reflecting the strength in PX; however, due to the continued oversupply structure, the improvement in spreads remained limited. During the fourth quarter, operating rates at major plants in the region remained at elevated levels, leading to continued supply-side pressure. As a result, the PTA–PX spread narrowed again in December. As a result, PTA prices showed a firm, slightly upward trend; however, from a profitability perspective, the segment failed to achieve a clear improvement, revealing structural limitations.

MEG remained weak throughout the fourth quarter, showing a contrasting trend compared with PX and PTA. Following the China National Day holiday, large-scale import volumes continued to enter the market, and alongside the resumption of producers' operations, supply-side pressures continued to increase. Amid an expanding wait-and-see sentiment in the market, inventories increased rapidly, and accordingly, MEG prices recorded a downward trend for three consecutive months. In addition, spreads further deteriorated, and MEG, amid a lack of clear demand recovery drivers, showed signs of entrenched structural weakness.

Price Trends of PTA and MEG

(Unit: USD/ton)



(Source: ICIS, Platts and other information publications, Korea Gas Corporation's official posted prices, etc.)

(2) Life Science Biz.

– Pharmaceutical Business (Pharma Biz.)

The Pharmaceutical Business (Pharma Biz.) manufactures finished pharmaceutical products in specific forms that can be administered to humans, by introducing raw materials and materials into the production process, while complying with GMP standards. In the fourth quarter of 2025, following the third quarter, foreign exchange rates continued to show an upward trend; however, as a result of continuously monitoring procurement trends for key raw materials and auxiliary materials on a regular basis, no significant volatility in purchase prices occurred despite ongoing global uncertainty.

In addition, air and sea schedules and freight costs related to imports remained stable, and raw materials were imported on time without any issues related to the supply chain management (SCM).

– Vaccine Business (SK bioscience)

The raw materials for SK bioscience's biopharmaceuticals have low demand elasticity to price fluctuations and are less affected by economic trends. The prices for key raw materials are typically negotiated and determined through annual contracts. SK bioscience presents the expected demand volume based on previous annual usage and business plans, while suppliers determine the discount rates for each item based on the list price, ultimately finalizing the annual unit price. Typically, the unit prices of raw materials and sub-materials are subject to price fluctuations due to factors such as the annual inflation rate and labor costs. For imported items, additional factors such as exchange rates, transportation costs, and customs agreements are also considered. In the fourth quarter of 2025, procurement of raw materials and components remained generally stable; however, amid heightened volatility in global financial markets and a continued strengthening of the U.S. dollar, the KRW/USD exchange rate stayed at elevated levels, resulting in persistent cost pressures on imported goods. For key raw materials, it is expected that 2026 usage volumes will be proactively secured, enabling the procurement of quantities at competitive unit costs. Most raw materials are subject to ongoing requests for unit price adjustments from suppliers due to fluctuations in global market conditions and rising logistics costs. Accordingly, SK bioscience is focusing on minimizing cost volatility by reviewing existing contract terms, expanding long-term supply agreements, and diversifying its supplier base. In addition, tariff and regulatory risks arising from strengthened protectionist trade policies and changes in trade policies in the United States and other key countries are also acting as supply chain risks. SK

bioscience is continuously monitoring the factors driving price increases and the supply of key raw materials in real-time. The Company is strengthening its negotiating power and partnerships with suppliers to ensure a smooth supply of raw materials, making it a top priority to prevent any disruption in production.

[SK Multi-Utility]

1) Status of the purchase of key raw materials

(Reference date: 2025-12-31) (Unit: KRW million)

Division	Type of Purchase	Item	Purpose of Use	Amount of Purchase	Major Place of Purchase
Supply of utilities such as electricity and steam	Raw materials	Bituminous coal	Fuel for steam and electricity production	20,552	Hanil International
	Raw materials	Wood chips	Fuel for steam production	2,338	Sungjin Industrial, D&G Industry, etc.
	Raw materials	LNG	Fuel for steam and electricity production	84,862	SK Gas International Pte.

2) Trends in the changes of the major raw materials' prices

For the supply of utilities such as electricity and steam, steam and electricity are produced using bituminous coal and wood chips as raw materials. These raw materials have the characteristic of repeating booms and recessions depending on the global economy and supply and demand. The key raw material LNG is purchased in full through an overseas related party, SK Gas International Pte. Ltd. Bituminous coal varies by origin and calorific value, and the market fluctuates depending on the supply status of major producing countries. In the first half of 2022, prices soared due to Indonesia's export ban, and after that, high unit prices persisted due to factors such as the strong dollar, disruptions in producing countries, and export restrictions resulting from events such as the Ukraine crisis. However, starting from 2023, market conditions gradually stabilized and prices began to decline, and from late 2024 to the present, prices have remained stable.

B. Matters Concerning Production and Facilities

1) Production Capacity and Basis or Calculation of Production capacity

[SK chemicals]

(1) Production capacity

Production capacity = Daily production capacity × Number of days of operation available

Business Division	Item	The 9th Period	The 8th Period	The 7th Period
Green Chemicals Biz.	Copolyester resins, DMT, r-BHET, etc.	503,000 tons	480,000 tons	471,000 tons
	BON	13,000 tons	13,000 tons	12,000 tons
Life Science Biz.	Tablets (Note 1)	736,963,000 tablets	749,195,000 tablets	758,369,000 tablets
	Patches	63,769,000 patches	64,827,000 patches	65,621,000 patches

(Note 1) Refers to the production capacity of the production equipment itself regardless of the type of tablets produced.

(2) Calculation basis for production capacity

① Basis of calculation

Business Division	Product	Daily Production Capacity	Available operating days for the current period
Green Chemicals Biz.	Copolyester resins, DMT, r-BHET, etc.	1,520 tons	331 days
	BON	36 tons	365 days
Life Science Biz.	Tablets (Note 1)	3,057,938 tablets	241 days
	Patches	264,600 patches	241 days

(Note 1) Refers to the production capacity of the production equipment itself regardless of the type of tablets produced.

② Average hours of operation

Business Division	Product	Average Daily Hours of Operation	Average Number of Days of Operation Per Month	Number of Days of Actual Operation for the Current Period
Green Chemicals Biz.	Copolyester resins, DMT, r-BHET, etc.	24 hours	27 days	320 days
	BON	24 hours	28 days	331 days
Life Science Biz.	Tablets	8 hours	20 days	236 days
	Patches	8 hours	20 days	236 days

(3) Production Performance and Operation Rate

① Production performance

Business Division	Item:	The 9th Period	The 8th Period	The 7th Period
Green Chemicals Biz.	Copolyester resins, DMT, r-BHET, etc.	390,000 tons	414,000 tons	331,000 tons
	BON	11,000 tons	11,000 tons	11,000 tons
Life Science Biz.	Tablets (Note 1)	777,824,000 tablets	639,795,000 tablets	652,702,000 tablets
	Patches	40,435,000 patches	38,178,000 patches	39,374,000 patches

(Note 1) As for the tablets, many different types exist and the production process and production time vary for each type. Therefore, the production volume is inevitably smaller than the production capacity of the equipment itself. As for the operation rate of tablet items, the operation rate of the current period is the exact figure, not the production volume relative to the production capacity.

② Operation rate

Business Division	Item:	Available operating days for the current period	Number of Days of Actual Operation for the Current Period	Average Operation Rate
Green Chemicals Biz	Copolyester resins, DMT, r-BHET, etc.	331 days	320 days	96.6%
	BON	365 days	331 days	90.7%
Life Science Biz.	Tablets	241 days	236 days	97.9%
	Patches	241 days	236 days	97.9%

[SK bioscience]

(1) Production Capacity, Production Output, and Operation Rate

The production capacity is based on the drug substance and calculated considering the number of producible days and the process period (cycle) of the representative product for each suite; the operation rate is calculated by reflecting the production performance.

- Andong L House

Classification	The 8th Period	The 7th Period	The 6th Period
Production capacity	575 batches	572 batches	481 batches
Production performance	201 batches	215 batches	269 batches
Operation rate	35.0%	37.6%	55.9%

- IDT Biologika

Classification	2025	2024	2023
Production capacity	147 batches	147 batches	109 batches
Production performance	70 batches	50 batches	50 batches
Operation rate	47.6%	34.0%	45.9%

[SK Multi-Utility]

(1) Production capacity

Production capacity = Daily production capacity × Number of days of operation available

Business Division	Item:	The 5th Period	The 4th Period	The 3rd Period
Supply of utilities such as electricity and steam	Steam	99,000 tons	2,190,000 tons	2,190,000 tons
	Previous period	544,000 MWh	237,000 MWh	237,000 MWh

(2) Calculation basis for production capacity

① Basis of calculation

Business Division	Product	Daily Production Capacity	Available operating days for the current period
Supply of utilities such as electricity and steam	Steam	270 tons	365 days
	Previous period	1,492 MWh	365 days

② Average hours of operation

Business Division	Product	Average Daily Hours of Operation	Average Number of Days of Operation Per Month	Number of Days of Actual Operation for the Current Period
Supply of utilities such as electricity and steam	Steam	24 hours	30 days	365 days
	Previous period (Note 1)	24 hours	4 days	47 days

(Note 1) During the current period, the LNG/LPG-fired CHP plant was completed, and electricity generation through the Company's own facilities was commenced.

(3) Production Performance and Operation Rate

① Production performance

Business Division	Product	The 5th Period	The 4th Period	The 3rd Period
Supply of utilities such as electricity and steam	Steam	1,205,000 tons	1,495,000 tons	1,458,000 tons
	Previous period (Note 1)	334,000 MWh	26,000 MWh	12,000 MWh

(Note 1) During the current period, the LNG/LPG-fired CHP plant was completed, and electricity generation through the Company's own facilities was commenced.

② Operation rate

Business Division	Product	Available operating days for the current period	Number of Days of Actual Operation for the Current Period	Average Operation Rate
Power and steam, etc. Utility supply	Steam	365 days	365 days	100.0%
	Previous period	365 days	47 days	12.9%

2) Status of Production and Facilities, etc. [SK chemicals]

The Company's main places of business are as follows:

Place of Business	Contents of the Main Businesses	Location
Pangyo Head Office	Company-wide management and marketing, R&D	310 Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do
Ulsan Plant	Copolyester resin production, etc.	718 Cheoyong-ro, Nam-gu, Ulsan-si, Gyeongsangnam-do
Cheongju S HOUSE	Pharmaceuticals production	149 Sandan-ro, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do

The Company's facilities and equipment include land, buildings, structures, machinery, etc., and the details of the carrying amounts as of the end of the current period are as follows:

(Reference date: 2025-12-31)

(Unit: KRW 1,000)

Classification	Beginning of Period	Acquisition	Disposal	Depreciation	Other (Note 1)	End of Period
Land	153,037,584	-	(9,344,909)	-	(11,307,977)	132,384,698
Buildings	210,561,329	2,242,999	(4,156,644)	(6,763,974)	(15,570,681)	186,313,029
Structures	107,538,393	3,330,894	(139,630)	(3,275,074)	(406,808)	107,047,775
Mechanical equipment	183,458,874	15,237,601	(2,171,610)	(36,307,411)	4,812,699	165,030,153
Vehicles and transport equipment	117,628	57,000	-	(49,605)	-	125,023
Other tangible assets	16,046,546	1,375,244	(102,740)	(6,106,891)	815,968	12,028,127
Assets under construction	24,115,664	22,218,684	-	-	(9,570,704)	36,763,644
Machinery in transit	1,644,597	3,386,181	-	-	(871,536)	4,159,242
Total	696,520,615	47,848,603	(15,915,533)	(52,502,955)	(32,099,039)	643,851,691

(Note 1) They consist of the main account replacement for assets under construction, replacement with investment real estate properties and intangible assets, etc.

*For detailed information on tangible assets, please refer to "III. Matters Concerning Finance," specifically "5. Notes to the Financial Statements," under "12. Tangible Assets."

[SK bioscience]

SK bioscience's main places of business are as follows:

Region	Place of Business	Contents of the Main Businesses	Location
Domestic	Pangyo Head Office	R&D, corporate management, marketing, and business development	310 Pangyo-ro (Sampyeong-dong), Bundang-gu, Seongnam-si, Gyeonggi-do
Domestic	Andong L House	Production, wholesale and retail of pharmaceuticals	150 Saneopdanji-gil, Poongsan-eup, Andong-si, Gyeongsangbuk-do
	Hwaseong	Storage of raw materials and completed products	184beon-gil 17, Jeongmunsongsan-ro, Yanggam-myeon, Hwaseong-si, Gyeonggi-do
	Song-do	R&D, corporate management, marketing, and business development	38 Yeongudanji-ro, Yeonsu-gu, Incheon Metropolitan City (Songdo-dong)
Overseas	SK bioscience USA, Inc.	Biotechnology development	43 Thorndike St, STE 2-1, Cambridge, MA 02141
	SK bioscience Germany GmbH	Holding Company	Karl-Hermann-Flach-Straße 25, 61440 Oberursel (Taunus)
	IDT Biologika GmbH	Pharmaceuticals manufacturing	Am Pharmapark, 06861 Dessau-Roßlau, Germany
	IDT Biologika Corporation	Pharmaceuticals manufacturing	1405 Research Blvd, Rockville, MD 20850
	Technik-Energie-Wasser Servicegesellschaft mbH	Other Services	Am Pharmapark, 06861 Dessau-Roßlau, Germany

SK bioscience's facilities and equipment consist of land, buildings, structures, machinery, etc.

(Reference date: 2025-12-31)

(Unit: KRW 1,000)

Classification	Beginning of Period	Acquisition	Disposal	Depreciation	Reclassification (Note 1)	Effect of Exchange Rate Fluctuations	End of Period
Land	71,306,739	2,770,330	(4,527,470)	-	19,156,127	2,671,726	91,377,452
Buildings	360,585,230	4,980,694	(14,933,653)	(13,142,063)	2,147,728	24,514,256	364,152,192
Structures	65,301,869	-	-	(8,994,983)	208,287	6,175,713	62,690,886
Mechanical equipment	174,826,496	3,886,320	(38,938)	(27,272,554)	4,435,453	11,850,469	167,687,246
Vehicles and transport equipment	95,326	43,080	-	(36,150)	-	5,211	107,467
Other tangible assets	69,533,914	1,085,333	(407,570)	(16,013,848)	5,953,117	6,294,637	66,445,583
Assets under construction	224,623,146	169,446,386	(114,961)	-	(23,967,326)	2,205,373	372,192,618
Machinery in transit	6,650,464	8,341,643	-	-	(14,250,370)	-	741,737
Total	972,923,184	190,553,786	(20,022,592)	(65,459,598)	(6,316,984)	53,717,385	1,125,395,181

*An objective market value assessment of major tangible assets was not possible, so it has been omitted. (Note 1) KRW 6,316,984,000 has been reclassified to intangible assets.

[SK Multi-Utility]

SK Multi-Utility's main places of business are as follows:

Place of Business	Contents of the Main Businesses	Location
Ulsan Head Office	Steam and electricity production	711 Cheoyong-ro, Nam-gu, Ulsan-si, Gyeongsangnam-do

*During the current reporting period, the Company changed its registered office location.

SK Multi-Utility's facilities and equipment consist of land, buildings, structures, and machinery, etc.

(Reference date: 2025-12-31)

(Unit: KRW million)

Place of Business	Land	Buildings	Structures	Mechanical equipment	Vehicles and transport equipment	Other Tangible Assets	Total
Ulsan Head Office	26,582	288,674	52,543	390,274	0	4,724	762,797

Ongoing investments and future investment plans [SK chemicals]

In March 2023, the Company's Green Chemicals Biz. signed an asset purchase agreement with Shuye, a Chinese green chemicals specialized company, to establish a production system for chemically recycled raw materials and chemically recycled PET. Through this investment, the Company has completed the recycling plastic value chain, starting from chemically recycling raw materials to chemically recycled PET and chemically recycled Copolyester. This ensures the sustainability of the core business, Copolyester, and lays the foundation for new growth.

In addition, in February 2025, the Company resolved to establish a Recycling Innovation Center (RIC) within the Ulsan plant site and has completed its establishment. The facility is a depolymerization pilot plant under construction, targeting commencement of operations in 2026 with an annual production capacity of 50 tons. It is intended to validate the commercial feasibility of technologies for processing various forms of waste plastics—such as fibers, films, and automotive components—that have been difficult to recycle using conventional recycling methods.

Through the establishment of the RIC, the Company has secured an integrated, non-stop research and production system spanning from r-BHET to chemically recycled materials.

The Life Science Business will strengthen its business competitiveness in key areas based on stable operations while securing visible results from open innovation and rebuilding the foundation for R&D growth. Additionally, the Company plans to pursue medium- to long-term value expansion strategies, including the expansion of CDMO (Contract Development and Manufacturing Organization) and the creation of new business opportunities.

[SK bioscience]

The subsidiary, SK bioscience, signed a Memorandum of Understanding (MOU) with Gyeongsangbuk-do and Andong-si in June 2021 to expand the factory and site for investment, aiming to become a global vaccine production hub with top-tier production facilities. In November 2023, the decision was made to expand the L House production facility for the commercial production of a 21-valent pneumococcal vaccine jointly developed with Sanofi, and construction was completed in June 2025. Additionally, SK bioscience plans to acquire approximately 99,130m² (about 30,000 pyeong) of land in the Gyeongbuk Bio 2nd General Industrial Complex, located near the L House site, for future use in various business ventures.

In addition to the Andong L House, SK bioscience signed a land purchase agreement with the Incheon Free Economic Zone Authority (IFEZ) in December 2021. The Company plans to build a global R&PD (Research & Process Development) center on a 30,414m² (approximately 9,000 pyeong) plot of land in the 7th Sr14 section of the Incheon Techno Park expansion area, located in Songdo, Incheon. SK bioscience intends to expand its R&D and production infrastructure, which is currently centered in Pangyo and Andong, Gyeongsangbuk-do. The newly established global R&PD center will house research labs, pilot plants, and facilities for basic research, process development, and production in the vaccine and biotech fields. Through this, SK bioscience aims to actively expand its bio CDMO business, secure new platforms, and strengthen collaborations with international organizations, domestic and global biotech companies, and research institutions.

Additionally, SK bioscience signed an agreement on June 27, 2024, to acquire a controlling stake in IDT Biologika, a global pharmaceutical and biotech CDMO (Contract Development and Manufacturing Organization) based in Germany. IDT Biologika,

established in 1921, has over 100 years of expertise and capabilities, with a track record recognized by more than 13 key pharmaceutical regulatory authorities, including those in the United States and Europe. Through this equity acquisition, SK bioscience has secured manufacturing infrastructure compliant with cGMP (current Good Manufacturing Practices) and BSL-3 (Biosafety Level 3) standards. Based on this, the Company has laid the foundation to expand its portfolio targeting advanced markets such as the United States and Europe, while also positioning itself to enter new biotech sectors.

IDT Biologika, as a CDMO entity, continues to maintain and strengthen its quality standards and manufacturing facility capabilities in its core business areas—including vaccines, biologics, and gene therapies—in order to reinforce trust with existing customers, meet customer requirements, and secure opportunities for onboarding new customers. In addition, the Company is pursuing mid- to long-term growth strategies, including identifying strategic investment opportunities to expand into new business areas, such as supporting a broader range of modalities.

[SK Multi-Utility]

SK Multi-Utility Co., Ltd. has undertaken investments in LNG/LPG-fired CHP plant, as outlined below, in order to specialize in its industrial power and steam supply business, and these facilities were completed on November 15, 2025.

(Unit: year, KRW 100 million)

Classification	Period of Investment	Name of Investment	Total Investment Amount	Amount of Investment Executed	Amount of Investment to be Executed
Multi-Utility Business	2022-2025	LNG/LPG-fired CHP plant	6,976	6,976	-

*The total investment amount has changed due to significant cost increases and inflation.

4. Status of Sales & Contracts Won

A. Sales Performance (Based on the Consolidated Financial Statements)

1) Performance by sales type

(Reference date: 2025-12-31)

(Unit: KRW million)

Business Division	Type of Sales	Item:	The 9th Period		The 8th Period		The 7th Period	
			Sales Revenue	Ratio	Sales Revenue	Ratio	Sales Revenue	Ratio
Green Chemicals Biz.	Product	Copolyester resin, DMT, etc.	1,485,059	62.8%	1,385,990	79.8%	1,240,106	70.9%
	Goods		32,135	1.4%	30,154	1.7%	9,138	0.5%
	Other		34,227	1.4%	57,466	3.3%	35,955	2.1%
	Subtotal		1,551,421	65.6%	1,473,610	84.8%	1,285,199	73.5%
Life Science Biz.	Product	Vaccine, tablet, patch, etc.	342,592	14.5%	302,286	17.4%	314,421	18.0%
	Goods		322,571	13.6%	199,125	11.5%	186,737	10.7%
	Other		474,652	20.1%	123,364	7.1%	244,397	14.0%
	Subtotal		1,139,815	48.2%	624,775	36.0%	745,554	42.6%
Other (including consolidation adjustments)	Product	Other	(316,436)	-13.4%	(327,051)	-18.8%	(266,112)	-15.2%
	Goods		(8,497)	-0.4%	(18,928)	-1.1%	(15,161)	-0.9%
	Other		(1,138)	0.0%	(15,627)	-0.9%	(703)	-0.0%
	Subtotal		(326,071)	-13.8%	(361,607)	-20.8%	(281,975)	-16.1%
Total			2,365,165	100.0%	1,736,779	100.0%	1,748,778	100.0%

*Others are internal transaction sales amount, etc.

2) Performance by sales region

(Reference date: 2025-12-31)

(Unit: KRW million)

Business Division	Form	Classification	The 9th Period	The 8th Period	The 7th Period
Green Chemicals Biz.	Copolyester resin, DMT, etc.	Export	1,048,008	1,072,895	925,217
		Domestic consumption	503,413	400,716	359,982
		Total	1,551,421	1,473,611	1,285,199
Life Science Biz.	Vaccine, tablet, patch, etc.	Export	549,233	172,151	292,314
		Domestic consumption	590,582	452,625	453,241
		Total	1,139,815	624,775	745,554

Other (including consolidation adjustments)	-	Export	(191,375)	(231,999)	(191,128)
		Domestic consumption	(134,696)	(129,608)	(90,848)
		Total	(326,071)	(361,607)	(281,975)
Total		Export	1,405,866	1,013,047	1,026,403
		Domestic consumption	959,299	723,732	722,375
		Total	2,365,165	1,736,779	1,748,778

*Others are internal transaction sales amount, etc.

B. Sales Channels and Sales Methods, Etc. (Including the Major Consolidated Subsidiaries)

1) Sales organizations

Business Division	Sales Organizations
Green Chemicals Biz.	Green Chemicals Business/Operations Division, Functional Materials Business Division, Recycling Business Division, SK Shantou, SK CA, SK chemicals GmbH, SK chemicals (Shanghai), SK chemicals (Yantai), Japan Branch, SK chemicals Malaysia
Life Science Biz.	Pharma Business (Marketing Headquarters 1–4), (SK bioscience) Marketing and Business Development Division, Domestic Marketing Office, BD Office 2, BD Office 3

2) Sales channel

- Domestic, local, direct export

3) Sales method and conditions

Sales Method	Conditions for Payment Collection
Domestic consumption	Payment in cash and promissory note, etc.
Local and direct exports	Payment in cash and letters of credit etc.

4) Sales strategy

Business Division	Sales Organizations		Sales strategy
Green Chemicals Biz.	Green Chemicals Business/Operations Division		- Development and expansion of sales opportunities for high-functional, heat-resistant Copolyester resin with high transparency and moldability - Pursuing customer diversification to preoccupy the eco-friendly, high-functional Copolyester market - Expanding market size through stable and competitive raw material procurement and supply
	Functional Materials Business Division		- Expanding differentiated products through continuous discovery of new items - Expanding customers through new application development and maximization of cost competitiveness
	Recycling Business Division		- Expansion of applications and strengthening of overseas marketing - Expanding new sales channels and markets through maximizing cost competitiveness - Developing applications for existing products and developing related products
Life Science Biz.	Pharma Business (Marketing Headquarters 1-4),		- Developing marketing activities centered on hospitals and clinics - Exploring new channels by entering markets overseas - Conducting accurate target marketing based on market segmentation - Strengthening of organizational structure through specialization and segmentation of hospital organization - Creating new business opportunities through securing the distribution quality of pharmaceutical products
	SK bioscience	Vaccine Development/Commercialization (Marketing and Business Development Division Domestic Marketing Office, BD Office 2, BD Office 3)	- Developing marketing activities centered on hospitals and clinics - Conducting accurate target marketing based on market segmentation - Strengthening of organizational structure through specialization and segmentation of hospital organization - Participating in domestic government bids - Expanding to the public bidding market based on WHO PQ certification - Entering LMIC markets by cooperating with global initiatives - Lock-in existing customers by strengthening partnerships - Attracting new customers through discussions on expansion progress, technology development status, capacity, and other related topics
		CDMO (Project Management Department, Commercial Department)	- Project cost estimation and management, preparation of work packages and monitoring of their progress - Project reports and management of key issues reports (escalation) - Overall management of project-related tasks and serving as the contact point - Establishing plans and defining key milestones - Proposal writing, pricing, and contract negotiations - Industry trend analysis and strengthening market positioning - Identifying new business opportunities and building customer relationships - Developing strategic partnerships with key customers in alignment with long-term business goals

[SK Multi-Utility]

1) Sales Organizations

Business Division	Sales Organizations
Supply of utilities such as electricity and steam	Power Operation Team, SK Multi-Utility

2) Sales channel

- Domestic consumption

3) Sales method and conditions

Sales Method	Conditions for Payment Collection
Domestic consumption	Cash payment, etc.

4) Sales strategy

Business Division	Sales Organizations	Sales strategy
Supply of utilities such as electricity and steam	Power Operation Team, SK Multi-Utility	- As a district energy provider, supplying stable and competitive heat (steam) and other utilities

C. Orders [SK chemicals]

- Not applicable

[SK bioscience]]

(Reference Date: 2025.12.31)

(Reference date: 2025-12-31)

(Unit: KRW million)

Item Item	Order Date Order Date	Delivery Period Delivery Period	Total Order Amount Total Order Amount	Accumulated Amount Delivered Accumulated Amount Delivered	Order Backlog Order Backlog
			Amount Amount	Amount Amount	Amount Amount
Production of Vaccine Drug Substance (DS) and Drug Product (DP) Production of Vaccine Drug Substance (DS) and Drug Product (DP)	From 2022 From 2022 (Varies by contract) (Varies by contract)	Until 2033 Until 2023 (Varies by contract) (Varies by contract)	313,922	209,045	104,877
CDMO CDMO	From 2015 From 2022 (Varies by contract) (Varies by contract)	Until 2029 Until 2023 (Varies by contract) (Varies by contract)	2,376,654 2,376, 654	1,680,521 1,680,5 21	696,133 696,13 3
Total Total			2,690,576 2,690, 576	1,889,566 1,889,5 66	801,010 801,01 0

(Note 1) The amount has been translated into KRW by applying the Seoul Money Brokerage exchange rate (KRW 1,685.72/EUR) as of the reporting date.

*May change in the future depending on changes in market conditions and customer demand.

[SK Multi-Utility]

– Not applicable

5. Risk Management and Derivatives Transactions

A. Market Risk and Risk Management

The consolidated companies are exposed to certain risks in connection with their ongoing business operations. The main risks managed using derivatives are foreign exchange risk, commodity price risk, and interest rate risk. The consolidated companies' risk management strategies and methods are as follows:

(1) Fair value hedging for the foreign exchange risk

As of the end of the current period, the consolidated companies have currency swap contracts designated as the hedging instruments to hedge the foreign currency risk for the foreign currency bonds.

The terms of the above currency swap contracts are set to match the repayment schedule of the foreign currency bonds. The parties to the contract have executed currency swap contracts with cash as the collateral, which effectively reduces the credit risk associated with the contract (the counterparty's and the consolidated companies' credit risk). As a result, hedging was very effectively evaluated.

(2) Cash flow hedging for the interest rate risk

The consolidated companies borrow funds at the fixed and variable interest rates, and thus, are exposed to the interest rate risk. To manage the interest rate risk, consolidated companies maintain an appropriate balance between the fixed rate borrowings and the variable rate borrowings and have executed the interest-rate swap contracts. The consolidated companies exchange the difference calculated by applying the difference between the fixed and variable interest rates for the predetermined nominal principal under the interest-rate swap contract. Such a contract allows for the consolidated companies to mitigate the risk of fluctuations in the cash flows of variable rate liabilities due to fluctuations in the interest rates. Hedging activities are regularly evaluated to appropriately adjust the interest rate status and the defined risk appetite to ensure that the optimal hedging strategy is applied.

(3) Other risk management activities

The consolidated companies are exposed to the foreign currency risk for some of their sales and purchases in international transactions. To mitigate such risk, the consolidated companies regularly monitor the net exposures in major currencies (the dollar, euro, and yen) based on projected sales and purchases over the next 12 months. Furthermore, the consolidated companies enter into foreign currency forward contracts to avoid such exposures.

For business and sales purposes, the consolidated companies have not designated such currency forward contracts for hedging. Therefore, the fair value fluctuations of most forward contracts are recognized in the profit or loss for the current period.

4) Market risk management policy

As of the end of the current period, the consolidated companies have established and are implementing fund management policies to ensure stable management activities by minimizing the risks caused by variables such as raw material and commodity prices and foreign exchange rates, the key details of which are as follows:

- ① Purpose of risk management and the basic principles
- ② Organization in charge and assigned tasks
- ③ Transaction procedures and the reporting procedures

Notwithstanding the market risk management of the consolidated companies and the market risk management policies as described above, the Company cannot hedge all market risks and there is a limit to risk hedging.

B. Status of Transactions such as Derivatives and Put Back Options

(including Major Consolidated Subsidiaries) [SK chemicals]

Details of the derivative instruments held by the Company as of the end of the current period are as follows:

<End of the current period>

(Unit: KRW 1,000)

Classification	Details	End of the Current Period	End of the Previous Period
Derivative instruments not designated as hedging instruments:			
Current assets in derivative financial instruments	Currency forward contracts	166,095	-
Current liabilities in derivative financial instruments	Currency forward contracts	311,691	3,531,729
	Call option granted to a third party	1,014,742	429,063
	Exchangeable bonds	66,965,151	-
Non-current assets in derivative financial instruments	Put option	7,699,750	8,784,996

As of the end of the current period, the Company executed derivative contracts with Hana Bank, etc., for the purpose of hedging the risk of exchange rate fluctuations arising from the foreign currency transactions. In this regard, the details of the derivative

financial instruments that are not designated as hedging instruments by the Company are as follows:

<End of the current period> (Unit: KRW 1,000)

Contracting Party	Buy/Sell	Contract Amount	Fair Value
KEB Hana Bank, etc.	Buy	14,970,810	(290,842)
	Sell	44,864,824	145,246
Total		59,835,634	(145,596)

<End of the previous period>

(Unit: KRW 1,000)

Contracting Party	Buy/Sell	Contract Amount	Fair Value
KEB Hana Bank, etc.	Buy	-	-
	Sell	99,019,314	(3,531,729)
Total		99,019,314	(3,531,729)

As of the end of the reporting period, the details of non-current derivative financial instruments not designated as hedging instruments by the Company are as follows:

<End of the current period>

(Unit: KRW 1,000)

Classification	Type	Fair Value
Non-current derivative assets	Put option for HDC Polyall's common shares (Note 1)	7,699,750
Current derivative financial liabilities	Call option on convertible preferred stocks of Tiumbio Co., Ltd. (Note 2)	1,014,742
	Exchange right of exchangeable bonds and early redemption option	66,965,151
Total		75,679,643

(Note 1) This is a put option allowing the sale of HDC Polyall Co., Ltd.'s associates investment shares to HDC Hyundai EP Co., Ltd. (Note 2) This is a call option granting the right to a third party designated by Tiumbio Co., Ltd. to purchase debt securities of Tiumbio Co., Ltd. from the Company.

[SK bioscience]

As of the reference date of the report, the details of derivatives held by SK bioscience are as follows:

(Unit: KRW 1,000)

Classification	End of the Current Period		End of the Previous Period	
	Assets	Liabilities	Assets	Liabilities
Currency forward contracts	111,983	105,301	195	1,660,062

As of the date of preparation of this report, the details of the derivatives not designated as hedging instruments by SK bioscience are as follows:

(Unit: (Unit: USD, EUR, AUD, KRW 1,000)

Classification	End of the Current Period	End of the Previous Period	
Contracting Party	JP Morgan Chase Bank, etc.		
Buy/Sell	Sell	Buy	Sell
Contract Amount	KRW 21,986,639,716	KRW 4,449,467,857	USD 26,014,577
	USD 14,949,714	USD 1,557,088	EUR 50,051,675
	AUD 503,817	EUR 1,298,243	AUD 661,527
Valuation gain (loss)	36,549	(29,867)	(1,659,867)

[SK Multi-Utility]

- Not applicable

6. Major Contracts and R&D Activities

A. Major Contracts in Terms of Management (Summary)

[SK chemicals]

As of the date of preparation, the Company's major ongoing business contracts consist of licensing agreements and other contracts. The key details are as follows:

1) Green Chemicals Biz.

Classification	Contractual Counterparty	Purpose and Details of the Contract	Period of Contract Execution & Contract Period	Contract Amount & Payment Method (Criteria)
License in Contract	Covation Biomaterials LLC	PO3G manufacturing license and process/application technology patent contract	June 2021 - 2032 (until patent expiration)	Upfront technology fee, running royalty (a certain percentage of net sales)
License out contract	Capchem	Patent's non-exclusive license and transfer of technology for the secondary batteries' electrolyte additive	August 2021 - June 2036	Upfront technology fee and running royalty (constant rate of contract product sales)

2) Life Science Biz. (Pharma Business)

Classification	Item	Contractual Counterparty	Target region	Contract Execution Date	Total Contract Amount	Amount Received/Paid	Progress, Etc.
	SKP204	ITALFARMACO, ITF RESEARCH (Italy)	Korea	2021-01-28	(Note 1)	(Note 1)	Release after

License in Contract							approval
	SKP205	Miravo Healthcare (Ireland)	Korea	2021-07-28	(Note 1)	(Note 1)	Release after approval
	SKP221	KOREA UNITED PHARM (Korea)	Korea	2022-06-28	(Note 1)	(Note 1)	Approval in progress
	SKP231	Samcheong Pharmaceutical (Korea)	Korea	2023-01-17	(Note 1)	(Note 1)	Approval in progress
	SKP241	Yuhan Corporation, Addpharma Co., Ltd.	Korea	2024-02-20	(Note 1)	(Note 1)	Release after approval
	SKP243	Donghwa Pharmaceutical Co., Ltd.	Korea	2024-09-12	(Note 1)	(Note 1)	Approval in progress
	SKP251	Addpharma	Korea	2024-12-27	(Note 1)	(Note 1)	Approval in progress
Other contracts	Joint research	Standigm Inc.	Worldwide	2019-07-19	(Note 1)	(Note 1)	Joint research in progress
	Joint research	Deargen Inc.	Worldwide	2020-10-20	(Note 1)	(Note 1)	Contract terminated
	Fund investment	Korea Investment Partners Co., Ltd.	N/A	2020-11-18	(Note 1)	(Note 1)	Fund in operation
	Joint research	DR. NOAH Biotech Co., Ltd.	Worldwide	2020-11-24	(Note 1)	(Note 1)	Contract terminated
	Equity investment	Standigm Inc.	N/A	2021-05-14	(Note 1)	(Note 1)	Pre-IPO phase
	Equity investment	J2H Biotech Co., Ltd.	N/A	2021-07-29	(Note 1)	(Note 1)	Pre-IPO phase
	Fund investment	Sante Ventures	N/A	2021-09-14	(Note 1)	(Note 1)	Fund investment in progress
	Joint research	J2H Biotech Co., Ltd.	N/A	2021-11-01	(Note 1)	(Note 1)	Joint research in progress
	Equity investment	Oncobix Co., Ltd.	N/A	2021-11-18	(Note 1)	(Note 1)	Series B stage
	Joint research	Oncobix Co., Ltd.	N/A	2022-04-05	(Note 1)	(Note 1)	Contract terminated
	Joint research	inCerebro Co., Ltd.	N/A	2022-04-07	(Note 1)	(Note 1)	Contract terminated

(Note 1) The details have not been entered as they are trade secrets.

[SK bioscience]

As of the date of preparation, the major business contracts entered into by SK bioscience consist of out-licensing/in-licensing agreements, joint development agreements, and others. The key details are as follows:

Classification	Item	Contractual Counterparty	Target region	Contract Execution Period	Total Contract Amount	Amount Received/Paid	Progress, Etc.
License out contract	Recombinant Factor VIII	CSL	All regions excluding	May 2009	(Note 1)	(Note 1)	Commercialization in the U.S., Europe/Asia (by country), etc.
	(Hemophilia treatment)		the Republic of Korea				

	Cell culture influenza vaccine bulk	GPO (Government Pharmaceutical Organization), BGT (Biogenetech Co., Ltd.)	Thailand	August 2023	USD 51 million	(Note 1)	Technology transfer to local region completed Trivalent vaccine approval completed, quadrivalent vaccine approval in progress
License in Contract	Introduction of Novavax COVID-19 vaccine technology	Novavax	Republic of Korea, Thailand, Vietnam	February 2021	(Note 1)	(Note 1)	Commercial production
Joint development contract	Next-generation pneumococcal vaccine	Sanofi	Worldwide	March 2014 (Note 2)	USD 45 million + EUR 350 million (Note 3)	USD 45 million + EUR 50 million	GBP410 : Global Phase 3 clinical trials in progress NextGen : Basic research/non-clinical studies in progress
	Typhoid conjugate vaccine	IVI (International Vaccine Institute)	Worldwide	April 2013	(Note 1)	(Note 1)	Obtained export product approval WHO PQ certification
	COVID-19 vaccine (GBP510) Project research/development contract	CEPI (Coalition for Epidemic Preparedness Innovations)	-	December 2020	USD 10 million	(Note 1)	Project ended
	COVID-19 vaccine (GBP510) Project research/development additional support contract	CEPI (Coalition for Epidemic Preparedness Innovations)	-	May 2021	USD 200.1 million	(Note 1)	
	Universal sarbecovirus vaccine (GBP511) Project research/development contract	CEPI (Coalition for Epidemic Preparedness Innovations)	-	December 2021	USD 65.1 million	(Note 1)	Approval of the Phase 1/2 Clinical Trial Plan
	Nasal Spray	IAVI (International AIDS Vaccine Initiative)	-	November 2021	USD 4 million	(Note 1)	Completion of clinical sample production, stability testing in progress
	Japanese encephalitis virus/Lassa fever mRNA vaccine (GBP560, GBP570) development	CEPI (Coalition for Epidemic Preparedness Innovations)	-	October 2022	USD 140 million	(Note 1)	Japanese encephalitis virus mRNA vaccine: Phase 1/2 clinical trials in progress Lassa fever mRNA vaccine: Basic research in progress

(Note 1) Detailed information is not provided as it constitutes

trade secrets.

(Note 2) A revised agreement was executed in December 2024

(Note 3) This is the total amount of milestone payments received in stages based on advance payments, development/approval, and commercialization.

[SK Multi-Utility]

As of the date of preparation, the major non-recurring business contracts entered into by SK Multi-Utility are as follows:

Contractual Counterparty	Purpose and Details of the Contract	Period of Contract Execution & Contract Period	Contract Amount
SK Ecoengineering Co., Ltd.	EPC construction contract	2022-06-30 - 2025-06-30	KRW 510 billion
Kookmin Bank	Ulsan CHP Plant construction	2025-06-16 - 2040-12-16	Agreed amount of KRW 660 billion

*For detailed status, refer to "Detailed Table-4. Major Contracts in Terms of Management (Details)."

B. R&D Activities (Including the Major Consolidated Subsidiaries)

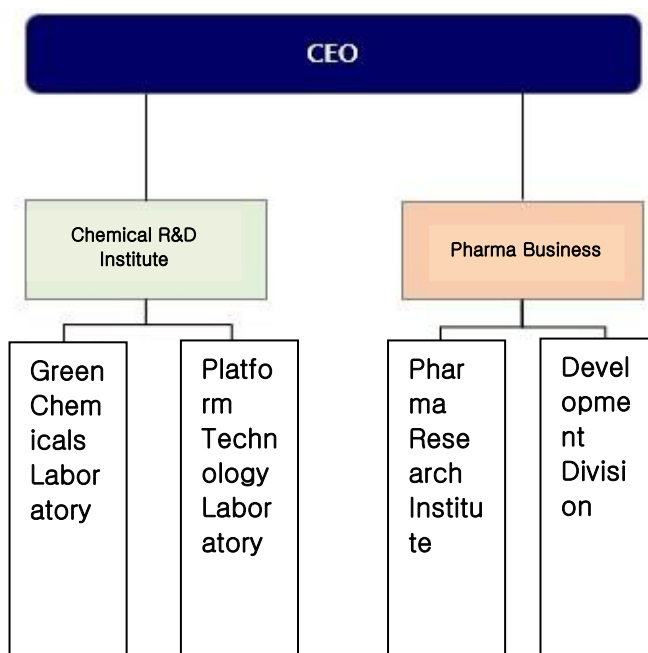
1) Overview of R&D activities

The Company's R&D organization consists of the Chemical Research Institute of Green Chemicals Biz., which is in charge of chemical product development, and the R&D Center of Life Science Biz. Pharma Business, which is in charge of pharmaceutical development. SK bioscience, a subsidiary, also has individual research institutes. Through the research organizations at both the headquarters and the subsidiary, the Company is achieving continuous development results in the fields of chemicals, pharmaceuticals, and vaccines.

2) R&D organizations

(1) Research and Development Organizational Chart

[SK chemicals]



[SK bioscience]

The research and development organization consists of the Bio Research Division, the Development Division, and the Marketing & Business Development Division (BD Office 1), and is responsible for activities related to the research, development, and clinical development of vaccine products, as well as activities to expand the global portfolio and strengthen business opportunities.

*Performed tasks / duties

Vaccine product research (Bio Research Division)	- Development of commercializable processes, and establishment of a platform, for bio vaccine product development - Development of culture and purification processes for vaccine commercialization, scale-up and technology transfer, support for clinical trial material manufacturing, preparation of regulatory submission documentation, and support for commercial production - Development of high value-added vaccines and establishment of platform technologies - Perform common functions (QC, QA, Serology) required across all R&D projects and maintain/manage GCLP compliance - Perform concept planning and preliminary research for new projects / proposal of projects
Clinical, regulatory approval, medical (development Division)	- Establish and execute medical strategies in the areas of pharmaceutical development and product lifecycle management - Create R&D value through global-level clinical development - Oversee and manage overall regulatory affairs, including establishing approval strategies for in-house development projects and partner collaboration projects - Perform execution of regulatory affairs, including maintenance, renewal, and variation of marketing authorizations after approval is obtained
Strengthen enhancement of global portfolio expansion and business opportunities (Marketing and Business Development Division BD Office 1)	- Establishment/execution of vaccine portfolio, platform technology and business model - Establishment of a business foundation for identifying fund-raising opportunities through collaboration with and support from the Global Fund initiative

[IDT Biologika]

IDT Biologika's research and development organization is composed of the Development Department, which is responsible for process/analytical development and QC optimization.

*Performed tasks / duties

Process/analytical development and platform and QC optimization (Development Department)	- Providing process and analytical development services to clients in the clinical and pre-commercial stages - Optimizing platform technology for pandemic preparedness - Continuously improving QC methods in accordance with updates to GMP guidelines

(2) Status of Personnel in R&D Organizations

[SK chemicals]

(Reference date: 2025-12-31)

(Unit: Number of persons)

Classification	Doctoral	Master's	Bachelor's	Technician	Total
R&D Center	3	43	27	6	79
Chemistry Research Institute	15	70	13	32	130
Total	18	113	40	38	209

*The personnel above include all R&D personnel.

(Pharmaceutical/bio-related key research personnel)

Position	Name	Responsibilities	Professional Background	Key Research Performance
Executive	Mun Jeong Hyun	Head of Development Division	B.S. in Pharmaceutical Science, Seoul National University / M.S. in Pharmacy, Seoul National University	Not specified upon request

[SK bioscience]

SK bioscience has a total of 325 research personnel, including 41 Ph.D. holders and 214 Master's degree holders who are responsible for bio research, development, regulatory affairs, and clinical trials.

(Reference date: 2025-12-31)

(Unit: Number of persons)

Classification	Doctoral	Master's	Other	Total
Number of persons	41	214	70	325

(Pharmaceutical/bio-related key research personnel)

Position	Name	Professional Background	Key Research Performance
Global Business CEO	Kim Hoon	Korea University, Agricultural	[Papers] - Immune persistence and response to booster dose of Vi-DT vaccine at 27.5 months post-first dose (2022, NPJ Vaccines. 7:12) - Influenza vaccines: Past, present, and future (Review) (2022, Rev Med Virol. 32(1):e2243) - Effective inactivated influenza vaccine for the elderly using a single-stranded RNA-based adjuvant (2021, Sci Rep. 11(1):11981) - Immunization with RBD-P2 and N protects against SARS-CoV-2 in nonhuman primates (2021, Science Advances. 7 : eabg7156) - Immunogenicity, safety and reactogenicity of a Phase II trial of Vi-DT typhoid conjugate vaccine in healthy Filipino infants and toddlers: A preliminary report (2020, Vaccine. 4476-4483) - Safety and immunogenicity of Vi-DT conjugate vaccine among 6-23-month-old children: Phase II, randomized, dose-scheduling, observer-blind Study (2020, EClinicalMedicine. 100540) - Inactivated influenza vaccine formulated with single-stranded RNA-based adjuvant confers mucosal immunity and cross-protection against influenza virus infection (Vaccine 38 (2020) 6141-6152) - Evaluation of glycoprotein E subunit and live attenuated varicella-zoster virus vaccines formulated with a single-strand RNA-based adjuvant (2020, Volume 8) - Immunogenicity and safety of a 12-valent pneumococcal conjugate vaccine in infants aged 6-10 weeks: a randomized double-blind active-controlled trial (2020, Volume 63(7)) - Assignment of opsonic values to pneumococcal reference serum 007sp and a second pneumococcal OPA calibration serum panel (Ewha QC sera panel B) for 11 serotypes (2020, Vaccine 38 (8145-8153) - Comparison of antigenic mutation during egg and cell passage cultivation of H3N2 influenza virus (2020, Clin Exp Vaccine Res) - Immunogenicity and safety of a new live attenuated herpes zoster vaccine (NBP608) compared to Zostavax® in healthy adults aged 50 years and older (2019, Vaccine. 3605-3610) - A Randomized, Double-blind, Active-controlled Phase III Trial of a Cell Culture-derived Quadrivalent Inactivated Influenza Vaccine in Healthy South Korean Children and Adolescents 6 Months to 18 Years of Age (2019, Pediatr Infect Dis J. e209-e215) - Cricket paralysis virus internal ribosome entry site-derived RNA promotes conventional vaccine efficacy by enhancing a balanced Th1/Th2 response (2019, Vaccine. 37(5191-5202)) - Heterologous prime-boost vaccination with adenoviral vector and protein nanoparticles induces both Th1 and Th2 responses against Middle East respiratory syndrome coronavirus (2018, Vaccine. 3468-3476)

		Chemistry (B.A.), Korea University, Biochemistry (M.S.), Ajou University, Molecular Science (Ph.D.)	- Vaccines, inspiring innovation in health (2018, Vaccine. 7430-7437) - Effect of apoptosis-associated speck-like protein containing a caspase recruitment domain on vaccine efficacy: Overcoming the effects of its deficiency with aluminum hydroxide adjuvant (2018, Microbiol Immunol. 1348-0421) - Development of a diagnostic system for detection of specific antibodies and antigens against Middle East respiratory syndrome coronavirus (2018, Microbiol Immunol. 574-584) - A Randomized, Double-blind, Active-controlled Clinical Trial of a Cell Culture-derived Inactivated Trivalent Influenza Vaccine (NBP607) in Healthy Children 6 Months Through 18 Years of Age (2018, Pediatr Infect Dis J. 605-611) - Sahastrabudhe S2. Safety and immunogenicity of a Vi-DT typhoid conjugate vaccine: Phase I trial in Healthy Filipino adults and children., 10.1016 J (2018, Vaccine.05.038) - Creation, characterization, and assignment of opsonic values for a new pneumococcal OPA calibration serum panel (Ewha QC sera panel A) for 13 serotypes (2018, Medicine (Baltimore)) - Comparative evaluation of a newly developed 13-valent pneumococcal conjugate vaccine in a mouse model (2017, Hum Vaccin Immunother. 1169-1176) - Immunogenicity and safety of a cell culture-derived inactivated quadrivalent influenza vaccine (NBP607-QIV) HUMAN VACCINES & IMMUNOTHERAPEUTICS. (2017, VOL. 13, NO. 7, 1653-1660) - Immunogenicity and safety of a cell Culture-derived inactivated trivalent influenza vaccine (NBP607), (Vaccine 33. 5437-5444, 2015) - The effect of lipopolysaccharide-induced obesity and its chronic inflammation on influenza virus-related pathology. (2015, Environmental Toxicology and Pharmacology, 40, 924-930) and others - Prophylactic and therapeutic vaccines for obesity. [National assignment] Supervisor of research - Development of mass production process and sample production for the COVID-19 vaccine based on genetic recombination technology (Korea Evaluation Institute Of Industrial Technology, 2020-2021) - Commercialization of human papillomavirus quadrivalent vaccine and development of human papillomavirus 10-valent vaccine (Ministry of Science, ICT and Future Planning - Biomedical Technology Development, 2015-2020)
			- Development of typhoid polysaccharide-protein conjugate vaccine production technology (Ministry of Health and Welfare - Infectious disease crisis response technology development, 2013-2018) - Commercialization of an influenza vaccine using cell culture technology (New Influenza universal ministerial project group (Korea Health Industry Development Institute), 2010-2016) - A study on virus vaccine development using the cell culture technology (rotavirus vaccine) (Ministry of Knowledge Economy, 2009-2013) - Development of early production technology for H1N1 influenza vaccine using animal cell culture technology (Ministry of Health and Welfare - Human Infection Response Study for Zoological Infectious Diseases, 2009-2010) - Smallpox vaccine development assignment (2007-2009) - Anthrax vaccine development assignment (2006-2008) and others [Notable Patents] - Vero cell lines suspension-cultivated without serum and methods for preparing vaccine virus with those cell lines (date of registration: 2018-02-14) - MDCK cell lines suspension-cultivated without serum and methods for preparing vaccine virus with those cell lines (date of registration: 2015-12-09) - Manufacturing method for capsular polysaccharide having pneumococcal serotype (date of registration: 2019-01-28) - Multivalent pneumococcal polysaccharide-protein conjugate composition (date of registration: 2019-12-12)

Bio Research Division Head	Lee Sang Yoon	Inha University, Biotechnology (B.S.), Inha University, Biotechnology (M.S.), Inha University, Biotechnology (Ph.D.)	[Papers] - SANG-YOON LEE and Dong-Il Kim: "Perfusion Cultivation of Transgenic Nicotiana Tabacum Suspensions in Bioreactor for Recombinant Protein Production," J. Microbiol. Biotechnol., 16(5), 673-677 (2006). - SANG-YOON LEE and Dong-Il Kim: "Effects of Pluronic F-68 on Cell Growth of Digitalis lanata in Aqueous Two-Phase Systems," J. Microbiol. Biotechnol., 14(6), 1129-1133 (2004). - SANG-YOON LEE, Yong-Hoon Kim, Yun-Sook Roh, Hyun-Jong Myoung, Ki-Yong Lee, Dong-Il Kim: "Bioreactor Operation for Transgenic Nicotiana tabacum Cell Cultures and Continuous Production of Recombinant Human Granulocyte-Macrophage Colony-Stimulating Factor by Perfusion Culture," Enzyme Microb. Technol., 35(6-7), 663-671 (2004). - SANG-YOON LEE, Jong-Moon Cho, and Dong-Il Kim: "Stability Enhancement of hGM-CSF in Transgenic Nicotiana tabacum Suspension Cell Cultures," Biotechnol. Bioprocess Eng., 8(3), 187-191 (2003). - SANG-YOON LEE, Jong-Moon Cho, and Dong-Il Kim: "Effect of Bacitracin on hGM-CSF Production in Suspension Cultures of Transgenic Nicotiana tabacum Cells," Enzyme Microb. Technol., 33(4), 353-357 (2003). - SANG-YOON LEE and Dong-Il Kim: "Stimulation of Murine Granulocyte Macrophage Colony Stimulating Factor Production by Pluronic F-68 and Polyethylene Glycol in Transgenic Nicotiana tabacum Cell Culture," Biotechnol. Lett., 24(21), 1779-1783 (2002). - SANG-YOON LEE, Byung-Hyuk Min, Sung-Ho Hwang, Yoon-Mo Koo, Choul-Kyun Lee, Seong-Won Song, Sun-Young Oh, Sang-Min Lim, Sang-Lin Kim, and Dong-Il Kim: "Enantioselective Production of Levofloxacin by Immobilized Porcine Liver Esterase," Biotechnol. Lett., 23(13), 1033-1037 (2001). - SANG-YOON LEE, Byung-Hyuk Min, Seong-Won Song, Sun-Young Oh, Sang-Min Lim, Sang-Lin Kim, and Dong-Il Kim: "Polyacrylamide Gel Immobilization of Porcine Liver Esterase for the Enantioselective Production of Levofloxacin," Biotechnol. Bioprocess Eng., 6(3), 179-182 (2001). - SANG-YOON LEE, Won Hur, Gyu Heon Cho, and Dong-Il Kim: "Cultivation of Transgenic Nicotiana tabacum Suspension Cells in Bioreactors for the Production of mGM-CSF," Biotechnol. Bioprocess Eng., 6(1), 72-74 (2001). - Yeon-Sook Choi, SANG-YOON LEE, and Dong-Il Kim: "Cultivation of Digitalis lanata Cell Suspension in an Aqueous Two-Phase System," J. Microbiol. Biotechnol., 9(5), 589-592 (1999). - SANG-YOON LEE, Bu-Su Park, Jin-Hyup Kim, Byung-Gee Kim, and Dong-Il Kim: "Sodium Gluconate Production by Aspergillus niger with Intermittent Broth Replacement," Biotechnol. Bioprocess Eng., 4(2), 101-105 (1999). - Jong-Eun Lee, SANG-YOON LEE, and Dong-Il Kim: "Increased Production of Digoxin by Digitoxin Biotransformation Using Cyclodextrin Polymer in Digitalis lanata Cell Cultures," Biotechnol. Bioprocess Eng., 4(1), 32-35 (1999). [Related Experience] - Head of Global Operations - Head of Manufacturing Science & Technology

Head of Bio Office 1	Lee Gun Se	Korea University, Life Sciences (B.A.), Korea University, Molecular Biology (M.S.), Catholic University, Biotechnology (Ph.D.).	[Papers] - Intranasal immunization with the recombinant measles virus encoding the spike protein of SARS-CoV-2 confers protective immunity against COVID-19 in hamsters. Vaccine, 2024; 42(2), 69-74. - Recent advances in vaccines and diagnostics against Middle East respiratory syndrome coronavirus. Acta Virologica, 2020; 64(2), 251-260. - Development of a diagnostic system for detection of specific antibodies and antigens against Middle East respiratory syndrome coronavirus. Microbiology and Immunology, 2018, 62(9), 574-584. [Patents] - MDCK cell lines suspension-cultivated without serum and methods for preparing vaccine virus with those cell lines (date of registration: 2015-12-09) - Vero cell lines suspension-cultivated without serum and methods for preparing vaccine virus with those cell lines (date of registration: 2018-02-14) - Method for producing hepatitis A virus and hepatitis A virus produced according to the above method. (Registration date: 2021-07-08) - 4 domestic applications, 7 domestic registrations, 39 international applications, 45 international registrations [Performance of Assignment] Supervisor of Assignment - RIGHT FUND, Development of COVID-19 vaccine candidates using viral vector system and efficacy evaluation in animal model (2020-2021) - Vaccine commercialization technology development project, development of high-efficiency production processes for hepatitis A vaccine and vaccine efficacy evaluation (2020-2022) - Vaccine commercialization technology development project, non-clinical safety and efficacy evaluation of hepatitis A vaccine (2022-2025)
Head of Bio Office 2	Shin Jin Hwan	Korea University, B.S. in Genetic Engineering, KAIST, M.S. in Molecular Genetics, Sungkyunkwan University, Ph.D. in Molecular Pharmaceutics	[Papers] - Immunogenicity and safety of a 12-valent pneumococcal conjugate vaccine in infants aged 6-10 weeks: a randomized double-blind active-controlled trial. Clinical and experimental pediatrics. 2020; 63 (7), 265 - Comparative evaluation of a newly developed 13-valent pneumococcal conjugate vaccine in a mouse model. Human vaccines & immunotherapeutics. 2017; 13 (5), 1169-1176 [Patents] - 19 domestic applications, 177 international applications, 3 domestic registrations, 72 international registrations - Notable patents: US 9,981,029, US 9,636,392, US 10,058,607, US 10,034,949

Development Division Head Head of the Clinical and Approval Development Department (Concurrent Position)	Ryu Ji Hwa	Duksung Women's University, Pharmaceutical Sciences (B.A.), Duksung Women's University, Pharmacy (M.S.) Sungkyunkwan University, College of Pharmacy, Clinical Social Pharmacy (Ph.D.))	[Papers] - Safety and immunogenicity of Vi-DT conjugate vaccine among 6-23-month-old children: Phase II, randomized, dose-scheduling, observer-blind Study. EClinicalMedicine. 2020 - Immunogenicity and safety of a 12-valent pneumococcal conjugate vaccine in infants aged 6-10 weeks: a randomized double-blind active-controlled trial. Clin Exp Pediatr. 2020 - Immunogenicity, safety and reactogenicity of a Phase II trial of Vi-DT typhoid conjugate vaccine in healthy Filipino infants and toddlers: A preliminary report. Vaccine. 2020 - Safety and immunogenicity of a Vi-DT typhoid conjugate vaccine: Phase I trial in Healthy Filipino adults and children. Vaccine. 2018 - Activation of phosphatidylinositol 3-kinase by oxidative stress leads to the induction of microsomal epoxide hydrolase in H4IIE cells. Toxicol Lett. 2001 - The essential role of phosphatidylinositol 3-kinase and of p38 mitogen-activated protein kinase activation in the antioxidant response element-mediated rGSTA2 induction by decreased glutathione in H4IIE hepatoma cells. Mol Pharmacol. 2000 - Role of glucose utilization in the restoration of hypophysectomy-induced hepatic cytochrome P450 2E1 by growth hormone in rats. Chem Biol Interact. 2000 [Related Experience] - Conducted over 20 Phase 1, over 10 Phase 2, and over 20 Phase 3 clinical trials - 2016, TFT member for the development of the Vaccine Clinical Evaluation Guidelines of the Ministry of Food and Drug Safety - 2016-2017 Served as the Chair of the Research Division of the Korean Clinical Development Research Society
Head of Medical Affairs Department	Kim Hye Yeong	Seoul National University, Medicine, Bachelor's and Master's; Seoul National University, Medicine, Ph.D.	-

[IDT Biologika]

IDT Biologika has a total of 72 research personnel, including 12 Ph.D. holders and 39 Master's degree holders, responsible for process and analytical development, platform optimization, and QC optimization.

(Reference date: 2025-12-31)

(Unit: Number of persons)

Classification	Doctoral	Master's	Other	Total
Number of persons	12	39	21	72

(Pharmaceutical/bio-related key research personnel)

Position	Name	Professional Background	Key Research Performance
Scientific Advisor	Andreas Neubert	Ph.D., Veterinary Virology from the University Leipzig	[Papers] - Fabianska, I, Borutski, S., Richter, B., Tran, H. Q., Neubert, A., & Mayer, D. (2021). LABRADOR-A computational workflow for virus detection in high-throughput sequencing data. <i>Viruses</i> , 13(12), 2541. - Braun, C., Thurner, A., Danie, R., Schultz, A. K., Bulla, I., Schirmeier, H., Mayer, D., Neubert, A., & Czerny, C. P. (2017). Genetic variability of Myxoma virus genomes. <i>Journal of Virology</i> , 91(2). - Vos, A., Freuling, C. M., Hundt, B., Kaiser, C., Nemitz, S., Neubert, A., Nolden, T., Teifke, J. P., Te Kamp, V., Ulrich, R., Finke, S., & Muller, T. (2017). Oral vaccination of wildlife against rabies: Differences among host species in vaccine uptake efficiency. <i>Vaccine</i> , 35(32), 3938-3944. - Beckert, A., Geue, L., Vos, A., Neubert, A., Freuling, C., & Muller, T. (2009). Genetic stability (in vivo) of the attenuated oral rabies virus vaccine SAD B19. <i>Microbiology and Immunology</i> , 53(1), 16-21.
Senior Director Development	Mathias Kahl	M.S., University of Applied Science (HTW Berlin)	[Papers] - Kahl, M., Hesse, F., Schlupp, C., Kaufmann, M., & Evers, A. (2018). Mabfilin and Fabfilin-New antibody-scaffold fusion formats for multispecific targeting concepts. <i>mAbs</i> , 10(5), 719-730. https://doi.org/10.1080/19420862.2018.1462433 [Patents] - European Patent Office. (2023). Novel human programmed death ligand 1 (PD-L1) specific binding molecules (Patent No. EP4326749A1). - United States Patent and Trademark Office. (2024). Affinity ligands for the purification and detection of ubiquitin muteins (Patent No. US20240309056A1).

[SK Multi-Utility]

- Not applicable

(3) R&D Expenses

[SK chemicals]

(Reference date: 2025-12-31)

(Unit: KRW million)

Account		The 9th Period	The 8th Period	The 7th Period
Raw material costs		2,284	1,856	2,399
Labor costs		18,454	17,040	17,266
Depreciation		6,132	5,990	6,152
Consignment service costs		5,184	4,831	4,603
Other		16,446	15,431	13,750
Total R&D expense		48,500	45,149	44,170
Accounting	Selling and administrative expenses	48,500	45,135	44,016
	Cost of sales	-	13	153

	Development cost (intangible assets)	-	-	-
R&D Expenses / Sales Ratio (%) [Total R&D Expenses ÷ Current Period Sales × 100]		3.4	3.4	3.6

[SK bioscience]

(Reference date: 2025-12-31)

(Unit: KRW million)

Account		The 8th Period	The 7th Period	The 6th Period
Raw material expenses		43,105	17,066	37,681
Labor costs		26,802	28,482	29,045
Selling, general and administrative expenses, etc.		85,942	60,627	50,555
Total R&D expenses		155,849	106,175	117,281
Government subsidies		(216)	(447)	(611)
External subsidies		(27,609)	(29,315)	(30,927)
Total subsidies		(27,825)	(29,762)	(31,538)
Amount after deducting the subsidies		128,024	76,413	85,743
Accounting	Selling and administrative expenses	69,861	71,353	85,743
	Development cost (intangible assets)	58,163	5,060	-
	Total accounting amount recognized	128,024	76,413	85,743
R&D Expenses / Sales Ratio (%) [Total R&D Expenses ÷ Current Period Sales × 100]		23.9	39.7	31.7

*The ratio was calculated based on the total research and development expenditure before deduction of external grants and other support funds.

[SK Multi-Utility]

- Not applicable

3) R&D and patent application performance

(1) R&D performance

<Green Chemicals Biz.>

Year	Research Task	Research Results and Expected Effects
2025	PET Chemical Recycling	To develop an effective process capable of chemically recycling PET waste composed of various characteristics and contaminants, the Company completed lab-scale testing in the first half of the year and plans to commence full process design in the second half of the year.
2022	Established a dedicated facility for PO3G and started mass production	A dedicated facility for 100% bio-based polyol, PO3G, was established and successfully underwent trial operations, entering full-scale production in May 2022. PO3G, which has been evaluated to reduce greenhouse gas emissions by 40% compared to conventional petrochemical-based polyol production processes in the life cycle assessment (LCA), offers an environmentally friendly solution for polyurethane materials. It has been adopted in automotive interior materials, fashion, and sports materials, and full-scale supply has begun.
	SKYPEL TPEE for moisture-permeable waterproof films Material commercialization	The demand for breathable films is expanding due to the growth of the outdoor market influenced by COVID-19, and SKYPEL TX products are a competitive material in this segment. With high breathability, excellent water resistance, and washing durability, SKYPEL TX products have begun to be sold as materials for military and general functional apparel.
2021	Commercialized PO3G for main applications	SKYPEL TX products are being applied in various fields, including spandex, waterproof breathable clothing, synthetic leather, 3D printing, and cushioning materials for footwear. They have been adopted by global fashion and sports brands, as well as domestic automobile manufacturers, and are set to be launched in their products.
	ECOTRIA Claro-CR50 &	For the cosmetic packaging segment, where demand for recycled materials is high, the Company has completed the development of grades (Claro-CR50 and PN-CR50)

	PN-CR50 grade development completed	containing 50% chemically recycled feedstock. Furthermore, the Company has secured the technological capability to meet the stringent quality control standards required for cosmetic-grade applications. The production and sales are scheduled for the second half of 2021 at continuous process commercial facilities.
	ECOTRIA Claro-CR50 batch reaction commercial production was successful and the commercial sales began.	The cosmetics-grade Claro-CR50, which contains 50% chemically recycled raw materials, was successfully produced on batch commercial equipment. In response to urgent customer requests for recycled products, it has immediately transitioned to sales. Commercial order became possible without the additional evaluation of products to be produced in continuous process facilities in the second half of 2021.
	Obtained 2 types of recycling certification for ECOTRIA products	By obtaining both GRS and ISCC Plus recycling certifications, it is possible to selectively respond according to customer requirements. In the case of GRS certification, it is possible to clearly guarantee the recycled content included in the product, and in the case of ISCC certification, the recycled content used in manufacturing can be allocated to various products, which has the advantage of flexible utilization.
	Received biodegradability certification for 2 grades of SK's highly flexible PLA	Biodegradability certification has been secured for two grades of biodegradable biopolymer (flexible PLA) developed in 2020. Flexible PLA is a new material developed based on SK chemicals' patented technology and has been confirmed to be superior in terms of biomass content, transparency, flexibility and physical properties. It is planned to develop and commercialize the material for use in biodegradable film packaging materials, such as high-end shopping bag packaging materials.
	Developed recycle-grade flame retardant PET and received UL material certification	Enhanced the eco-friendliness of PET compound products by developing eco-friendly flame-retardant PET compound products. - Developed the flame retardant PET compound products applied with PCR (Post-Consumer Recycled), obtained UL material certification, and entered the customer evaluation phase.
	Successfully completed the commercialization of ECOZEN Plus	Developed a new Ecozen Plus product using alloying technology and SK chemicals' ECOZEN heat-resistant copolyester resin and PCT resin The newly developed Ecozen Plus significantly reduces residual stress in molded products and improves the material's physical properties (toughness). Sales commenced in the dishwasher-safe transparent container market, including airtight containers and personal water bottles, where the Company had previously been unable to enter with its existing materials.
	Developed PPS Compound for automobile parts and began commercial sales	Developed PPS compound products for automotive parts using SK PPS (Ecotran) manufactured by a new solvent-free polymerization process. Passed quality evaluations in the domestic and overseas automotive parts market and began sales (for use in thermostat housings, electric water pumps, impellers, lighting parts)

<Life Science Biz.>

Classification	Assignment name	Indication	Development Phase	Note
Pharma Business	SID710	Dementia	Released in Brazil	Released Europe's first generic
	SID1806	Arthritis	Approved	Improvement of usage and dosage of original drugs
	SID1903	Diabetes	Domestic sales and overseas licensing in progress	Incrementally modified drug
	SID2101	Migraine	Phase 1 clinical trial	Generic
	SID2102	Thrombocytopenia	Approved	Generic
	SID2305	Hypertension	Formulation research	Generic
	SID2403	Migraine	Formulation research	Generic
	SID2405	Arthritis	Formulation research	Incrementally modified drug
	SID2407	Hypertension	Formulation research	Generic
	SID2501	Diabetes, hyperlipidemia	Formulation research	Incrementally modified drug
	SID2502	Hypertension, hyperlipidemia	Formulation research	Incrementally modified drug
	SID2503	Migraine	Formulation research	Incrementally modified drug
	SID2504	Respiratory disease	Formulation research	Other
	NCE223	Cancer	Non-clinical	New drug
	NCE242	Idiopathic pulmonary fibrosis	Discovery	New drug
	SKP201	Arthritis	Approved	Generic
	SKP205	Migraine	Approved	Incrementally modified drug
	SKP221	Dyslipidemia	Approved	Incrementally modified drug
	SKP231	Gastric ulcer	Approved	Generic
	SKP241	Hypertension, hyperlipidemia	Release in Korea (2024-07-01)	Incrementally modified drug
	SKP243	Gastric ulcer	Approved	Generic
	SKP251	Gastric ulcer	Approved	Incrementally modified drug
SK bioscience	GBP410	Pneumococcus (PCV)	Phase 3 clinical trial	Jointly developed
	NBP615	Cervical cancer (HPV)	Phase 1/2 clinical trial	-
	NBP613	Rotavirus	Phase 1/2 clinical trial	-
	NBP1803	Immune-oncology	Basic research	-
	Vaccines	Acute respiratory disease (RSV)	Basic research	-
	NBP1801	Hepatitis A	Non-clinical (Note 1)	-
	NBP1802	Recombinant herpes zoster	Non-clinical	-
	NBP623	Obesity	Basic research	-
	Combo vaccine	COVID-19 + flu	Basic research	-
	GBP511	Universal sarbecovirus vaccine	Non-clinical (Note 2)	Jointly developed
	GBP540	Mini-binder (Nasal spray)	Non-clinical	Jointly developed

	GBP550	mRNA COVID-19	Non-clinical	Jointly developed
	GBP560	Japanese encephalitis	Phase 1/2 clinical trial	Jointly developed
	GBP570	Lassa fever	Non-clinical	Jointly developed
	GBP460	Cervical cancer (HPV)	Basic research	Jointly developed
	NBP607B	Differentiated flu	Non-clinical (Note 3)	-
	NBP625	Pandemic flu	Non-clinical	-
	NBP624	Botulinum toxin	Basic research	-
	GBP480	Ebola vaccine	Technology transfer	Joint development CDMO
	GBP412	Pneumococcus (PCV)	Non-clinical	Jointly developed
	GBP413	Pneumococcus (PCV)	Basic research	Jointly developed
	NBP626	Avian influenza	Non-clinical	A project of the Korea Disease Control and Prevention Agency
	NBP608B	Chickenpox	Phase 3 clinical trials (Note 4)	Expansion of indication for two-dose administration

*Details of basic research and non-clinical stage products have been omitted.

(Note 1) The Phase 1 clinical trial plan was approved in April 2025.

(Note 2) The Phase 1/2 clinical trial plan was approved in November 2025.

(Note 3) The Phase 1/2 clinical trial plan was submitted in July 2025.

(Note 4) The Phase 3 clinical trial plan was approved in December 2025.

*For detailed status, refer to “Detailed Table-5. R&D Performance (Details) - <Life Science>.”

[SK Multi-Utility]

– Not applicable

(Performance of the completed R&Ds)

The status of newly developed drugs completed in the last 5 years is as follows:

[Life Science Biz. (Pharma Business)]

(Reference date: 2025-12-31)

Classification	Product Name	Indication	Released	Status	Note
Classification	Product Name	Indication	Released	Status	Note
Incrementally modified drug	Suvexx Tab.	Migraine	2024	Sold domestically	Released (2024-09-01)
Incrementally modified	Suvexx Tab.	Migraine	2024	Sold domestically	Released (2024-09-01)

drug					
Incrementally modified drug Incrementally modified drug	Toszet A Tab.Toszet A Tab.	Hypertension, hyperlipidemiaHypertension, hyperlipidemia	20242024	Sold domestically Sold domestically	Released (2024-07-01)Released (2024-09-01)
Incrementally modified drug Incrementally modified drug	Teglutik SuspensionTeglutik Suspension	Lou Gehrig's diseaseLou Gehrig's disease	20232023	Sold domestically Sold domestically	Released (2023-01-01)Released (2024-09-01)
Generic Generic	Cosca Tab. 25mgCosca Tab. 25mg	Hypertension medicationHypertension medication	20212021	Sold domestically Sold domestically	Released (2021-07-01)Released (2024-09-01)
Generic Generic	Toszet Tab.	Hyperlipidemia treatment	20212021	Sold domestically Sold domestically	Released (2021-04-01)Released (2024-09-01)
Natural product Natural product	Ginexin-F Tab. 240mg	Improved blood circulation	20212021	Sold domestically Sold domestically	High content tablet, improved intake convenience

[SK bioscience]

(Reference date: 2025-12-31)

Item	Indication	Year of Development Completion	Current Status	Note
SKYCellfluPrefilled Syringe	Flu prevention	2014	Domestic sales; Overseas approval in progress/on sale	-
SKYCellflu QuadrivalentPrefilled Syringe	Flu prevention	2015	Domestic sales; Overseas approval in progress/on sale	-
SKYCellflu Injection	Flu prevention	2019	Obtained domestic product approval; Overseas approval in progress/on sale	WHO PQ certification
SKYCellflu Multi Injection	Flu prevention	2019	Obtained domestic product approval; Overseas approval in progress/on sale	WHO PQ certification
SKYCellflu Quadrivalent Injection	Flu prevention	2019	Obtained domestic product approval;	WHO PQ

			Overseas approval in progress/on sale	certification
SKYCellflu Quadrivalent Multi Injection	Flu prevention	2019	Obtained domestic product approval; Overseas approval in progress/on sale	WHO PQ certification
SKYPneumoPrefilled Syringe	Prevention of pneumococcus	2019 (Children) 2016 (Adults)	Obtained domestic export approval; Overseas approval in progress	-
SKYZoster Inj.	Prevention of herpes zoster	2017	Domestic sales; Overseas approval in progress/on sale	-
SKYVaricella Inj.	Prevention of chickenpox	2018	Domestic sales; Overseas approval in progress/on sale	WHO PQ certification
SKYTyphoid Multi Inj.	Prevention of typhoid (TCV)	2022	Obtained domestic export approval; Overseas approval in progress	WHO PQ certification
SKYCovione Multi Inj. (Export name: SKYCovione)	Prevention of COVID-19	2022	Obtained domestic product approval (Note 1)	-

(Note 1) Following the transition to endemic status and the WHO's recommendation for strain composition of the variant vaccine, the MHRA marketing authorization was voluntarily withdrawn after approval, and the WHO Emergency Use Listing was voluntarily rescinded after inclusion.

[SK Multi-Utility]

– Not applicable

Patent application performance results

(Reference date: 2025-12-31)

(Unit: cases)

Year	Domestic		Overseas	
	Applied	Registered	Applied	Registered
2025	65	29	149	70
2024	58	25	244	67
2023	51	43	127	93

*The performance results above include the performance of the consolidated subsidiaries.

(2) Other R&D performance

SK bioscience, a subsidiary of the Company, is focusing on developing vaccine formulations with high potential to lead the vaccine industry in the future, based on its successful experience in developing and commercializing various vaccine products. SK bioscience aims to expand its vaccine product portfolio by securing a pipeline consisting of next-generation pneumococcal vaccines, cervical cancer vaccines, and more. The Company is actively building a global vaccine network through joint development and collaboration with multinational global companies, international organizations, and biotech firms, leveraging its R&D capabilities.

SK bioscience is strengthening its global presence in the vaccine industry. In addition, SK bioscience is developing COVID-19 vaccines by leveraging its experience in vaccine development and technology it has accumulated over the years to overcome the COVID-19 pandemic.

In particular, SK bioscience's self-developed COVID-19 vaccine, "SKYCovione," funded by GF/CEPI, was tested in global Phase 3 clinical trials across various regions, including Europe and Southeast Asia, in addition to South Korea. With outstanding clinical trial results, it obtained domestic marketing authorization from the Korean Ministry of Food and Drug Safety in June 2022. Additionally, the product received marketing authorization approval from the UK MHRA in May 2023 and was listed on the WHO Emergency Use Listing (EUL) in June 2023. Currently, SK bioscience is pursuing the development of a universal sarbecovirus vaccine in response to the transition to endemic conditions, and in November 2025, received approval of its clinical trial application from the Therapeutic Goods Administration in Australia.

The results of the major R&D assignments carried out by SK bioscience are as follows:

Cell-cultured influenza vaccine, which is the foundation and core product of SK bioscience's vaccine business, succeeded in developing the trivalent vaccine for the first time in Korea and the quadrivalent vaccine for the first time in the world. In addition, SK bioscience launched its premium vaccine "SKYZoster" into the previously monopolized herpes zoster vaccine market, followed by a successful launch of "SKYVaricella," a chickenpox vaccine.

One of the most notable ongoing research and development projects at SK bioscience is the next-generation pneumococcal vaccine development project, being carried out in collaboration with the global vaccine leader, Sanofi. The 21-valent pneumococcal vaccine development project initiated in 2014 is currently in global phase 3 clinical trials. Upon

commercialization, it is expected to enter the pneumonia vaccine market for children, which is projected to grow to approximately KRW 13 trillion globally by 2030. In addition, SK bioscience is conducting joint research with foreign institutions with the aim of entering the global market. The typhoid vaccine, jointly developed with the International Vaccine Institute, received export product approval from the Ministry of Food and Drug Safety in May 2022 and obtained WHO PQ certification in February 2024. International regulatory approval for global supply is currently in progress. The Japanese encephalitis vaccine utilizing mRNA technology, being developed in preparation for CEPI and future pandemics, also commenced global Phase 1/2 clinical trials in February 2025. SK bioscience will continue to pursue R&D projects based on its excellent technological capabilities and actively utilize networks encompassing external organizations and the government to maximize R&D performance in the future.

7. Other Matters of Reference

A. Related to Intellectual Property Rights

1)Patent

As of the date of preparation of the disclosure documents related to its business, the Company has completed the registration of a cumulative total of 1,282 domestic patents and 2,107 international patents.

Green Chemicals Biz. In the Life Science Business sector, key pharmaceutical patents, such as those for Joins and Promac, have been obtained. Additionally, SK bioscience, a subsidiary, has acquired patents related to influenza and pneumococcal vaccines.

However, the number of intellectual property rights owned changes from time to time due to new acquisitions of rights, expiration of rights, abandonment and sale of rights, etc.

(Status of the patent acquisitions (cumulative))

(Reference date: 2025-12-31)

(Unit: cases)

Classification	Domestic	Overseas
Green Chemicals Biz.	1,003	1,367
Life Science Biz.	279	740

(Status of the patent acquisition for the last 3 years)

(Unit: cases)

Classification	2025	2024	2023
Domestic	30	25	43
Overseas	70	67	93

2) Trademark

As of the date of preparation of the disclosure documents related to its business, the company holds a cumulative total of 208 domestic trademarks and 278 international trademarks.

B. Related Laws or Government Regulations

1) Green Chemicals Biz.

In relation to the Company’s business, it strives to protect the environment by thoroughly complying with legal matters such as various product environmental regulations and business site environmental regulations. In particular, in response to the government’s carbon-neutral green growth policy, the Company reports the “greenhouse gas emissions and energy consumption” generated from business sites required by relevant regulations to the government and transparently provides relevant information to stakeholders through sustainability reports, etc. In addition, by establishing and implementing the SHE (Safety, Health, Environment) system, the Company has enabled systematic execution of environmental management, and is doing its best to reduce harmful/hazardous factors to the environment in the future.

(1) Air and water quality

To systematically manage our emissions of air pollutants, we have installed an automated atmospheric measurement network (TMS) and conducted continuous environmental monitoring activities. Additionally, environmental protection is prioritized as a key objective, with strict adherence to emission standards and other environmental regulations during the operation of air pollution control facilities. We manage the discharge of water pollutants by operating wastewater treatment facilities at our sites. To minimize the emission of pollutants, we have installed environmental pollution prevention facilities, including air and water pollution prevention facilities, and operate them to minimize the impact on the surrounding environment.

(2) Hazardous chemicals

In order to respond to regulations related to hazardous chemicals and enhance workplace safety, a “chemical accident prevention management plan” has been prepared to analyze the degree of impact on people or the environment outside the workplace due to chemical accidents. In addition, an accident prevention, off-site impact assessment, and emergency response program has been prepared and implemented, and related information has been notified to residents. Based on this, measures such as establishing an in-house response plan and notifying residents around the business site have been taken to minimize damage in the event of a chemical accident.

(3) Compliance with product environmental regulations

In a situation where regulations on hazardous chemicals are being strengthened worldwide, SK chemicals produces and sells Copolyester materials SKYGREEN and ECOZEN (1-15% based on biomass-derived carbon), which do not contain Bisphenol derivatives (BPA, etc.) that may be harmful to the human body and phthalate plasticizers regulated by EU RoHS, and meet the requirements for food contact materials in Korea, the United States, Europe, China, and Japan, with improved heat resistance by introducing biomass-derived components.

(4) Greenhouse gas reduction and energy saving

Since 2015, the Company has been designated as an allocation target company for emission rights in accordance with Article 8 of the Act on the Allocation and Trading of Greenhouse Gas Emission Rights, and in accordance with Article 24 of the same Act and the guidelines of the authorities, it reports the Company’s greenhouse gas emissions and energy consumption verified by a third-party external verification agency to the government authorities and discloses them to stakeholders, while carrying out activities to reduce greenhouse gases and energy in various ways.

2) Life Science Biz.

The government recognizes the pharmaceutical and biotech industries as key strategic sectors that will drive future national growth and is systematically fostering and supporting them. In accordance with relevant special laws, a five-year comprehensive plan for the promotion and support of the pharmaceutical industry was established and successfully implemented from 2013 to 2017. The government has selected outstanding

companies and registered them as innovative pharmaceutical companies, offering various incentives such as expanded R&D investments, tax benefits, policy funding, tax exemptions, and regulatory relief. These efforts aim to continue investing in research and development to strengthen the sector and promote the growth of the pharmaceutical industry. Furthermore, in line with the pledge to foster the pharmaceutical and biotech industries as key drivers of health security and national wealth, the government has established the "Pharmaceutical and Biotech Innovation Committee" under the direct control of the Prime Minister. Additionally, the government has committed to increasing its R&D support for the pharmaceutical industry from KRW 2.8 trillion to KRW 5.6 trillion, doubling the amount to ensure the healthy growth of the pharmaceutical sector.

Due to its direct impact on human life, health, and public well-being, the government has implemented measures to prevent actions that threaten public health and hinder the development of the pharmaceutical industry. To maintain fair competition and order in the pharmaceutical market, the government introduced a dual penalty system for rebates, where both the recipients and providers of rebates are penalized. Additionally, the government has strengthened the penalties for providing and receiving rebates by allowing for the reduction of the reimbursement price of medicines found to have involved rebate activities. Furthermore, the government has continued to make legislative efforts to maintain fair market competition by amending the Pharmaceutical Affairs Act and related regulations. These amendments include the implementation of an economic benefit expenditure reporting system and regulations on sales agents, ensuring that the highest efforts are made to uphold fair competition in the market.

In addition, the Company is regulated under the Pharmaceutical Affairs Act and related regulations, which cover approval reviews for clinical trial plans, as well as post-marketing re-evaluations, sanctions for off-label use, and maintaining order in pharmaceutical sales. Ministry of Food and Drug Safety (MFDS) strictly reviews and thoroughly verifies the safety and efficacy of pharmaceuticals, testing methods, manufacturing-related information for active ingredients, and risk management plans. Only thoroughly verified medicines are allowed to be released into the market, ensuring proper quality maintenance of pharmaceuticals and the protection of public health.

Various drug price reduction policies for the soundness of health insurance finances are also the government's efforts to stabilize the pharmaceutical industry. Unlike other industries, the pharmaceutical industry is directly regulated by the government in terms of drug pricing. As a result, government pricing policies have a direct impact on the sales and profitability of individual companies. The intensity of drug pricing policies is

managed at an appropriate level based on the financial health of the health insurance system at any given time. Through these policies, drug prices are adjusted or reduced based on the price and usage of pharmaceuticals, minimizing expenditures on pharmaceutical costs, which are a major component of insurance spending, and preventing unnecessary depletion of the health insurance funds.

[SK Multi-Utility]

1) Related to Intellectual Property Rights

- Not applicable

2) Related Laws or Government Regulations

(1) Compliance with government regulations related to discharge of environmental substances or environmental protection

SK Multi-Utility thoroughly manages emission facilities such as air and water quality to meet legal requirements for environmental protection. In order to comply with continuously strengthening related regulations, the Company conducts environmental self-audits of business sites to proactively identify and improve risk factors.

① Air pollutant management

In order to minimize the discharge of air pollutants, a 24-hour remote monitoring system operates through monitors and detectors at major emission facilities, and compliance with emission standards is considered the top priority task for environmental protection when operating air pollutant emission facilities.

In addition, in the case of SK Multi-Utility, which has been selected as a designated business site for the greenhouse gas and energy target management system since 2015, it sets and complies with the greenhouse gas reduction target and energy saving target required by the relevant regulations, and has established a roadmap to achieve carbon neutrality by 2050 and is actively responding to climate change by improving the energy efficiency of its facilities.

② Water pollutant management

SK Multi-Utility thoroughly manages facilities to minimize the discharge of water pollutants and jointly treats wastewater at SK chemicals' wastewater treatment facility. To manage non-point pollutants discharged from business sites due to rainfall, we have installed non-point pollution reduction facilities to prevent water pollution caused by these pollutants.

③ Waste management

Waste generated from business sites is managed according to the waste management procedure, and properly separated and discharged waste is temporarily stored in a storage area and then discharged, linked to the government's Allbaro system and then legally transported, treated, and managed. In addition, we are establishing a positive waste cycle by enhancing the recycling rate of waste generated at our facilities.

D. Status for Each Business Division

1) Green Chemicals Biz.

(1) Characteristics of the industry, etc.

Chemical products are fundamental materials in industries such as automotive, electronics, and construction, supplying materials for household goods, industrial products, and building materials. They are also widely used as substitutes for natural resources, serving as basic raw materials with a broad range of applications, including metals, natural fibers, synthetic leather, and natural rubber. As such, the chemical industry is a key upstream sector for all industries and is exposed to various external factors, including global economic conditions, exchange rate fluctuations, and oil price volatility due to geopolitical risks in the Middle East. In particular, the domestic chemical industry has built its growth foundation through exports due to stagnation in the domestic market. However, growth momentum has weakened due to intensified competition, such as the consumption slowdown in China, and increased supply from the Middle East and the United States, which are the key export destinations. However, the Company, which primarily produces and sells high-value-added specialty products, continues to show steady growth due to the consistent global demand increase for environmentally friendly products and lightweight materials.

(2) Domestic and overseas market conditions, etc.

[Highly functional copolyester resin]

Despite challenging business conditions, including increased uncertainty related to tariffs and low-value market penetration by Chinese competitors, the Company has successfully transitioned its portfolio toward high value-added products and continues to maintain stable sales volumes primarily in product segments with high technological barriers. New demand is expanding in the eco-friendly materials and high-performance/high-heat-resistant materials sectors, and the Company continues to maintain strong profitability in

cosmetic applications—where it has historically secured a high market share—based on its solid market leadership. In addition, while continuing to maintain a high market share in the Asian market, the Company is expanding its market share in emerging markets such as Southeast Asia and Latin America based on its quality and price competitiveness.

Trends in the Share of the Global Copolyester Resin Market

Product	2025	2024	2023
Copolyester	43%	43%	42%

*Source: Estimated in-house

[DMT]

In Korea and Japan, we have secured a stable sales base through long-term contracts with our major customers, maintaining a market share of over 90%. Furthermore, as the only manufacturer in East Asia, the Company maintains a high market share throughout Asia, including China, Taiwan, and India. As the largest competitor in Germany suspended production and operations from 2023 due to rising costs, the shortage of DMT supply in the market intensified, resulting in an even higher DMT market share.

Trends in the Market Share of the DMT Market of China, the Main Market

Product	2025	2024	2023
SKYDMT	90%	90%	90%

*Source: Estimated in-house

[Polyester resin for coating and adhesion]

Copolyester binders for adhesion and coating are used in food can coatings, coatings for steel plates for home appliances, clothing, packaging adhesives, etc., and the relevant industry continues to grow steadily at an average annual rate of 3%. In particular, in the case of food can coatings, due to the BPA issue, epoxy, which was widely used, is being replaced with copolyester binder, primarily in advanced countries such as the United States and Europe. This market is growing at over 10% annually, and we are expanding our market share in the U.S. and European markets with competitive pricing and superior quality. Also, in the case of coatings for steel plates for home appliances, the Company occupies more than 80% of the domestic market and is expanding sales to Asia, including China.

Trends in the Market Share of the Global Polyester Adhesive Market

Product	2025	2024	2023
SKYBON (based on the solid's sales)	10%	10%	10%

*Source: Estimated in-house

[Thermoplastic elastomers]

Thermoplastic elastomer TPEE is an elastic material with both plastic and rubber properties, and is widely used in a variety of fields, including industrial materials (such as automobiles and cables) and consumer goods (such as films, fibers, and cosmetics). In particular, as a material with excellent heat resistance and mechanical strength, it can provide various solutions to meet customer needs with a diverse portfolio, and the market is growing at an average annual rate of 6%.

[Bio-polyol (PO3G)]

Along with recycled materials, sustainable biomass-based materials are increasingly being spotlighted as a future industry that solves the problem of fossil resource depletion in the near future and the environmental problems that have become a reality. In particular, due to the increasing global interest in the environment, strengthening of regulations, and the declaration of ESG management, the demand for eco-friendly materials is rapidly increasing in various industries, including the global sports and fashion industry. The Company is responding to such demands by commercializing the bio-polyol PO3G business using corn as a raw material.

[CR-PET materials and CR raw materials (r-BHET)]

Plastic recycling is a solution that reduces the impact of plastics on the global environment by minimizing discarded plastic waste and reducing the production of new plastics.

More than 100 million tons of PET are consumed annually, of which about 10%, approximately 10 million tons, are recycled. Chemical recycling is gaining attention as a way to accelerate waste reduction through improving the recycling rate.

(3) Business overview, etc.

[High-functional Copolyester resins]

Copolyester is used in a wide range of applications, from various packaging materials, including cosmetics packaging, to home appliances and construction materials, due to its safety, excellent physical performance, chemical resistance and transparency, as well as the absence of bisphenol A (BPA), an environmental hormone. The Company is expanding its market presence based on stable production technology and accumulated research capabilities. The Company has secured a customer base that enables both growth and profitability through a portfolio shift toward high value-added markets, and maintains a high market share even amid intensified competition and economic downturns.

In the high value-added core cosmetics market, the Company is securing a foundation for growth centered on the ECOTRIA series containing a portion of recycled raw materials. For high-heat-resistant products, in addition to the stable sales of ECOZEN Pro with enhanced existing physical properties, the Company is preparing for further growth by developing new grades with additionally improved strength. The Company plans to continue expanding its market share through increased sales of the ECOTRIA series, which are composed of recycled materials, and ECOZEN, a high heat-resistant product.

[DMT]

DMT is a key raw material essential for use across a broad range of industries, including polyester fibers, films, engineering plastics, and elastomers. Based on the proprietary production know-how accumulated over the past several decades, the Company uses internally produced DMT in the manufacture of CHDM, a key raw material for the Company's high-performance copolyester resins. This large-scale vertically integrated structure based on captive consumption has become the driving force behind securing operational stability resilient to changes in the external environment as well as superior competitiveness in quality. The Company's world-class quality and supply stability, validated over an extended period, have earned strong trust from customers across the globe, including in Asia and Europe, and have firmly established the Company's products as key materials for realizing differentiated products across diverse industries.

[Polyester resin for coating and adhesion]

The adhesion and coating market has a diverse range of applications and applied substrates, and the core competitiveness lies in developing various products that meet customer requirements in a timely manner and building a product portfolio for each application. Due to this characteristic, there are entry barriers for new companies. The traditionally strong players in each region, such as Bostik in the United States and Toyobo in Japan, have dominated the market in each region. Recently, however, major customers

such as paint companies are promoting dualization of supply to ensure low-cost purchasing and stable raw material supply, which means there are opportunities for regional expansion. The Company has been steadily increasing its market share in overseas markets by leveraging its competitive advantages, including the technological strength it has accumulated in this business over the past 30 years and the price competitiveness it can offer thanks to its in-house production of monomers such as DMT and CHDM. The adhesives and coatings market is a mature industry that has maintained stable growth, but there are applications that require the replacement of existing technologies or have high growth potential due to external environmental changes such as regulations and technologies.

In particular, the Company's products do not contain BPA, an environmental hormone, making them utilized for can-coating applications. Its solvent-free hotmelt products, which do not contain organic solvents, have excellent washing resistance and are used as adhesives for clothing heat transfer films.

[Thermoplastic elastomers]

The thermoplastic elastomer market is a material used in a wide range of fields from industrial materials (automobiles, cables, etc.) to consumer goods (films, fibers, cosmetics, etc.), and its core competitiveness lies in providing solutions that meet customer needs with a diverse portfolio. In addition, in a situation where environmental needs are expanding, the demand for polyester elastomer materials is increasing due to the growing demand for recycling, and substitution is taking place across industries. In this situation, the Company's product, SKYPEL, is expanding its business by meeting market needs and providing high-quality products.

[Bio-polyol (PO3G)]

As global materials industries face increasing demands for carbon neutrality and sustainability, the importance of bio-based materials as alternatives to fossil-based feedstocks is growing. The Company's bio polyol (PO3G) is a raw material certified as containing 100% biomass-derived content by the United States Department of Agriculture and TÜV. By utilizing bio-based PDO as its key feedstock, it delivers approximately 40% lower carbon emissions compared with processes using fossil-based BDO, based on supplier life cycle assessment (LCA) results. In addition, when applied to artificial leather, elastic materials, etc., it provides superior physical properties, and demand is expanding in line with global brands' ESG strategies. Since 2022, the Company has established a commercial production system with annual capacity of 5,000 tons and

has successfully launched bio polyol (PO3G)-based products in collaboration with various industries. Going forward, the Company will proactively respond to market demand by strengthening partnerships and expanding application areas.

[CR-PET materials and raw materials (r-BHET)]

The Company is pursuing its recycling business

based on glycolysis-based chemical recycling technology and accelerated market expansion by acquiring commercial production infrastructure for chemically recycled PET (CR-PET) and feedstock (r-BHET) in March 2023. CR-PET, which reproduces waste PET into the monomer r-BHET and then regenerates it into PET, exhibit key physical property metrics at levels comparable to virgin PET under appropriate feedstock and process conditions, making it applicable not only to traditional PET applications such as bottles and fiber markets but also to high value-added applications like functional films, optical films, and industrial high-tenacity yarns. Therefore, it is expanding its scope by responding to the needs for eco-friendly material use by various global brand owners. Through the chemically-recycled PET business, the Company aims to continuously achieve its mission of providing recycled material solutions to the market to satisfy customer needs while reducing PET waste by recycling a wide range of materials beyond bottle waste, such as films, fibers, and colored waste.

(1) New businesses, etc.

Existing petroleum-based plastic materials are expected to be converted to recycled and bio-based materials in the future due to the strengthening of eco-friendly policies by governments around the world and the increase in consumer awareness of environmental pollution. The Company has secured solely domestic technological capabilities centered on Copolyester through more than 20 years of continuous investment and research in the field of eco-friendly and bio materials, and has established unrivaled business competitiveness while showing continuous growth in the global market. By utilizing these accumulated capabilities, the Company is actively striving to produce environmentally friendly products by replacing the raw materials of Copolyester materials with recycled plastics, and is actively promoting the transition to an eco-friendly material business model, while actively pursuing the transition to a chemical recycling business. Additionally, the Company aims to achieve Net Zero by 2050 by actively expanding the use of eco-friendly fuels and the adoption of renewable energy.

① Building a business portfolio centered on green chemicals

In 2021, the Company commercialized Copolyester produced using the chemical recycling method. Additionally, based on the commercial production of corn-based PO3G in 2022, the Company plans to expand its investment in the value chain of its business and in promising future bio-materials. Through continuous development of applications and technological advancements, the Company is expanding collaborations with various brand owners.

② Pursuing a business model transition into the Chemical Recycling business

The Company aims to transition its business model to a chemical recycling solution business, leveraging the recycling capabilities built through its Copolyester business. To this end, the Company seeks to take the lead in establishing a circular economy based on chemically recycled plastics, thereby creating a positive cycle in which ecosystem development is linked to business success. The Company will contribute to solving social problems by utilizing PET bottle waste generated in Korea and establish a stable base for business operation through smooth supply and demand of recycled raw materials.

To this end, the Company established Shuye-SK Chemicals(Shantou) Co., Ltd., an overseas subsidiary, to establish a business base in China, a strategic market, and to ensure operational capabilities, laying the groundwork for the early securing of r-BHET and expanding recycling-related businesses. In addition, in order to preoccupy the emerging market of the recycling business, the Company is promoting the strengthening of price competitiveness through securing HTR (Hard to Recycle) technology and waste PET, and vertically integrating the value chain leading to the production of PET materials. At the same time, the Company is striving to establish a recycling business platform with global brand owners in order to secure a stable earnings base and expand its business scope.

③ Achieving Net Zero

The Company has established an annual reduction plan for process conversion, eco-friendly fuel conversion, mobile combustion conversion, and renewable energy introduction to achieve the Net Zero goal by 2040, and has also established an offset reduction plan for the remaining amount. Through this, the Company will achieve greenhouse gas (Scope 1, 2) Net Zero by reducing greenhouse gas emissions by 370,000 tons by 2040.

Ultimately, the Company will achieve Net Zero by 2050 for greenhouse gases generated throughout the entire life cycle of products, that is, Scope 3 emissions. To this end, the establishment of a "circular economy ecosystem" is essential, and in order to establish a circular economy ecosystem, the Company is communicating with various stakeholders such as partner companies, consumers, and local governments, and is actively carrying out activities such as infrastructure expansion. Furthermore, the Company will not only establish targets but also implement ongoing progress checks for continuous reductions. The targets will be managed, taking into account the changing business environment each year. In addition, the Company will secure stable renewable raw materials and expand their use by expanding the Recycle Cluster.

2) Life Science Biz.

(1) Characteristics of the industry, etc.

The pharmaceutical and biopharmaceutical industry, which produces and sells the medicines that are the key to human health, is an industry that is directly related to the health of the nation and its people, and takes on the characteristics of a regulated industry with strict management and control. In this context, corporate responsibility and ethics are of paramount importance. In particular, the vaccine industry not only takes the lead in public health through disease prevention, but also contributes to the promotion of the health of all mankind through overseas exports, thus contributing to the promotion of public interest.

The pharmaceutical and biopharmaceutical industry is a high value-added industry with high technology and research intensity, and is also attracting attention as a key industry for the future. In particular, biopharmaceuticals represent a high value-added business compared to traditional synthetic drugs, and their share of the overall pharmaceutical market is steadily increasing. On a national and social safety net level, the importance of stable vaccine supply is becoming more prominent worldwide, and recently, drug regulatory agencies in each country are recommending pharmaceutical companies to strengthen the stability of drug supply.

The size of the biopharmaceutical market is expected to grow from USD 480 billion in 2023 to USD 752.1 billion by 2028, representing a growth rate of 9.4%. With the government's plans to expand vaccine self-sufficiency and national vaccination support programs, not only is the domestic vaccine market expected to grow, but the international vaccine market, particularly in developing countries, is also anticipated to grow rapidly.

Total Production of Domestic Pharmaceuticals, Etc.

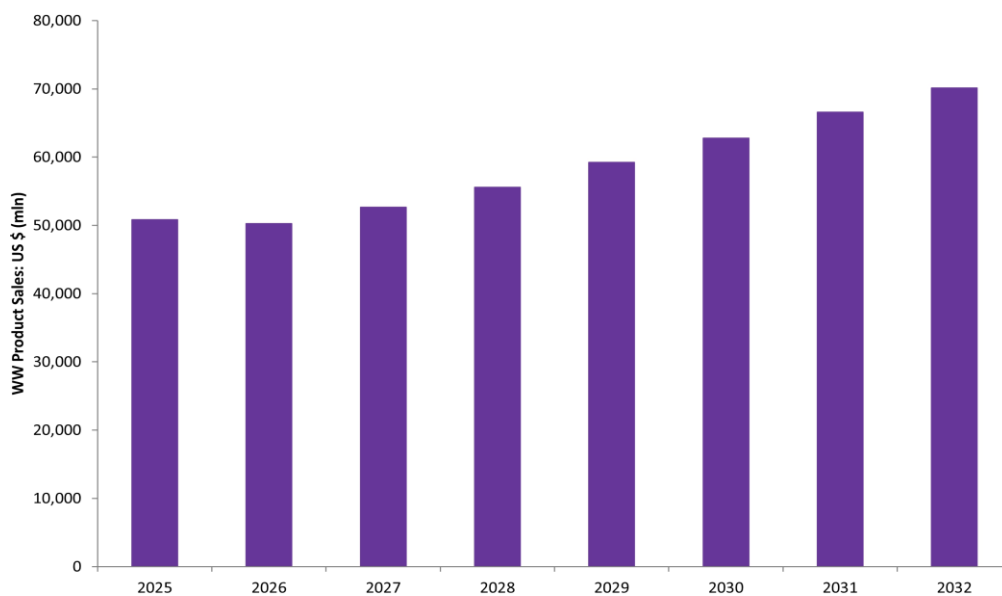
(Unit: (KRW 100 million, %))

Year	Total Production Amount of Pharmaceu ticals, Etc.	GDP		Weight Relative to GDP	
		All Industries	Manufacturi ng	All Industries	Manufacturi ng
2020	280,284	20,584,665	5,290,309	1.36	5.30
2021	276,181	22,219,129	5,832,096	1.24	4.74
2022	308,442	23,237,815	6,157,496	1.33	5.01
2023	320,880	24,086,874	6,131,348	1.33	5.23
2024	342,880	25,568,574	6,805,836	1.34	5.04

Source: Korea Pharmaceutical and Bio-Pharma Manufacturers Association, <2025 Pharmaceutical and Biotech Industry Databook>

Global vaccine market status and outlook (2025-2032, Unit:USD one million)

(Unit: USD one million)



Source: Evaluate Pharma (February 2026)

(2) Domestic and overseas market conditions, etc.

[Pharmaceutical Business (Pharma Business)]

As the aging population increases, there is growing social interest in the prevention and treatment of diseases. As a result, the domestic pharmaceutical market continues to grow. However, due to government price controls, as well as the strengthening of various regulations, ethical practices, and compliance activities, competition within the domestic pharmaceutical market is expected to intensify. Pharmaceutical companies are implementing various business strategies, such as expanding product portfolios through partnerships and entering international markets, to complement these challenges. In particular, considering the complexity and high investment costs of new drug development, activities aimed at improving R&D efficiency are expected to become a key competitive advantage for the business.

Recently, there has been an increase in the adoption of the “open innovation strategy,” where new drug candidates are sourced externally to enhance the efficiency and outcomes of research and development. This approach helps reduce R&D costs, shorten development timelines, and enables the creation of high-value products with a higher probability of success. In addition, due to drug price reductions and intensified competition, there is an increasing movement to improve business profitability through internal operational efficiency, and at the same time, M&A and equity investment for business diversification are expected to become active.

[Vaccine Business (SK bioscience)]

① Vaccine development/commercialization

Outbreaks of infectious diseases—including Zika in 2015–2016, MERS in 2015, Ebola in 2017, measles in 2019, and COVID-19 in 2020—have caused social and economic disruption in the affected regions and neighboring areas, and countries around the world are strengthening surveillance, response, and prevention measures at the national level. Against this backdrop, global vaccine demand is expected to continue growing due to the implementation of global immunization support programs and related initiatives.

Global immunization support programs are healthcare assistance initiatives led by international organizations such as the World Health Organization, UNICEF, and private foundations such as the Bill & Melinda Gates Foundation, which promote the growth of vaccine markets for specific diseases by administering vaccines for measles, rubella, polio,

and other diseases in low-income countries. In addition, not only prophylactic vaccines but also therapeutic vaccine markets are emerging, and active research is being conducted on combining adjuvants and adjuvant mixtures that enhance immune activation and long-term immune memory, which is expected to further accelerate market growth.

② CDMO

According to the report titled "Global Biopharmaceutical CMO Market Status and Outlook" published by the KoreaBIO in October 2025, the market size is projected to expand from USD 20.5 billion in 2024 at a compound annual growth rate of approximately 9% over the next six years. Growth in the biopharmaceutical market, increasing drug development costs, and tightening regulatory requirements are driving the expansion of the CDMO market. Global pharmaceutical companies are strengthening partnerships with CDMO companies in order to reduce new drug development costs and focus on R&D, and accordingly CDMO companies are securing stable revenue streams through long-term contracts with major pharmaceutical companies.

[Life Science Biz. Key Products’ Domestic Market Share Trend]

Business Division	Key Products	Market Share			Note
		2025	2024	2023	
Pharmaceutical business (Pharma Business)	Joins	28%	27%	26%	Source: KINDA / UBIST
	Ginexin	37%	40%	42%	Source: KINDA / UBIST
Vaccine business (SK bioscience)	Flu vaccine	22%	23%	30%	Source: Estimated in-house (Referring to the Ministry of Food and Drug Safety, The National Shipping Approval Data and the CDC Inoculation Rate)
	Herpes zoster vaccine	42%	35%	44%	Source: IMS data
	Chickenpox vaccine	34%	52%	43%	Source: IMS data

(3) Overview of business

[Pharmaceutical business (Pharma Business)]

The Company's pharmaceutical business (Pharma Business) has the main purpose of manufacturing and selling natural substance and synthetic pharmaceuticals, and is continuously growing by creating R&D results and establishing strategic partnerships with global pharmaceutical companies. By developing and launching "Joins," Korea's first natural substance arthritis treatment, and "Ginexin," which has the No. 1 market share for ginkgo leaf products, the Company has solidified its position as a market leader centered on natural substance products, and is further strengthening its competitiveness through its product lineup. In addition, the Company has achieved R&D results based on excellent formulation technology, such as launching "Mvix S," the world's first film-type erectile dysfunction treatment, and "Trast," a patch-type arthritis treatment that maximizes the therapeutic effect and duration through the transdermal drug delivery system.

In order to further strengthen its accumulated new drug development capabilities, the Company newly established an open innovation organization in 2019, and is promoting joint research with leading big data researchers and artificial intelligence (AI) specialized companies in Korea, as well as new drug development specialized venture companies, to effectively discover more diverse candidates.

The Company is currently conducting joint research, based on artificial intelligence technologies, with globally competitive companies such as Standigm and Oncobix on new drug candidates for anticancer therapies and idiopathic pulmonary fibrosis, among other indications. In the future, the Company will continue to promote new drug development for intractable diseases through open innovation with various companies and research centers, and will continuously strengthen its R&D capabilities by establishing additional partnerships at home and abroad. In addition, the Company has established a foundation for its contract development and manufacturing (CDMO) business through close collaboration with global pharmaceutical companies. This includes securing an additional portfolio through the supply agreement of "Sildenafil" with AstraZeneca, and plans to continue expanding its CDMO business area.

The Company plans to strengthen its business competitiveness by providing high-quality pharmaceuticals through its research and development capabilities and top-tier production infrastructure, while continuously expanding its product lineup. To achieve this, the Company will focus on securing excellent professional talent and technology, and aims to establish various forms of strategic partnerships with partner companies to secure sustainable growth drivers in the future.

[Vaccine Business (SK bioscience)]

The Company laid the foundation for its growth as a life science company by acquiring a stake in Dong shin Pharmaceutical, a vaccine company, in March 2001. Subsequently, on November 1, 2006, SK chemicals Co., Ltd. officially merged with Dong Shin Pharmaceutical. The merger with Dongshin Pharmaceutical is significant in that it was the starting point for taking a leap into becoming a world-class life science company through organic R&D and marketing, and it was also an expression of our ambition to become a leader in the biopharmaceutical industry by further developing the business through synergies based on the merger with Dongshin Pharmaceutical, which has unrivaled competitiveness in Korea. SK chemicals, recognizing that the paradigm of global life sciences was shifting from "treatment" to "prevention" in 2006, made a large-scale investment of approximately KRW 500 billion in infrastructure development and R&D starting in 2008, even though the vaccine business was an unknown field in Korea at that time. In 2012, the completion of the Andong L House vaccine plant provided a key base capable of producing the majority of vaccines developed domestically.

Andong L House not only achieves flexibility in production with the single-use system, but also promotes the best quality control with a perfect aseptic system. Each process room maintains a clean working environment through verified HEPA filters, blocks cross-contamination by establishing an air-lock system and independent air conditioning systems for each area, and the drug substance produced in the drug substance area is stored in a refrigerator in the finished product area and then the final drug substance is prepared in a sealed disposable sterile bag, ensuring stable quality even in a mass production system. The loading area, which must be completely sealed off from contamination, is under special management with the restricted access barrier system (RABS). We also have a future expansion plan for future exports or pandemics.

Based on the Andong L House, the Company took a step closer to establishing vaccine sovereignty by achieving results such as Korea's first approval of a trivalent cell culture influenza vaccine in 2014, the world's first approval of a quadrivalent cell culture influenza vaccine in 2015, the world's second approval of a shingles vaccine in 2017, and Korea's second approval of a chickenpox vaccine in 2018. Furthermore, gaining recognition for its world-class R&D capabilities, SK chemicals partnered with the global vaccine company Sanofi in 2014 to develop a next-generation pneumococcal vaccine. Additionally, through technology transfer to CSL, the hemophilia A treatment "Apstila" was licensed out. It received market approval from the U.S. FDA and Canada in 2016, and from the European

Medicines Agency (EMA) and Australia in 2017. Apstila became the first bio new drug based on domestic technology to enter both the U.S. and EU markets, and its approval is being expanded to other regions.

The next-generation pneumococcal vaccine development project was initiated in 2014 in collaboration with Sanofi. The 21-valent pneumococcal vaccine successfully completed global Phase 2 clinical trials using clinical drug products produced at the Andong L House under U.S. FDA approval in December 2018. The global Phase 3 clinical trials were initiated in 2024.

In addition, in June 2025, the Company completed the expansion of the pneumococcal vaccine production facility at Andong L HOUSE, and preparations for commercial production are also progressing smoothly. Upon the successful commercialization of the vaccine, it is expected to enter the pneumococcal vaccine market for children, which is projected to grow to approximately KRW 13 trillion globally by 2030.

In addition, a revised agreement was signed in 2024 to further advance the development of the next-generation pneumococcal vaccine. As a result, the Company plans to continuously strengthen its position in the pneumococcal vaccine market.

With a view toward entering global markets, the Company is also strengthening partnerships with overseas institutions across various areas. In the case of the typhoid vaccine jointly developed with IVI, the Company obtained export product approval and WHO PQ certification. The COVID-19 vaccine "SkyCovione," developed with funding from GF and CEPI, has also received product approval from domestic authorities (the Ministry of Food and Drug Safety) and overseas regulators (including the MHRA in the UK). In 2025, SK bioscience expanded its vaccine distribution agreement with global pharmaceutical company Sanofi and successfully launched "Beyfortus," an antibody injection for the prevention of Respiratory Syncytial Virus Infection (RSV), in Korea. Meanwhile, the Company also strengthened global partnerships by discussing cooperation with the Gates Foundation (GF) to promote global health initiatives.

SK bioscience also plans to build a global R&PD (Research & Process Development) center in Songdo International City to expand its global bio-CDMO business and secure a new platform, and will strengthen its cooperation with international organizations, domestic and overseas bio-companies and research institutes.

[IDT Biologika]

IDT Biologika was founded in 1921 as the Bacteriological Institute of the Anhalt County (Bakteriologisches Institut der Anhaltischen Kreise) in Dessau, Germany. In 1925, IDT Biologika began manufacturing vaccines, starting with tuberculosis and swine erysipelas vaccines. As the demand for serum production for passive immunity in humans and animals increased, the Anhalt Serum Institute Dessau GmbH (ASID) was established in 1930.

In 1945, a vaccine research institute (Forschungsinstitut für Impfstoffe) was newly established in response to the production of vaccines and diagnostic agents for the eradication of infectious diseases. In the 1960s, research and production directions were established in line with government policies focused on the prevention and treatment of animal infectious diseases.

In 1980, the human pharmaceutical production division was spun off, and the company name was changed to Impfstoffwerk Dessau-Tornau (Vaccine Factory Dessau-Tornau). In 1993, Hartmut Klocke privatized the company, bringing changes to its operational structure. In 1999, the company expanded its production capabilities while focusing on two core businesses: the development, production, and distribution of human vaccines and biologicals as a CDMO, and the development, production, and distribution of veterinary pharmaceuticals.

In 2019, the company sold its animal health division to Ceva Santé Animale, thereby establishing a foundation to focus on human vaccines and biologicals as a CDMO. Currently, IDT Biologika specializes in biopharmaceutical CDMO, and in 2023, it became the first German company to be officially recognized by the German government for its pandemic response capabilities.

(4) New businesses, etc.

[Pharmaceutical business (Pharma Business)]

The pharmaceutical and biotech industries are expected to experience rapid growth due to the global increase in population and the aging population. Accordingly, the Company aims to expand its business area by maintaining its current Operation Excellence and discovering pipelines and promoting business cooperation with external partners.

Currently, the Company is driving open innovation through joint research collaborations with numerous biotech ventures and is strengthening its new drug discovery capabilities using AI. Additionally, the Company continues to explore further partnerships both domestically and internationally to enhance its R&D capabilities.

In addition, the Company plans to pursue various medium- to long-term strategies to expand its value, including the growth of its contract development and manufacturing (CDMO) business. It will also explore all possibilities in areas closely linked to its existing businesses to identify future business opportunities.

[Vaccine Business (SK bioscience)]

① Expansion of the preventive vaccine pipeline

A pipeline refers to a new drug development project that is being researched and developed (R&D) by a company. SK bioscience plans to make continuous efforts such as R&D investment and manpower input to develop new preventive vaccine pipelines from its existing portfolio centered on domestic premium vaccines. In particular, the value of preventive vaccines is receiving attention through the COVID-19 pandemic, and the global vaccine market is also expected to grow significantly. The Company has already accumulated experience in global joint development projects through initiatives such as the next-generation pneumococcal vaccine, COVID-19 vaccine, and typhoid vaccine projects. Currently, the Company is working to secure a portfolio of premium vaccines, including global blockbuster candidates. In particular, the 21-valent pneumococcal conjugate vaccine being jointly developed with Sanofi entered full-scale global Phase 3 clinical trials in the United States, Europe, Korea, and other countries beginning in December 2024, and the clinical trials are currently progressing smoothly across multiple jurisdictions worldwide. The Company expects this vaccine to play a pivotal role in expanding its prophylactic vaccine pipeline going forward. In addition, beyond the 21-valent pneumococcal conjugate vaccine currently undergoing Phase 3 clinical trials, the Company executed in 2024 an expanded co-development agreement for the development of additional follow-on pneumococcal vaccines, with plans to further strengthen its position in the pneumococcal vaccine market.

② Expansion of the new bio/platform

In the vaccine and biotech industry, the meaning of a platform is that the same technology can be applied to multiple pipelines, and the mRNA platform that emerged

during the COVID-19 pandemic is a representative example. The core characteristic of SK bioscience's R&D and production capabilities is that it can simultaneously possess multiple platforms and flexibly and quickly convert them as needed. SK bioscience has already demonstrated its capabilities across diverse platforms, including recombinant protein-based vaccines (SKYCovione and Novavax's Nuvaxovid), cell culture-based vaccines (SKYCellflu), and viral vector vaccines (AstraZeneca's Vaxzevria). Currently, the Company is progressing with a project to secure mRNA technology and production platforms through collaboration with global initiatives. In February 2025, the Company began global Phase 1/2 clinical trials for the Japanese encephalitis vaccine (GBP560). Through this, the Company aims to secure mRNA vaccine platform technology capable of addressing various diseases beyond just pandemic response, and will build new pipelines to strengthen its global competitiveness. In addition, the Company will continue to strive for the acquisition of new innovation platforms through ongoing networking and collaboration within the bio ecosystem.

In addition, platform technologies can be used to secure synergy not only in vaccines but also in the field of bio therapeutics.

For example, SK bioscience may pursue expansion into new biopharmaceutical areas, including CGT, by leveraging its virus vector manufacturing capabilities currently in its possession.

③ CDMO business performance

SK bioscience's CDMO business plays a key role in the commercialization of vaccines by transferring antigen manufacturing technologies from companies with proprietary vaccine technology. The Company either supplies commercial quantities of products or provides development services from the process development stage, making significant contributions to the commercialization of vaccines.

After COVID-19, many companies are promoting the development and manufacturing of vaccines, but the number of companies with the capability to commercialize vaccines, which requires accumulated know-how, is limited.

Recently, a growing number of global pharmaceutical and biotech companies have outsourced process development and large-scale manufacturing and are supplying products through manufacturing partnerships, while biotech ventures lacking in-house development and manufacturing capabilities are actively entering into partnerships with CDMO companies. SK bioscience has demonstrated a high level of process development and production capabilities, including securing EU-GMP, through the successful launch/supply of a portfolio of its own developed products and partnerships with global partners for COVID-19 vaccines.

Additionally, SK bioscience acquired IDT Biologika, located in Germany, in October 2024. The Company has a track record of obtaining pharmaceutical manufacturing approvals from regulatory authorities in 13 countries/jurisdictions worldwide, including key markets such as the United States, Europe, and Japan, and manufactures and supplies active pharmaceutical ingredients and drug products commissioned by a diverse range of global customers across the vaccine and biopharmaceutical value chain, from clinical-stage through commercial production, including process and analytical method development. In addition, the Company has established a solid business foundation as a key manufacturing partner to global pharmaceutical and biotechnology companies, and based on strong trust with the German government, has also secured a stockpiling supply agreement for approximately 80 million doses annually over the next five years in preparation for the next pandemic.

④ Promotion of the business SKYShield

In the wake of the COVID-19 pandemic, many governments have pursued the localization of vaccine-related capabilities, including production, to enhance their self-sufficiency. Accordingly, SK bioscience is striving to localize vaccine development and production infrastructure in countries around the world through partnerships with foreign governments and local companies. SK bioscience aims to support the localization of vaccine capabilities in countries worldwide through its expertise in vaccine-related products, technologies, and facilities, along with institutional support from foreign governments, technology transfer from local companies, and operational synergies. Accordingly, in August 2023, SK bioscience signed a contract with GPO, a Thai state-owned pharmaceutical company, to transfer the finished product technology of cell culture influenza vaccine. In this way, the Company is designing and promoting business models specialized for regional characteristics, focusing on key countries in each region of the world.

[SK Multi-Utility]

In 2021, SK chemicals established a new subsidiary, SK Multi-Utility, through a physical split-off to enhance its expertise and strengthen management efficiency by focusing on its core competencies in the utility supply business, including the electricity and steam businesses. The main products of the SK Multi-Utility business are heat (steam) and electricity, and it sells steam and electricity to customers within its supply area as a collective energy business operator and a deemed district electricity business operator. SK Multi-Utility completed its LNG/LPG-fired CHP plant in the second half of 2025 and has since entered stable commercial operations. A high-efficiency facility that simultaneously produces electricity and steam has strengthened the stability of energy supply for companies within the Mipo National Industrial Complex, and a dual-fuel system has been established to enable flexible responses to fuel price volatility. In addition, with the designation of Ulsan City as a specialized distributed energy zone and the Company's selection as a distributed energy operator, it has enabled a more cost-efficient supply of energy to local industrial complexes.

E. The Summarized Financial Status by Business Division

(based on consolidated financial statements) for the disclosed period is as follows:

(Unit: KRW 1,000)

Division	Classification	The 9th Period		The 8th Period		The 7th Period	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
Green Chemicals Biz.	Sales Revenue	1,551,420,598	65.6%	1,473,610,421	84.8%	1,285,198,836	73.5%
	Operating profit (Note 1)	92,375,687	-	87,094,981	-	52,005,352	62.4%
	Depreciation (Note 2)	86,434,148	45.8%	73,864,274	54.5%	67,238,189	59.6%

	Total Assets	2,585,990,585	42.5%	2,138,614,528	39.8%	1,839,934,959	44.2%
Life Science Biz.	Sales Revenue	1,139,815,225	48.2%	624,775,140	36.0%	745,554,322	42.6%
	Operating profit (Note 1)	(99,471,541)	-	(119,278,528)	-	19,531,325	23.4%
	Depreciation (Note 2)	98,340,343	52.2%	56,352,419	41.6%	41,341,599	36.6%
	Total Assets	3,411,128,794	56.0%	3,097,998,596	57.7%	2,092,798,709	50.3%
Consolidation adjustments, etc.	Sales Revenue	(326,071,381)	-13.8%	(361,606,659)	-20.8%	(281,975,418)	-16.1%
	Operating profit (Note 1)	6,888,490	-	(12,992,021)	-	11,765,810	14.1%
	Depreciation (Note 2)	3,746,111	2.0%	5,328,693	3.9%	4,305,587	3.8%
	Total Assets	90,505,002	1.5%	130,435,503	2.4%	226,041,236	5.4%

(Note 1) Due to operating losses, the proportion of operating profit is not disclosed.

(Note 2) This is the sum of the depreciation expenses for tangible assets, depreciation expenses for investment real estate properties, the amortization of right-of-use assets, and the amortization of intangible assets.

*For detailed information on financial information, please refer to "27. Operating Segments" in "3. Notes to the Consolidated Financial Statements" under "III. Matters Concerning Finance."

III. Matters Concerning Finance

1. Summary of Financial Information

A. Summarized Consolidated Financial Information

(Unit: KRW million)

Account	The 9th Period	The 8th Period	The 7th Period
[Current assets]	2,541,235	2,385,758	2,204,427
- Quick assets	1,915,879	1,820,272	1,827,509
- Inventories	625,356	565,486	376,918
[Non-current assets]	3,546,389	2,981,290	1,954,348
- Associates and joint ventures investments	10,196	9,427	10,418
- Tangible assets	2,728,506	2,459,231	1,601,634
- Intangible assets	227,521	162,978	54,204
- Other non-current assets	580,166	349,654	288,093
Total assets	6,087,624	5,367,048	4,158,775
[Current liabilities]	1,136,096	983,246	830,211

[Non-current liabilities]	1,811,089	1,350,836	652,790
Total liabilities	2,947,185	2,334,082	1,483,001
[Shares owned by the parent company]	2,259,329	2,200,693	2,118,704
- Capital stock	99,018	98,794	98,794
- Consolidated capital surplus	1,242,285	1,240,117	1,212,422
- Other items of consolidated capital	(17,540)	(21,645)	(21,645)
- Accumulated other comprehensive income on a consolidated basis	51,395	22,397	(37,378)
- Consolidated retained earnings	884,169	861,030	866,511
[Non-controlling interest]	881,110	832,273	557,070
Total equity	3,140,439	3,032,966	2,675,774
Total liabilities and stockholders' equity	6,087,624	5,367,048	4,158,775
Number of companies included in the consolidation (Unit: number of companies)	14	14	11
	January 01 to December 31, 2025	January 01 to December 31, 2024	January 01 to December 31, 2023
Sales revenue	2,365,164	1,736,779	1,748,778
Operating profit (loss)	(207)	(45,176)	83,302
Net profit (loss) before income tax expense	16,673	(27,441)	52,419
Net income (loss) for the year	27,297	(4,365)	47,838
Equity attributable to the owners of the parent company	44,646	8,838	39,864
Non-controlling interest	(17,348)	(13,203)	7,974
Earnings per share (EPS) for the equity attributable to the owners of the parent company			
Basic EPS for common shares (Unit: KRW)	2,306	376	2,072
Diluted EPS for common shares (Unit: KRW)	2,305	375	2,071
Basic EPS for preferred stock (Unit: KRW)	2,381	1,200	2,122

*The above financial statements have been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS). Regarding the Notes to the Consolidated Financial Statements, refer to "III. Matters Concerning Finance - 3. Notes to the Consolidated Financial Statements."

B. Summarized Financial Information

(Unit:KRW million)

Account	The 9th Period	The 8th Period	The 7th Period
[Current assets]	994,599	687,110	673,098
- Quick assets	645,212	411,558	441,010
- Inventories	349,387	275,552	232,088
[Non-current assets]	1,328,653	1,295,195	1,282,620
- Investments in subsidiaries, associates, and joint ventures.	500,477	441,377	444,402
- Tangible assets	643,852	696,521	693,309
- Intangible assets	32,595	37,335	30,267
- Other non-current assets	151,729	119,962	114,642
Total assets	2,323,252	1,982,305	1,955,718
[Current liabilities]	815,931	570,289	652,685
[Non-current liabilities]	277,553	234,634	179,147
Total liabilities	1,093,483	804,923	831,831
[Capital]	99,018	98,794	98,794
[Capital surplus]	160,302	157,915	157,915
[Other capital]	(9,021)	(12,644)	(12,644)
[Retained earnings]	979,470	933,318	879,822
Total equity	1,229,768	1,177,382	1,123,887
Total liabilities and stockholders' equity	2,323,252	1,982,305	1,955,718
Valuation method for the investment stocks for subsidiaries, associates, and joint ventures	Cost method	Cost method	Cost method
	January 01 to December 31, 2025	January 01 to December 31, 2024	January 01 to December 31, 2023
Sales revenue	1,440,381	1,340,527	1,232,926
Operating income	95,713	111,092	85,435
Net profit before income tax expense	86,592	88,582	56,020
Net income	68,976	70,167	41,754
Earnings per share			
Basic EPS for common shares (Unit: KRW)	3,566	3,651	2,171
Diluted EPS for common shares (Unit: KRW)	3,565	3,650	2,169
Basic EPS for preferred stock (Unit: KRW)	3,642	3,701	2,221

*The above financial statements have been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS). Regarding the Notes to the Financial Statements, refer to "III. Matters Concerning Finance - 5. Notes to the Financial Statements."

2. Consolidated Financial Statements

2-1. Consolidated Statement of Financial Position

Consolidated Statement of Financial Position

The 9th Period as of December 31, 2025

The 8th Period as of December 31, 2024

The 7th Period as of December 31, 2023

(Unit: KRW)

	The 9th Period	The 8th Period	The 7th Period
Assets			
Current assets	2,541,235,113,400	2,385,758,405,311	2,204,426,649,041
Cash and cash equivalents	567,555,999,965	542,302,081,443	396,012,209,626
Short-term financial instruments	950,748,039,267	851,575,311,605	1,204,421,873,960
Trade receivables and other current receivables	342,783,722,615	368,470,892,241	179,998,131,845
Current derivative financial assets	278,078,094	194,812	435,251,380
Current inventories	625,355,505,099	565,486,461,375	376,917,955,373
Other current assets	54,513,768,360	57,923,463,835	32,458,494,701
Non-current assets or disposal groups classified as held for sale	0	0	14,182,732,156
Non-current assets	3,546,389,267,120	2,981,290,222,028	1,954,348,254,650
Long-term financial products	27,500,000	27,500,000	27,500,000
Trade receivables and other non-current receivables	1,138,001,973	957,289,950	788,675,850
Non-current derivative assets	7,699,750,000	8,784,996,485	5,055,776,136
Long-Term Investment Assets	307,052,976,907	85,835,268,995	102,766,368,200
Equity-method applied investment shares	10,195,719,224	9,426,898,412	10,417,815,909
Tangible assets	2,728,506,271,293	2,459,231,339,268	1,601,633,779,540
Right-of-use assets	42,379,673,320	45,302,222,646	35,317,622,145
Intangible assets and goodwill	227,521,173,048	162,978,292,827	54,204,144,488
Investment properties	32,295,184,427	23,927,292,713	17,297,334,222
Other non-current assets	8,251,022,006	17,163,950,507	14,374,474,986
Non-current net defined benefit assets	39,008,904,640	44,451,345,193	43,708,904,343
Deferred income tax assets	142,313,090,282	123,203,825,032	68,755,858,831
Total assets	6,087,624,380,520	5,367,048,627,339	4,158,774,903,691
Liabilities			
Current liabilities	1,136,095,721,789	983,245,942,540	830,211,385,119
Trade payables and other current liabilities	431,997,474,114	307,560,156,177	246,663,913,007

Current borrowings (including bonds)	326,461,546,547	303,095,328,440	263,707,890,270
The portion of non-current borrowings (including bonds) that is replaced by liquidity	151,421,667,262	127,397,424,028	192,405,128,296
Current derivative financial liabilities	1,431,734,410	5,620,854,258	110,856,220
Current lease liabilities	7,262,293,467	7,804,298,149	7,677,174,616
Current contract liabilities	145,587,663,669	129,980,833,706	57,125,281,869
Current provisions for liabilities	16,105,862,069	40,798,567,027	12,476,761,297
Current income tax liabilities	10,991,797,349	23,076,490,764	9,535,108,378
Other current liabilities	44,835,682,902	37,911,989,991	40,492,185,159
Liabilities included in disposal groups classified as held for sale	0	0	17,086,007
Non-current liabilities	1,811,089,605,763	1,350,836,454,333	652,789,462,725
The non-current portion of non-current bonds	466,146,317,748	219,404,968,938	164,557,090,565
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	1,195,636,616,781	983,815,254,545	472,518,336,723
Non-current lease liabilities	15,516,798,870	16,684,702,988	9,022,893,722
Non-current contract liabilities	35,626,510,982	51,026,373,643	0
Non-current portion of provisioning liabilities	31,058,445,244	6,699,668,553	5,957,148,495
Other non-current liabilities	3,068,541,683	1,245,650,141	733,993,220
Deferred income tax liabilities	64,036,374,455	71,959,835,525	0
Total liabilities	2,947,185,327,552	2,334,082,396,873	1,483,000,847,844
Equity			
Equity attributable to owners of the parent	2,259,328,664,799	2,200,693,238,164	2,118,704,262,794
Capital	99,018,420,000	98,793,505,000	98,793,505,000
Capital surplus	1,242,285,235,598	1,240,117,260,617	1,212,422,483,801
Components of other equity	(17,539,601,789)	(21,644,726,463)	(21,644,726,463)
Accumulated other comprehensive income	51,395,417,587	22,397,326,497	(37,377,777,727)
Retained earnings (losses)	884,169,193,403	861,029,872,513	866,510,778,183
Non-controlling interest	881,110,388,169	832,272,992,302	557,069,793,053
Total equity	3,140,439,052,968	3,032,966,230,466	2,675,774,055,847
Total liabilities and stockholders' equity	6,087,624,380,520	5,367,048,627,339	4,158,774,903,691

2-2. Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income

The 9th Period from 2025-01-01 to 2025-12-31

The 8th Period from 2024-01-01 to 2024-12-31

The 7th Period from 2023-01-01 to 2023-12-31

(Unit: KRW)

	The 9th Period	The 8th Period	The 7th Period
Revenue (Sales)	2,365,164,441,719	1,736,778,902,011	1,748,777,740,387
Cost of sales	1,866,052,788,766	1,340,793,917,333	1,275,845,805,799
Gross profit	499,111,652,953	395,984,984,678	472,931,934,588
Selling and administrative expenses	499,319,016,649	441,160,553,012	389,629,447,509
Operating profit (loss)	(207,363,696)	(45,175,568,334)	83,302,487,079

Non-operating income	16,880,166,652	17,734,495,798	(30,883,785,417)
Other revenue	61,330,153,570	42,810,607,547	12,047,850,869
Other losses	19,130,121,906	30,308,598,946	43,875,212,671
Financial income	99,279,296,210	97,754,824,373	129,105,823,303
Financial cost	125,367,982,034	91,735,491,605	125,296,928,168
Gain on equity method valuation	768,820,812	0	0
Loss on equity method valuation	0	(786,845,571)	(2,865,318,750)
Net profit (loss) before income tax expense	16,672,802,956	(27,441,072,536)	52,418,701,662
Income tax expense	(10,624,520,683)	(23,076,338,592)	4,580,807,884
Net income (loss)	27,297,323,639	(4,364,733,944)	47,837,893,778
Other comprehensive income	67,361,850,181	90,550,440,474	(72,059,006,535)
Items that may be reclassified to profit or loss (after-tax other comprehensive income)	67,437,655,830	29,991,341,013	(2,254,817,283)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (after-tax other comprehensive income)	0	14,269,967	(26,017,874)
Exchange differences on translation of foreign operations (other comprehensive income after income taxes)	67,437,655,830	29,977,071,046	(1,963,331,483)
After-tax other comprehensive income, cash flow hedging gains and losses	0	0	(265,467,926)
Items that are not reclassified to profit or loss (after-tax other comprehensive income)	(75,805,649)	60,559,099,461	(69,804,189,252)
After-tax other comprehensive income on investments in equity instruments	(1,751,050,363)	61,379,514,565	(54,727,476,830)
Remeasurement gains and losses of the defined benefit plan (after-tax other comprehensive income)	1,675,244,714	(820,415,104)	(15,076,712,422)
Total comprehensive income	94,659,173,820	86,185,706,530	(24,221,112,757)
Reversion of net income (loss)			
Net income (loss) attributable to the owners of the parent company	44,645,811,433	8,838,745,406	39,863,821,610
Net income (loss) attributable to non-controlling interests	(17,348,487,794)	(13,203,479,350)	7,974,072,168
Attribution of comprehensive income			
Total comprehensive income attributable to the owners of the parent company	74,362,418,080	66,594,341,017	(12,726,527,326)
Total comprehensive income attributable to non-controlling interests	20,296,755,740	19,591,365,513	(11,494,585,431)
Earnings per Share (EPS)			
Earnings (Loss) per common share (unit: KRW)	2,306	376	2,072
Diluted earnings (loss) per share for common shares KRW)	2,305	375	2,071
Basic EPS for preferred stock (loss) (Unit: KRW)	2,381	1,200	2,122

2-3. Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity

The 9th Period from 2025-01-01 to 2025-12-31

The 8th Period from 2024-01-01 to 2024-12-31

The 7th Period from 2023-01-01 to 2023-12-31

(Unit: KRW)

	Equity						
	Equity attributable to owners of the parent						Non-controlling interest
	Capital	Capital surplus	Components of other equity	Accumulated other comprehensive income	Retained earnings	Equity attributable to owners of the parent	
							Total equity

2023-01-01 (capital at beginning of period)	98,793,505,000	1,199,035,135.55 1	(21,644,726,463)	1,917,975,389	868,597,006,114	2,146,698,895,591	562,206,933,565	2,708,905,829.15 6
Net income (loss)	0	0	0	0	39,863,821,610	39,863,821,610	7,974,072,168	47,837,893,778
Share of other comprehensive income of associates and joint ventures accounted for using the equity method, after tax	0	0	0	(26,017,874)	0	(26,017,874)	0	(26,017,874)
Exchange differences on translation of foreign operations (other comprehensive income after income taxes)	0	0	0	(2,004,765,458)	0	(2,004,765,458)	41,433,975	(1,963,331,483)
Cash flow hedging gains and losses (after-tax other comprehensive income)	0	0	0	(180,991,321)	0	(180,991,321)	(84,476,605)	(265,467,926)
After-tax other comprehensive income, investments in equity instruments	0	0	0	(37,312,222,542)	0	(37,312,222,542)	(17,415,254,288)	(54,727,476,830)
After-tax other comprehensive income, remeasurement gains and losses of defined benefit plans	0	0	0	0	(13,066,351,741)	(13,066,351,741)	(2,010,360,681)	(15,076,712,422)
Changes in the scope of consolidation	0	0	0	0	0	0	0	0
Increase (decrease) due to share-based payment transactions, equity	0	0	0	0	0	0	0	0
Increase (decrease) due to transactions of treasury shares	0	0	0	0	0	0	0	0
Dividends recognized as distributions to owners	0	0	0	0	(28,883,697,800)	(28,883,697,800)	(1,000,000,000)	(29,883,697,800)
Issuance of exchangeable bonds	0	0	0	0	0	0	0	0
Changes in non-controlling stockholders' interest	0	13,387,348,250	0	228,244,079	0	13,615,592,329	7,357,444,919	20,973,037,248
2023-12-31 (capital at end of period)	98,793,505,000	1,212,422,483.80 1	(21,644,726,463)	(37,377,777,727)	866,510,778,183	2,118,704,262,794	557,069,793,053	2,675,774,055.84 7
2024-01-01 (capital at beginning of period)	98,793,505,000	1,212,422,483.80 1	(21,644,726,463)	(37,377,777,727)	866,510,778,183	2,118,704,262,794	557,069,793,053	2,675,774,055.84 7
Net income (loss)	0	0	0	0	8,838,745,406	8,838,745,406	(13,203,479,350)	(4,364,733,944)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method, after tax	0	0	0	14,269,967	0	14,269,967	0	14,269,967
Exchange differences on translation of foreign operations (other comprehensive income after income taxes)	0	0	0	18,111,409,298	0	18,111,409,298	11,865,661,748	29,977,071,046
Cash flow hedging gains and losses (after-tax other comprehensive income)	0	0	0	0	0	0	0	0
After-tax other comprehensive income, investments in equity instruments	0	0	0	41,649,424,959	0	41,649,424,959	19,730,089,606	61,379,514,565
After-tax other comprehensive income, remeasurement gains and losses of defined benefit plans	0	0	0	0	(2,019,508,613)	(2,019,508,613)	1,199,093,509	(820,415,104)
Changes in the scope of consolidation	0	0	0	0	271,866,637	271,866,637	212,693,676,338	212,965,542,975
Increase (decrease) due to share-based payment transactions, equity	0	0	0	0	0	0	0	0
Increase (decrease) due to transactions of treasury shares	0	0	0	0	0	0	0	0
Dividends recognized as distributions to owners	0	0	0	0	(12,572,009,100)	(12,572,009,100)	(5,067,300,000)	(17,639,309,100)
Issuance of exchangeable bonds	0	0	0	0	0	0	0	0
Changes in non-controlling stockholders' interest	0	27,694,776,816	0	0	0	27,694,776,816	47,985,457,398	75,680,234,214
2024-12-31 (capital at end of period)	98,793,505,000	1,240,117,260.61 7	(21,644,726,463)	22,397,326,497	861,029,872,513	2,200,693,238,164	832,272,992,302	3,032,966,230.46 6
2025-01-01 (capital at beginning of period)	98,793,505,000	1,240,117,260.61 7	(21,644,726,463)	22,397,326,497	861,029,872,513	2,200,693,238,164	832,272,992,302	3,032,966,230.46 6
Net income (loss)	0	0	0	0	44,645,811,433	44,645,811,433	(17,348,487,794)	27,297,323,639
Share of other comprehensive income of associates and joint ventures accounted for using the equity method, after tax	0	0	0	0	0	0	0	0
Exchange differences on translation of foreign operations (other comprehensive income after income taxes)	0	0	0	30,160,480,262	0	30,160,480,262	37,277,175,568	67,437,655,830
Cash flow hedging gains and losses (after-tax other comprehensive income)	0	0	0	0	0	0	0	0
After-tax other comprehensive income, investments in equity instruments	0	0	0	(1,162,389,172)	0	(1,162,389,172)	(588,661,191)	(1,751,050,363)
After-tax other comprehensive income, remeasurement gains and losses of defined benefit plans	0	0	0	0	718,515,557	718,515,557	956,729,157	1,675,244,714
Changes in the scope of consolidation	0	0	0	0	0	0	0	0
Increase (decrease) due to share-based payment transactions, equity	224,915,000	2,167,974,981	769,318,341	0	0	3,162,208,322	1,257,627,353	4,419,835,675
Increase (decrease) due to transactions of treasury shares	0	0	3,335,806,333	0	0	3,335,806,333	0	3,335,806,333
Dividends recognized as distributions to owners	0	0	0	0	(22,225,006,100)	(22,225,006,100)	(300,000,000)	(22,525,006,100)
Issuance of exchangeable bonds	0	0	0	0	0	0	23,590,128,825	23,590,128,825
Changes in non-controlling stockholders' interest	0	0	0	0	0	0	3,992,883,949	3,992,883,949
2025-12-31 (capital at end of period)	99,018,420,000	1,242,285,235.59 8	(17,539,601,789)	51,395,417,587	884,169,193,403	2,259,328,664,799	881,110,388,169	3,140,439,052.96 8

2-4. Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows

The 9th Period from 2025-01-01 to 2025-12-31

The 8th Period from 2024-01-01 to 2024-12-31

The 7th Period from 2023-01-01 to 2023-12-31

(Unit: KRW)

	The 9th Period	The 8th Period	The 7th Period
Cash flows from operating activities	235,905,765,880	(89,345,889,786)	146,064,486,206
Net income (loss)	27,297,323,639	(4,364,733,944)	47,837,893,778
Adjustments for net income reconciliation	198,540,385,828	23,382,305,877	184,647,287,718
Changes in assets and liabilities due to operating activities	65,634,745,574	(70,350,630,431)	(21,843,441,674)
Interest received (operating activities)	25,060,587,867	19,371,764,833	14,824,578,916
Interest paid	(47,861,032,850)	(39,700,857,918)	(29,596,192,928)
Dividends received (operating activities)	1,190,000,000	1,190,000,000	1,190,000,000
Income taxes paid, operating activities	(33,956,244,178)	(18,873,738,203)	(50,995,639,604)
Cash flows from investment activities	(684,527,135,893)	(157,328,638,609)	(510,390,209,660)
Disposal of short-term financial instruments	0	377,514,177,572	128,727,989,334
Decrease in lease deposits	1,748,148,629	3,146,004,000	62,228,916
Decrease in loans receivable	711,586,831	791,357,527	2,620,280,635
Decrease in long-term investment assets	65,000,000	105,856,946,838	410,558,210
Cash inflows from disposal of tangible assets	79,322,913,518	17,534,187,937	23,310,100
Disposal of intangible assets	1,041,347,659	1,060,000,000	920,000
Disposal of non-current assets or disposal groups classified as held for sale	0	20,774,468,068	0
Acquisition of short-term financial instruments	(82,081,823,574)	0	0
Increase in lease deposits	(273,804,573)	(577,443,000)	(2,607,509,620)
Increase in loans receivable	(396,194,000)	(321,491,000)	(50,000,000)
Acquisition of long-term investment assets	(214,606,248,632)	(11,119,057,933)	(114,476,343,960)
Acquisition of other investment assets	(38,444,000)	0	0
Acquisition of tangible assets	(385,109,646,249)	(422,095,376,066)	(389,143,148,786)
Acquisition of right-of-use assets	0	0	(19,644,515)
Acquisition of intangible assets	(81,295,332,461)	(18,178,811,902)	(10,738,887,107)
Cash flows from the loss of control of subsidiaries and other businesses	0	(14,956,076,242)	0
Cash flows from acquiring control of subsidiaries and other businesses	(3,614,639,041)	(216,757,524,408)	(125,199,962,867)
Cash flows from financing activities	462,617,320,214	379,974,961,023	355,537,871,001
Increase in short-term borrowings	201,865,348,471	187,365,410,342	126,949,750,545
Increase in long-term borrowings	819,478,380,583	358,405,605,511	469,715,903,160
Increase in bonds payable	388,885,319,251	149,347,606,800	199,140,850,000
Settlement of derivative transactions	0	0	5,484,000,000

Cash inflows from the exercise of stock options	2,228,162,333	0	0
Cash inflows from consolidated capital transactions	794,700,832	75,680,234,213	397,598,916
Repayment of short-term borrowings	(219,545,550,382)	(172,429,866,241)	(299,248,274,971)
Repayment of bonds payable	(95,000,000,000)	(190,000,000,000)	(105,129,000,000)
Payments of lease liabilities	(9,848,907,754)	(10,755,542,302)	(11,891,145,119)
Repayment of long-term borrowings	(603,715,000,000)	0	0
Payment of dividends	(22,525,133,120)	(17,638,487,300)	(29,881,811,530)
Increase (decrease) in cash and cash equivalents before the effect of exchange rate fluctuations	13,995,950,201	133,300,432,628	(8,787,852,453)
Cash and cash equivalents classified as held for sale at the beginning of period	0	8,242,207,700	7,089,709,249
Cash and cash equivalents at the beginning of period	542,302,081,443	396,012,209,626	400,028,232,546
Effect of exchange rate fluctuations on cash and cash equivalents	11,257,968,321	4,747,231,489	5,924,327,983
Cash and cash equivalents classified as held for sale	0	0	(8,242,207,699)
Cash and cash equivalents at end of period	567,555,999,965	542,302,081,443	396,012,209,626

3. Notes to the Consolidated Financial Statements

1. General Information (Consolidated)

1-1 Overview of the parent company

For the purpose of manufacturing and selling synthetic resins and related products, as well as development, production and sales of pharmaceuticals and vaccines, SK chemicals Co., Ltd. (hereinafter, "parent company") was established on December 1, 2017 via a split-off from SK discovery Co., Ltd. The parent company re-listed its stock certificates on the Korea Exchange on January 5, 2018, and operates its Ulsan and Cheongju plants with its head office located in Seongnam-si, Gyeonggi-do.

On May 1, 2018, the parent company merged with SK Petrochemical Co., Ltd., a subsidiary in which it holds 100% equity interest, and newly established SK bioscience Co., Ltd. for the development and production of vaccines through a physical split-off on July 1, 2018, the date of split-off. Furthermore, the parent company newly established SK Multi-Utility Co., Ltd., for the purposes of supplying utilities through a physical split-off on December 1, 2021, the date of split-off.

As of the end of the reporting period, the status of major shareholders (including preferred stocks) of the parent company is as follows:

Name of shareholder	Common shares		Preferred stocks	
	Number of shares held (stocks)	Equity interest (%)	Number of shares held (stocks)	Equity interest (%)
SK discovery Co., Ltd.	7,056,899	40.79	-	-
SK chemicals Co., Ltd. (Treasury shares)	29,909	0.17	4,366	0.21
Other	10,211,958	59.04	2,111,063	99.79
Total	17,298,766	100.00	2,115,429	100.00

The consolidated financial statements of SK chemicals Co., Ltd. and its subsidiaries (hereinafter referred to as "the consolidated companies") were approved by the Board of Directors on February 6, 2026, and are scheduled to be finally approved by the general meeting of shareholders on March 24, 2026.

1-2 Status of subsidiaries

(1) As of the end of the current period, the details of subsidiaries are as follows:

Name of subsidiaries	Location	Month of settlement	Equity interest (%)	Principal operating activities
SK Chemicals (Yantai) Co., Ltd.	China	December	100.00	Resin manufacturing
SK chemicals (Shanghai) Co., Ltd.	China	December	100.00	Management consulting

Shuye-SK Chemicals(Shantou) Co., Ltd.	China	December	100.00	Plastic manufacturing business
SK bioscience Co., Ltd.	Republic of Korea	December	66.37	Pharmaceutical manufacturing
SK bioscience USA, Inc. (Note 1)	United States of America	December	100.00	Biotechnology development
SK bioscience Germany GmbH (Note 1)	Germany	December	100.00	Holding Company
IDT Biologika GmbH (Note 2)	Germany	December	60.65	Pharmaceuticals manufacturing
IDT Biologika Corporation (Note 3)	United States of America	December	60.65	Pharmaceuticals manufacturing
Technik-Energie-Wasser Servicegesellschaft mbH (Note 2)	Germany	December	60.00	Other services
SK Multi-Utility Co., Ltd.	Republic of Korea	December	100.00	Utility supply
SK chemicals Daejeong Co., Ltd. (Notes 4)	Republic of Korea	December	50.00	Organic solvent manufacturing
SK chemicals America	United States of America	December	100.00	Wholesale
SK chemicals GmbH	Germany	December	100.00	Wholesale
SK chemicals Malaysia	Malaysia	December	100.00	Management consulting

Note 1 A subsidiary of SK bioscience Co., Ltd.; the equity interest is presented based on the equity interest held by SK bioscience Co., Ltd.

Note 2 A subsidiary of SK bioscience Germany GmbH; the equity interest is presented based on the equity interest held by SK bioscience Co., Ltd.

Note 3 A subsidiary of IDT Biologika GmbH; the equity interest is presented based on the equity interest held by SK bioscience Co., Ltd.

The parent company sold 50% of its shares in the subsidiary, SK chemicals Daejeong Co., Ltd., to Daejeong Chemicals & Metals Co., Ltd. before the end of the previous period.

Note 4 The parent company is judged to have control over SK chemicals Daejeong Co., Ltd. based on the fact that the chief executive officer of the parent company serves as the chief executive officer even after the equity interest was sold, and the chief executive officer has the decision-making authority given a deadlock situation.

(2) Summary financial information of subsidiaries

As of the end of the reporting period, the summary of the major subsidiaries' financial information among the consolidated subsidiaries is as follows:

<End of the current period/Current period>

(Unit: KRW 1,000)

Company Name	Assets	Liabilities	Equity	Sales	Net Profit and Loss for the Current Period
SK Chemicals (Yantai) Co., Ltd.	74,773,555	30,684,116	44,089,439	55,469,367	3,567,558
SK chemicals (Shanghai) Co., Ltd.	6,952,824	4,180,992	2,771,832	29,954,499	1,010,768
Shuye-SK Chemicals(Shantou) Co., Ltd.	208,450,680	166,996,209	41,454,471	74,319,457	2,088,394
SK bioscience Co., Ltd.	2,184,995,102	459,585,033	1,725,410,069	185,735,625	(57,862,925)
SK bioscience USA, Inc.	5,705,616	126,515	5,579,101	103,694	(1,238,469)
SK bioscience Germany GmbH (Note 1)	1,147,120,329	453,463,179	693,657,150	465,632,718	2,928,183
IDT Biologika GmbH (Note 1)	1,079,709,476	478,990,978	600,718,498	452,543,028	(9,417,939)
Technik-Energie-Wasser	108,802,42	16,217,136	92,585,293	57,826,779	12,393,673
Servicegesellschaft mbH	9				
SK Multi-Utility Co., Ltd.	964,673,774	750,222,848	214,450,926	219,603,844	(8,314,299)
SK chemicals Daejeong Co., Ltd.	17,507,959	2,439,812	15,068,147	16,585,001	1,046,810
SK chemicals America	40,708,871	25,211,082	15,497,789	93,886,387	1,940,261
SK chemicals GmbH	53,910,950	35,431,844	18,479,106	120,601,241	2,286,653
SK chemicals Malaysia	743,564	226,770	516,794	1,071,465	33,472

(Note 1) The consolidated financial information includes subsidiaries.

<Previous period/Previous period>

(Unit: KRW 1,000)

Company Name	Assets	Liabilities	Equity	Sales	Net Profit and Loss for the Current Period
SK Chemicals (Yantai) Co., Ltd.	77,007,755	37,300,304	39,707,451	54,459,556	1,505,765
SK Chemicals (Shanghai)Co., Ltd.	6,379,079	4,683,095	1,695,984	27,231,047	512,552

Shuye-SK Chemicals(Shantou) Co., Ltd.	183,841,158	145,218,497	38,622,661	55,477,615	(15,199,703)
SK bioscience Co., Ltd.	2,154,168,535	373,594,819	1,780,573,716	156,286,429	(66,662,439)
SK bioscience USA, Inc.	7,401,865	406,215	6,995,650	-	(1,954,412)
SK bioscience Germany GmbH	381,453,550	14,961,385	366,492,165	-	(775,286)
IDT Biologika GmbH (Notes 1, 2)	969,256,731	419,247,767	550,008,964	108,836,904	(1,865,959)
Technik-Energie-Wasser Servicegesellschaft mbH (Note 2)	91,515,880	19,696,149	71,819,731	17,305,730	11,580,730
SK Multi-Utility Co., Ltd.	701,544,731	537,274,634	164,270,097	126,535,966	(2,521,536)
SK chemicals Daejeong Co., Ltd.	18,718,061	4,040,502	14,677,559	18,487,519	974,839
SK chemicals America	66,259,427	52,387,981	13,871,446	99,680,615	2,528,168
SK chemicals GmbH	69,567,372	54,983,871	14,583,501	120,234,069	2,663,780
SK chemicals Malaysia	582,442	135,742	446,700	832,214	27,992

(Note 1) The consolidated financial information includes subsidiaries.

(Note 2) The financial information is from after the acquisition of control in October 2024.

The above summarized financial information reflects the amounts after accounting for goodwill, fair value adjustments arising from the business combination, and adjustments for differences in accounting policies with the parent company, with intercompany transactions excluded prior to elimination.

1-3 Current status of investments in associates and joint ventures

The status of investments in associates and joint ventures as of the end of the reporting period is as follows:

Company Name	Location	Month of settlement	Equity interest (%)	Principal operating activities
Entis Co., Ltd.	Republic of Korea	December	50.00	Resin manufacturing
JSI Co., Ltd.	Republic of Korea	December	40.00	Resin manufacturing
HDC Polyall Co., Ltd.	Republic of Korea	December	20.00	Plastic manufacturing business

1-4 Details of changes in the subsidiaries

There were no subsidiaries excluded from or added to the scope of preparation of the consolidated financial statements for the current period, and

the principal subsidiaries excluded from or added to the scope of preparation of the consolidated financial statements during the prior period are as follows:

<Previous period>

Classification	Name of subsidiaries	Reason
Added	SK bioscience Germany GmbH	New investment
Added	IDT Biologika GmbH (Note 1)	New acquisition

Added	IDT Biologika Corporation (Note 2)	New acquisition
Added	Technik-Energie-Wasser Servicegesellschaft mbH (Note 1)	New acquisition
Excluded	SK chemicals (Suzhou) Co., Ltd.	Equity sale

(Note 1) It is a subsidiary of SK bioscience Germany GmbH. (Note

2) It is a subsidiary of IDT Biologika GmbH.

1-5 Non-controlling interest

(1) The details of significant non-controlling interests as of the end of the reporting period are as follows:

<End of the current period>

(Unit: KRW 1,000)

Classification	SK bioscience Co., Ltd. (Note 1)	SK chemicals Daejeong Co., Ltd.	Total
Ratio of non-controlling interest	33.63%	50.00%	
Assets	2,955,743,509	17,507,959	2,973,251,468
Liabilities	918,289,306	2,439,812	920,729,118
Net assets	2,037,454,203	15,068,147	2,052,522,350
Non-controlling interest	873,390,624	7,719,764	881,110,388

(Note 1) This is the consolidated financial information of SK bioscience.

<End of the previous period>

(Unit: KRW 1,000)

Classification	SK bioscience Co., Ltd. (Note 1)	SK chemicals Daejeong Co., Ltd.	Total
Ratio of non-controlling interest	33.55%	50.00%	
Assets	2,843,596,037	18,718,061	2,862,314,098
Liabilities	821,143,859	4,040,502	825,184,361
Net assets	2,022,452,178	14,677,559	2,037,129,737
Non-controlling interest	824,934,213	7,338,779	832,272,992

(Note 1) This is the consolidated financial information of SK bioscience.

(2) The details of net income for the non-controlling interest, etc., during the current and previous periods are as follows:

<Current period>

(Unit: KRW 1,000)

Classification	SK bioscience Co., Ltd. (Note 1)	SK chemicals Daejeong Co., Ltd.	Total
Ratio of non-controlling interest	33.63%	50.00%	

Total comprehensive income:			
Net income	(56,173,210)	1,046,810	(55,126,400)
Other comprehensive income (loss)	65,660,839	(49,729)	65,611,110
Total comprehensive net income	9,487,629	997,081	10,484,710
Net income allocated for non-controlling interest (loss)	(18,057,584)	709,096	(17,348,488)
Total comprehensive income allocated for non-controlling interest	19,615,771	680,985	20,296,756

Cash flows			
Cash flows from operating activities	102,507,139	3,656,060	106,163,199
Cash flows from investment activities	(361,760,173)	(319,764)	(362,079,937)
Cash flows from financing activities	41,600,227	(1,693,504)	39,906,723
Effect of Exchange Rate Fluctuations	10,504,192	-	10,504,192
Net change in cash and cash equivalents	(207,148,615)	1,642,792	(205,505,823)

(Note 1) This is the consolidated financial information of SK bioscience.

<Previous period>

(Unit: KRW 1,000)

Classification	SK bioscience Co., Ltd. (Note 1)	SK chemicals Daejeong Co., Ltd.	Total
Ratio of non-controlling interest	33.55%	50.00%	
Total comprehensive income:			
Net income	(50,117,070)	974,839	(49,142,231)
Other comprehensive income (loss)	84,535,454	(157,690)	84,377,764
Total comprehensive net income	34,418,384	817,149	35,235,533
Net income allocated for non-controlling interest (loss)	(13,690,899)	487,420	(13,203,479)
Total comprehensive income allocated for non-controlling interest	19,182,791	408,575	19,591,366
Cash flows			
Cash flows from operating activities	(128,019,869)	1,828,765	(126,191,104)
Cash flows from investment activities	53,563,803	(621,189)	52,942,614
Cash flows from financing activities	252,479,228	(2,193,209)	250,286,019
Effect of Exchange Rate Fluctuations	7,652,705	51,436	7,704,141
Net change in cash and cash equivalents	185,675,867	(934,197)	184,741,670

(Note 1) This is the consolidated financial information of SK bioscience.

1-6-(1) Stock options granted by the subsidiaries

(Unit: KRW)

	All subsidiaries		
	Subsidiaries		
	SK bioscience Co., Ltd.		
	Share-based payment agreements		
	Stock options		
	Scope		Total scope
	Sub-scope	Upper scope	
Grant date of share-based payment agreements			2018-12-11
Number of stock options outstanding under share-based payment agreements (Unit: stocks)			131,112
Description of the maximum expiration period of stock options granted under share-based payment agreements	2021-12-12	2028-12-11	
Exercise price, stock options granted (Unit:KRW, shares)			9,154
Weighted average fair value as of the measurement date, stock options granted (Unit: KRW, shares)			1,649

1-6-(Note 1) Stock options granted by the subsidiaries (Changes in condition)

(Unit: KRW)

	All subsidiaries	
	Subsidiaries	
	SK bioscience Co., Ltd.	
	Share-based payment agreements	
	Stock options	
	Changes in condition	
	Before adjustment	After adjustment
Number of financial instruments granted under share-based payment agreements (Unit: stocks)	18,209	546,270
Exercise price, stock options granted (Unit: KRW, shares)	274,621	9,154
Weighted average fair value as of the measurement date, stock options granted (Unit : KRW, shares)	49,465	1,649

1-6-(2) Stock options granted by the subsidiary (variables applied in the model and fair value)

(Unit: KRW)

	All subsidiaries
	Subsidiaries
	SK bioscience Co., Ltd.
	Share-based payment agreements
	Stock options
	Valuation method
	Binomial model
Grant date of share-based payment agreements	2018-12-11
Weighted average stock price, stock options granted (Unit: KRW, shares)	9,154
Exercise price, stock options granted (Unit:KRW, shares)	9,154
Expected stock price volatility, stock options granted	0.1190
Risk-free interest rate, stock options granted	0.0194

(Note 1) Weighted average stock price, granted stock options / Exercise price, granted stock options: Following the capital increase without consideration and the stock split prior to the previous period, the stock price and the exercise price of the date of grant were adjusted from KRW 274,621/stock to KRW 9,154/stock.

1-6-(3) Stock options granted by the subsidiaries (changes in details)

Current period

(Unit: KRW 1,000)

	All subsidiaries
	Subsidiaries
	SK bioscience Co., Ltd.
	Share-based payment agreements
	Stock options
Grant date of share-based payment agreements	2018-12-11
Number of stock options granted under share-based payment agreements (Unit: stocks)	218,520

Number of stock options exercised under share-based payment agreements (Unit: stocks)	(87,408)
Number of stock options outstanding at the end of the period under share-based payment agreements (Unit: stocks)	131,112
Beginning stock options	360,304
Stock options exercised under share-based payment agreements	(144,122)
Ending stock options	216,182

Previous period

(Unit: KRW 1,000)

	All subsidiaries
	Subsidiaries
	SK bioscience Co., Ltd.
	Share-based payment agreements
	Stock options
Grant date of share-based payment agreements	2018-12-11
Number of stock options granted under share-based payment agreements (Unit: stocks)	218,520
Number of stock options exercised under share-based payment agreements (Unit: stocks)	0
Number of stock options outstanding at the end of the period under share-based payment agreements (Unit: stocks)	218,520
Beginning stock options	360,304
Stock options exercised under share-based payment agreements	0
Ending stock options	360,304

(Note 1) Ending stock options: The stock options granted by SK bioscience are included in the non-controlling interest of the consolidated companies.

2. Significant Accounting Policies and Basis of Preparation of the Consolidated Financial Statements (Consolidated)

2-1 Standards for the preparation of consolidated financial statements

The consolidated companies have prepared the consolidated financial statements on a historical

cost basis, excluding the derivatives, debts and equity interest's financial assets, and the contingent consideration valued at fair value. The carrying amounts of the assets and liabilities designated as hedging targets for fair value hedging are not recorded at amortized cost but are recorded by reflecting the changes in the fair value corresponding to the risks hedged within an effective hedging relationship. These consolidated financial statements are presented in Korean won (KRW) and, unless otherwise stated, are expressed in units of KRW 1,000. The consolidated financial statements are prepared on a historical cost basis, excluding the liabilities and shares' financial assets valued at fair value.

2-2 Applicable accounting standards

The financial statements of the consolidated companies have been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS) enacted in accordance with the Act on External Audit of Stock Companies, Etc.

2-3 Consolidation standards

The consolidated financial statements consist of the financial statements of the parent company and its subsidiaries as of December 31 of each fiscal year. Control is acquired if and when they are exposed to, or have rights to, the variable gains from their involvement with the investee and when they have the ability to influence such gains through their power over the investee.

Specifically, the consolidated companies control the investee only if and when they have all of the following:

- Power over the investee (that is, the existing right that gives it the present ability to direct the relevant activities of the investee)
- Exposure or right to the variable gains from involvement with the investee
- The ability to use its power over the investee to affect the amount of the investor's returns.

Even when holding less than a majority of the voting rights of an investee, the consolidated companies considers all facts and circumstances, including the following, in assessing whether it has power over the investee.

- A contractual arrangement between the investor and other voting right holders
- Other rights arising from contractual agreements
- Voting rights and potential voting rights of the consolidated companies

2-4 The consolidated companies reassess whether they control the investee if any facts and circumstances indicate a change in one or more of the 3 elements of control. The consolidation of subsidiaries is carried out from the point in time at which the consolidated

companies acquire the control over the subsidiary until they lose the control. The assets, liabilities, income, and expenses of the subsidiaries acquired or disposed of during the period are included from the date on which the consolidated companies gain the control until the date on which the consolidated companies no longer control the subsidiary.

Each component of the net income and other comprehensive income is reverted to the owners of the parent company and the non-controlling interest even if the non-controlling interest becomes a negative balance. If necessary, the subsidiary's financial statements are revised in order to match the accounting policies of the subsidiaries with the consolidated companies. The assets, liabilities, equity, income, expenses, and cash flows of all consolidated companies arising from the transactions by and between the consolidated companies are derecognized in full.

Any changes in the ownership interest of the parent company in a subsidiary without a loss of control are accounted for as equity transactions, and if the parent company should lose its control over the subsidiary, it is accounted for as follows:

- Derecognition of the carrying amount of the assets and liabilities of the subsidiaries, including goodwill
- Derecognition of the carrying amount of the non-controlling interest
- Derecognition of the cumulative translation differences appropriated for equity
- Recognition of fair value of the consideration received
- Recognition of fair value of the investment interest owned
- Recognition of the difference resulting from the accounting above as profit or loss
- Reclassification of the interest of the parent company recognized as other comprehensive income in connection with the subsidiaries as profit or loss or retained earnings in the same manner as if and when the consolidated companies had directly disposed of the relevant assets or liabilities

2-4 Business combination and goodwill

The business combinations are accounted for using the acquisition method. The acquisition cost is measured as the sum of the transfer price measured at fair value on the date of acquisition, and the amount of non-controlling interest for the acquiree. For each business combination, the acquirer measures its non-controlling interest in the acquiree at fair value or pro rata interest of the acquiree's identifiable net assets, and the acquisition related costs are recognized as the expenses as incurred.

The consolidated companies determine that a business has been acquired when the acquired set

of activities and assets includes inputs and substantive processes that together significantly contribute to the ability to create outputs. A process (or a set of processes) is considered substantive if (1) the process (or set of processes) is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce that has the necessary skills, knowledge, or experience to perform that process (or set of processes), or (2) the process acquired significantly contributes to the ability to continue producing outputs and is considered to be unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consolidated companies classify or designate the acquired assets and assumed liabilities identifiable on the date of acquisition based on the contractual terms, economic conditions, the acquirer's operating and accounting policies, and any other relevant conditions available on the date of acquisition.

If the acquirer provides contingent consideration for the acquiree, the relevant consideration is measured at fair value on the date of acquisition and included in the transfer price, and any subsequent changes in the fair value of contingent consideration classified as assets or liabilities are recognized as profit or loss or other comprehensive income in accordance with K-IFRS No. 1109. Also, contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The goodwill is measured as the sum of the transfer price and the amount of non-controlling interest and the previously held interest which exceeds the net identifiable assets acquired and liabilities assumed. If the fair value of the acquired net assets exceeds the total of the consideration transferred, the consolidated entity reviews whether all acquired assets and assumed liabilities have been accurately identified and reassesses the procedures used to measure the amounts recognized on the acquisition date. If, after such a re-review, the total amount of transfer price, etc., is still lower than the fair value of the net assets acquired, the relevant difference is recognized as profit or loss.

Following the initial recognition, the goodwill is appropriated at cost minus the accumulated impairment losses. For impairment testing purposes, the goodwill acquired from a business combination is allocated for each cash-generating unit or group of units expected to benefit from the synergies of the business combination on the date of acquisition, which is allocated for the cash-generating unit or group of units irrespective of whether other assets or liabilities of the acquiree are allocated.

In the case of disposing of an operation within the cash-generating unit for which the goodwill has been allocated, the goodwill related to the operation to be disposed of is included in the carrying amount of the operation when determining the profit or loss on disposal, and is also measured based on the relative value of the portion remaining within the cash-generating unit and the portion being disposed of.

2-5 Associates and joint ventures investments

An associate is an entity over which the consolidated entity has significant influence. Significant influence is the ability to participate in the investee's decision-making regarding its financial and operating policies, but is not the control or joint control of such policies.

A joint venture is a joint agreement in which the parties having joint control over the agreement are entitled to the net assets of the agreement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The consolidated companies account for their investments in the associates and joint ventures using the equity method. Investments in associates and joint ventures are recognized as the initial acquisition cost, and the carrying amount is increased or decreased to recognize the consolidated companies' corresponding amount of interest among the changes in the net assets of associates or joint ventures after the date of acquisition.

Among the profits and losses of the associates and joint ventures, the corresponding amount of the interest of the consolidated companies is directly reflected in the consolidated statement of comprehensive income, and if and when any changes in the net assets of associates or joint ventures should arise from equity, the corresponding portion of the interest of the consolidated companies is reflected in equity, and where applicable, disclosed in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the consolidated entity and associates and joint ventures are eliminated to the extent of the consolidated entity's interest in the associates and joint ventures.

Profits from associates and joint ventures are presented in the consolidated statement of comprehensive income as equity method profits, representing the consolidated entity's share after deducting tax effects

The reporting period for the financial statements of associates and joint ventures is the same as the reporting period for those of the parent company, and if needed for the application of the same accounting policies as the consolidated companies for the same transactions and events occurring under similar circumstances, the associates' and joint ventures' financial statements will be adjusted.

When applying the equity method, the consolidated companies determine at the end of each reporting period whether there is any objective evidence that their investments in associates and joint ventures are impaired in order to determine whether they need to recognize additional impairment losses for the investments in associates and joint ventures. If impairment is needed, the difference between the recoverable amount and the carrying amount of associates and joint ventures is recognized as an impairment loss in the statement of comprehensive income.

2-6 Foreign currency translation

The consolidated companies present their financial statements in KRW, the consolidated companies' functional currency.

(1) Transactions and balance

In preparing the financial statements of the consolidated companies, transactions conducted in a currency other than the functional currency are recorded using the exchange rate on the date of transaction, and the monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate of the functional currency as of the end of the reporting period. The translation differences arising therefrom are reflected in the profit or loss.

Meanwhile, the foreign currency denominated non-monetary items measured at the historical cost are recognized by applying the exchange rate on the date of the initial transaction, and the foreign currency denominated non-monetary items measured at fair value are recognized by applying the exchange rate on the date of fair value measurement. Profits or losses arising from the translation of non-monetary items are recognized as other comprehensive income or profit or loss in the same manner as the profits or losses arising from the changes in the fair value of the items.

The date of the transaction intended for determining the exchange rate to use for the initial recognition of the related assets, liabilities, expenses or income (or any portion thereof) is the

date on which the consolidated companies first recognize the non-monetary assets or non-monetary liabilities based on the advance payment or receipt of consideration. Where multiple advance payments or receipts are made, the consolidated companies determine the dates of the transaction for each advance payment or receipt of consideration.

(2) Translation of the overseas workplaces

The assets and liabilities of overseas workplaces are translated into KRW using the exchange rate as of the end of the reporting period, and the items in the consolidated statement of comprehensive income are translated into KRW by applying the average exchange rate for the relevant period, with the foreign currency translation differences arising from such translations recognized as separate items of equity. Meanwhile, the accumulated foreign exchange differences recognized in equity are reflected in profit or loss at the time of disposal of the overseas workplaces. The fair value adjustments made for the carrying amount of the goodwill and assets and liabilities arising from the acquisition of overseas workplaces are considered as the assets and liabilities of overseas workplaces and are translated at the exchange rate as of the end of the reporting period.

2-7 Revenue from Contracts with Customers

The consolidated companies operate two business divisions: Green Chemicals and Life Science.

The Green Chemicals Business Division produces and sells the PET resins, highly functional PETG resins, industrial adhesives, etc.,

while the Life Science Business Division is engaged in the vaccines and pharmaceutical business. For contracts with customers, and when the control of goods or services is transferred to the customer, the consolidated companies recognize the profits at an amount which reflects the consideration for which they expect to be entitled for the relevant goods or services. The consolidated companies have concluded that they are the principal in the contracts with customers since they control each specified good or service before transferring it to the customer.

(1) Sales of goods

The sales revenue of goods is generally recognized upon delivery, when the control of the assets is transferred to the customers. The typical recovery period for receivables is 30 to 90 days after delivery. The consolidated companies shall consider whether other promises under the contracts are separate performance obligations for which a portion of the transaction consideration must

be allocated. In calculating the transaction price for the sales of goods, the consolidated companies consider variable consideration, significant financing factors, non-cash consideration and the consideration payable to the customers.

1) Sales of vaccines and biopharmaceuticals

The sales profits from vaccines and biopharmaceuticals are generally recognized upon the delivery of the vaccines and biopharmaceuticals, when the control of the assets is transferred to the customer. The typical recovery period for receivables is 90 to 180 days after delivery. The consolidated companies consider whether other promises in the contracts constitute separate performance obligations for which a portion of the transaction consideration must be allocated. In calculating the transaction price for the sale of vaccines and biopharmaceuticals, the consolidated companies consider variable consideration, significant financing components, non-cash consideration, and the consideration payable to customers.

2) onsigned production and development of the vaccines and biopharmaceuticals

The consolidated companies provide contract manufacturing and development of vaccines and biopharmaceuticals, as well as services such as bioanalysis, commissioned by our customers. There is no substitute of use for the manufactured products, and there is an enforceable right to claim payment for the completed performance. This is because the consolidated companies produce pharmaceuticals of the quality required by the customer, and if the contract is terminated by the customer, the consolidated companies can claim compensation for reasonable profits based on the cost input. The revenue from the contracts with customers is recognized when a portion of the performance obligations are satisfied, and is recognized over a portion of the period. The consolidated companies measure the rate of progress based on the output method or the input method by considering the characteristics of the goods or services promised to be transferred to the customer, and recognize the profits over a period. In accordance with the practical expedient method of K-IFRS No. 1115, the transaction price allocated for the non-performed portion of the related contract was not disclosed.

3) Contracts of joint type

The consolidated companies execute contracts with other companies not for the purpose of acquiring the outputs of a typical corporate activity, but to participate in an activity or process. If the parties to the contract share the risks and benefits arising from such activity or process, they recognize these as contracts of a joint type. Regarding the costs input for a collaboration agreement, the intangible assets or expenses are recognized depending on whether the conditions for identifiability, control, and future economic benefits are satisfied, while for the

residual agreements, which are the agreements to provide distinguished goods or services and receive relevant consideration therefor, they are recognized as profits in accordance with the performance obligations identified under the contract. The performance obligations do not include the obligations to share the resources engaged in the activities or processes which form the substance of the contracts of joint type.

4) Licensing:right to use

A license agreement corresponds to the right to use the intellectual property which exists at the time the license is granted, which means that at the point in time the license is transferred, the customer can direct the use of the license and acquire most of the remaining benefits from the license. When the consolidated companies provide a license to a customer, the consolidated companies recognize it as a performance obligation carried out at a point in time.

5) Licensing:right to access

The consolidated companies allow customers to use drug licenses for a certain period and receive payment for the license. Additionally, they provide research services during the contract period in addition to the obligation of license provision.

(2) Variable consideration

If the contract includes variable consideration, the consolidated companies estimate the amount they will receive in exchange for transferring the promised goods to the customer. When the uncertainties associated with the variable consideration are later addressed, the variable consideration is estimated at the point of commencement of the contract and is included in the transaction price only to the extent that it is highly probable that a significant portion of the amount of accumulated profits recognized will not be returned. Some of the contracts for the sales of goods provide the customer with the right to return. The right to return corresponds to a variable consideration.

1) Right to return

Certain contracts provide the customers with the right to return goods within a certain period. To estimate the goods which will not be returned, the consolidated companies use expected values at which they are expected to better predict the consideration to which the consolidated companies will be entitled. Among the requirements of K-IFRS No. 1115, the restrictions on the estimation of variable consideration are also applied even when the amount of variable consideration included in the transaction price is determined. The consolidated companies recognize goods expected to be returned not as revenue, but as refund liabilities. The right to

the returned goods and the corresponding adjustment for the cost of goods sold are recognized.

2) Quantity rebate

The consolidated companies retroactively provide a quantity rebate to a specific customer for previous purchase quantities if the purchase exceeds the contractual limit. The rebate is deducted from the amount payable by the customer. To estimate the variable consideration for a rebate expected in the future, the consolidated companies apply the most probable method for contracts with only one quantity criterion and the expected value method for contracts with multiple quantity criteria. The consolidated companies consider the number of quantity criteria under the contract as a key factor in selecting the method which best predicts the variable consideration. The consolidated companies recognize refund liabilities for the anticipated future rebates by applying the requirements for the variable consideration's constraints.

(3) Significant financial elements

The consolidated companies do not reflect the effect of a significant financial component on the promised consideration (amount) if the period between the transfer of the promised goods or services to the customer at the commencement of the contract and the payment of the consideration is expected to be less than a year.

(4) Contract balance

1) Contract assets

A contract asset is the right to receive consideration for the goods or services transferred to a customer. If the consolidated companies transfer goods or services to a customer before the customer pays the consideration or before the date on which payment is due, the asset which is the company's right to take consideration and whose right is subject to conditions other than the lapse of time is a contract asset. The contract assets are assessed for impairment.

2) Trade receivables

A receivable is recognized when an amount of unconditional consideration is due for payment by and from the customer (that is, where only the lapse of time is required before the consideration is paid upon maturity). For the financial assets-related accounting policies, refer to Note 2-11.

3) Contract liabilities

A contract liability is a company's obligation to transfer goods or services to a customer equivalent to the consideration which the consolidated companies have already taken from the

customer (or the consideration for which the payment is due). If the customer pays the consideration before the consolidated companies transfer goods or services to the customer, the contract liabilities are recognized when it is paid or when it is due, whichever is earlier.

The contract liabilities are recognized as profits when the consolidated companies carry out their performance obligations pursuant to the contract.

(5) Contractual performance cost

The contractual performance cost is the cost incurred from performing a contract executed with a customer, and if the cost is directly related to a contract or a specifically identifiable and expected contract, and if the cost creates or enhances the company's resources to be used in performing (or continuing to perform) future obligations, and is expected to be recovered, then is recognized as asset, and the assetized contractual performance cost is recognized as the cost of sales in line with the future rate of progress. The consolidated companies present the contract performance costs as inventories or contract assets.

(6) Assets and liabilities arising from the right to return

1) Right to recover the returned product

The right to recover the returned product is the consolidated companies' right to recover a product which the customer is expected to return. The assets are measured at the existing carrying amount of inventories minus the expected cost of recovering the products and any potential reduction in the value of the products returned.

2) Refund liabilities

A refund liability is an obligation to return a portion or all of the consideration received or receivable from the customer. It is measured as the amount the consolidated companies expect to ultimately refund to the customer. The consolidated companies update the estimates of refund liabilities and changes in the transaction price accordingly at the end of each fiscal period. For the variable consideration, refer to the accounting policies above.

2-8 Government subsidies

Government subsidies are recognized if and when there is a reasonable assurance of the receipt of the subsidies and the fulfillment of ancillary conditions therefor. Profit-related subsidies are recognized as profits in line with a systematic standard over the period needed to match the

costs associated with the subsidies intended to cover, while the assets related subsidies are recognized as deferred revenue, and the same amount is recognized as the revenue each year over the useful life of the related assets.

When non-monetary assets are received as subsidies, the consolidated companies record the assets and subsidies in nominal amounts and recognize them as revenue in the statement of income on a straight-line basis over the estimated useful lives of the related assets. If a loan is provided at an interest rate lower than the market interest rate or similar support is received, the benefit from the lower interest rate is recognized as an additional government grant.

2-9 Income tax

(1) Current income tax

The current income tax liabilities (assets) for the current and previous periods are measured at the amount expected to be paid to (refunded by and from) the tax authorities using the tax rates and tax laws enacted or substantively enacted by the end of the current period.

The current income tax related to the items directly reflected in equity are reflected in equity, and are not reflected in the consolidated statements of comprehensive income. The senior management regularly assesses the recoverability of the amount of income tax refund in connection with the interpretation of relevant tax laws and establishes provisioning liabilities as needed.

(2) Deferred income tax

For the purposes of financial reporting of the assets and liabilities, the consolidated companies recognize the deferred income tax assets and deferred income tax liabilities for temporary differences, which are the differences between the carrying amount and the tax reference amount.

The consolidated companies recognize the deferred income tax liabilities for all in temporary differences, except under the following circumstances:

- Where deferred income tax liabilities arise when the goodwill is initially recognized
- Where deferred income tax liabilities arise from transactions which do not affect the accounting profits or taxable income at the time of the transaction, not a business combination transaction in which assets or liabilities are initially recognized
- Where it is highly probable that the temporary differences will not be extinct in the foreseeable future as they are taxable temporary differences in connection with the investment

interest in subsidiaries, associates and joint ventures, and where the point in time of the extinction of the temporary difference may be controlled

Furthermore, deferred income tax assets are recognized when it is highly probable that the taxable income can be used for deductible temporary differences and unused tax credits and tax losses, except in the following cases:

- Where deferred income tax assets arise from transactions which do not affect the accounting profits or taxable income at the time of the transaction, not a business combination transaction in which assets or liabilities are initially recognized
- Where deductible temporary differences exist in connection with the investment interest in subsidiaries, associates, and joint ventures, and where it is not highly probable that the temporary differences will be extinguished in the foreseeable future, or where it is not probable that the taxable income for which the temporary difference can be used will arise

The carrying amount of the deferred income tax assets is reviewed at the end of each reporting period, and if it is no longer probable that a sufficient taxable income will be available to use the benefits of some or all of the deferred income tax assets, the carrying amount of the deferred income tax assets is reduced. Meanwhile, the reduced amount is reversed to the extent that it is highly likely that a sufficient taxable income will be generated for use. Furthermore, at the end of each reporting period, the unrecognized deferred income tax assets are reviewed, and the previously unrecognized deferred income tax assets are recognized to the extent that it is highly probable that the deferred income tax assets will be recovered based on the future taxable income.

The deferred income tax assets and liabilities are measured using the tax rates expected to be applied for the fiscal period in which the assets are realized or liabilities are settled based on the tax rates (and the tax laws) enacted or substantively enacted by the end of the reporting period.

The current and deferred income tax related to the items recognized other than the profit or loss are recognized as items other than profit or loss. The deferred income tax items are recognized as other comprehensive income or reflected directly in equity depending on the relevant transaction.

If the tax benefits acquired as a part of a business combination did not satisfy the separate recognition criteria at the relevant point in time, yet were recognized during the measurement

period as a result of new information on the facts and circumstances existing on the date of acquisition, the relevant deferred income tax benefits are recognized. The recognized acquired deferred income tax benefits are applied to reduce the carrying amount of the goodwill related to the acquisition, and if the carrying amount of the goodwill is zero, the remaining deferred income tax benefits are recognized as profit or loss.

The consolidated companies are entitled to legally enforce the offset of the current tax assets and current tax liabilities, and if the taxable companies are the same, or if the taxable companies are different yet there is an intention to settle the current tax liabilities and assets in a net amount, or if there is an intention to settle the liabilities at the same time as realizing the assets for each fiscal period in the future where the deferred income tax liabilities are settled or the deferred income tax assets are recovered in a significant amount, the deferred income tax assets and deferred income tax liabilities are appropriated and presented only if and when the deferred income tax assets and deferred income tax liabilities are related to the same tax authority.

(3) Sales tax

Revenue, expenses and assets are recognized as the net amount minus applicable sales tax. However, if the sales tax related to the purchase of an asset or service cannot be refunded by and from the tax authorities, it is recognized as part of the acquisition cost or part of the expense item, and the relevant receivables and liabilities are presented as the amount including the sales tax.

The net amount of the sales tax to be refunded by or payable to the tax authority is included in the receivables or liabilities in the statement of financial position.

2-10 Retirement benefits

The consolidated companies operate a defined benefit retirement pension plan, and the benefit cost of the defined benefit plan is determined using the projected unit credit method. The remeasurement elements consisting of the actuarial profits and losses, revenue from the plan assets excluding the amount included in the net interest, and the changes in the effect of the ceiling on the asset recognition excluding the amount included in the net interest are recognized immediately as other comprehensive income and are subsequently not reclassified as profit or loss.

The past service cost is recognized as an expense based
whichever is the earlier of the following: • When the plan is

revised or reduced

- When the relevant restructuring costs or termination benefits are recognized

The net interest is determined by multiplying the net defined benefit obligations (assets) by the discount rate. The consolidated companies recognize the service cost and the net interest on the net defined benefit obligations as profit or loss for the items of the cost of goods sold and the selling, general and administrative expenses.

Meanwhile, the consolidated companies operate a defined contribution plan for some of the executives and employees, and the contribution is recognized as an expense when the executives and employees provide service at work.

2-11 Financial instruments: initial recognition and subsequent measurements

A financial instrument is any contract which creates a financial asset for one of the parties to a transaction and a financial liability or equity instrument for the other party to the transaction.

(1) Financial assets

1) Initial recognition and measurement

Financial assets are classified into financial assets measured at amortized cost upon initial recognition, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

The classification of financial assets upon initial recognition varies depending on the contractual cash flows' characteristics of the financial assets and the business model of the consolidated companies for managing the financial assets. Excluding the trade and other receivables which do not contain a significant financial element or for which the practical expedient method is applied, the consolidated companies initially measure the financial assets at fair value, and unless they are not the financial assets at fair value through profit or loss, they add or subtract the transaction cost. Trade and other receivables, which do not include a significant financing element or for which the practical expedient method is applied, are measured at the transaction cost determined in accordance with K-IFRS No. 1115.

To measure the financial assets at amortized cost or fair value through other comprehensive income, the cash flows must consist of solely payments of principal and interest (SPPI). This

assessment is called the SPPI test and is performed at the level of the individual instrument.

The consolidated companies' business model for the management of financial assets relates to the management of financial assets intended to generate cash flows. The business model determines whether the source of cash flows is the receipt or sale of the contractual cash flows of the financial assets, or whether it is both.

The purchase or sale of financial assets (standardized transaction) in which the financial assets are required to be transferred within a time frame established by market agreement or regulation is recognized on the date of transaction. That is, it is recognized on the date on which the consolidated companies agree to purchase or sell the financial assets.

2) Subsequent measurements

For the subsequent measurements, the financial assets are classified into the following four categories:

- Financial assets measured at amortized cost (debt instruments)

- Financial assets at fair value through other comprehensive income (debt instruments), with accumulated gains or losses recycled to profit or loss
- Financial assets at fair value through other comprehensive income (equity instruments), with accumulated gains or losses not recycled to profit or loss

- Financial assets at fair value through profit or loss

① Financial assets measured at amortized cost (debt instruments)

This category is most closely related to the consolidated companies. The consolidated companies measure the financial assets at amortized cost if and when all of the following terms and conditions are satisfied.

- Under a business model whose objective is to hold financial assets to collect contractual cash flows,
- The financial asset generates cash flows consisting solely of payments of principal and interest on the principal amount outstanding, in accordance with the terms of the financial asset.

The financial assets measured at amortized cost are subsequently measured using the effective interest rate (EIR) method, and the impairment is recognized. The profits and losses arising from the derecognition, change or impairment of assets are recognized as profit or loss.

② Financial assets at fair value through other comprehensive income (debt instruments)

The consolidated companies measure the debt instruments which satisfy all of the following terms and conditions as financial assets at fair value through other comprehensive income.

- Financial assets are held under a business model which achieves purposes through both the receipt of contractual cash flows and the sale of financial assets, and
- According to the contractual terms and conditions of financial assets, cash flows consist only of principal and interest payments which are generated on a specific date.

For the debt instruments at fair value through other comprehensive income, the interest income, foreign currency translation profits and losses, and impairment or reversal are calculated in the same manner as financial assets measured at amortized cost and are recognized as profit or loss. The rest of the changes in fair value are recognized as other comprehensive income. When the financial assets are derecognized, the accumulated change in fair value recognized as other comprehensive income is recirculated as profit or loss. Other comprehensive income of the consolidated entity - debt instruments at fair value are included in debt instruments classified as non-current assets.

③ Financial assets at fair value through other comprehensive income (equity instruments)

Upon the initial recognition, the consolidated companies can make an irrevocable selection to measure the equity instruments which satisfy the definition of equity under K-IFRS No. 1032 "Presentation of Financial Instruments" and are not held for investment purposes at fair value through other comprehensive income, and any difference between the transaction price and fair value is recognized in other comprehensive income.

The profits and losses arising from such financial assets are not recirculated as profit or loss. Dividends are recognized in the statement of income as other income and accounted for as other comprehensive income when the entitlement is confirmed, except when the consolidated companies profit by recovering a portion of the cost of the financial assets. No impairment is recognized for the equity instruments at fair value through other comprehensive income.

The consolidated companies can also make irrevocable selections for the unlisted equity instruments.

④ Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include trading items, financial assets designated for measurement at fair value through profit or loss upon initial recognition, or financial assets required to be measured at fair value. Financial assets acquired for the purpose of sale or repurchase within a short period are classified as the trading items.

Derivatives, including separated embedded derivatives, are classified as the trading items unless they are designated as effective hedging instruments. The financial assets whose cash flow do not consist only of the payment of principal and interest are classified and measured as financial assets at fair value through profit or loss, regardless of the business model. As described in the paragraph above, notwithstanding the fact that the debt instruments are classified as financial assets measured at amortized cost or fair value through other comprehensive income, if the accounting mismatch can be derecognized or significantly reduced, the debt instruments may be designated to be measured at fair value through profit or loss.

The financial assets at fair value through profit or loss are presented at fair value in the statement of financial position, and the net changes in fair value are recognized as profit or loss in the statement of income.

This category includes the derivatives and the traded equity instruments for which no irrevocable selection was made to account for the changes in fair value as other comprehensive income. The dividends for the traded equity instruments are recognized as profit or loss when the rights are confirmed.

As for the derivatives embedded in hybrid contracts, the economic characteristics and risks are not closely related to the main contract, and the separate instruments with the same conditions as the embedded derivative satisfy the definition of derivative, and if the hybrid contract is not measured at fair value through profit or loss, it is accounted for as derivative as a separate derivative from the main contract. The embedded derivatives are measured at fair value, and the changes in fair value are recognized as profit or loss. A reevaluation occurs only when and if there is a change in the terms and conditions of the contract which significantly changes the cash flows, or if it becomes not applicable for the category of fair value measurement through profit or loss.

In hybrid contracts for which the main contract is a financial asset, embedded derivatives are not accounted for separately. The financial assets and embedded derivatives, which are the main contracts, are classified as financial assets at fair value through profit or loss.

3) Derecognition

A financial asset (or a portion of a financial asset or of a group of similar financial assets) is derecognized with priority under the following circumstances:

- The right to receive cash flows from financial assets is extinct, or

- The consolidated companies transfer contractual rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement. In such an event, the consolidated companies neither transfer substantially most of the risks and rewards of holding the financial assets, nor transfer or hold most of the risks and rewards of holding the financial assets, yet transfer the control over the assets.

When the consolidated companies transfer the right to receive cash flows from a financial asset or execute a pass-through contract, they assess whether they maintain the risks and rewards of owning the assets. If the consolidated companies have neither held nor transferred most of the risks and rewards of a financial asset, it would continue to recognize the financial asset to the extent that it continues to be involved with it. In such an event, the consolidated companies recognize the relevant liabilities. The liabilities related to the transferred assets are measured by reflecting the rights and obligations of the consolidated companies.

The continuous involvement, which takes the form of providing guarantees, is measured either as the carrying amount of the assets transferred or the largest amount which may be required for repayment among the considerations received, whichever is the lesser.

4) Impairment of financial assets

The detailed disclosures made in connection with the impairment of financial assets are provided in the notes below. • Disclosures on the significant assumptions

- Debt instruments measured at fair value through other comprehensive income
- Trade receivables including contract assets

The consolidated companies recognize the allowance for expected credit loss (ECL) for all debt instruments, except for the items measured at fair value through profit or loss. The expected credit loss is estimated by discounting the differences between the cash flows agreed to be received under contract and all cash flows expected to be received by the consolidated companies, discounted at the initial effective interest rate. The expected cash flows include the cash flows from the disposal of collateral held or from other credit enhancements which are among the essential terms and conditions of the contract.

The expected credit loss is recognized in two stages. For credit exposures with no significant increase in the credit risk since the initial recognition, the expected credit loss reflects the credit losses (expected credit loss for 12 months) arising from any events of default likely to occur within the next 12 months.

For credit exposures with a significant increase in the credit risk after the initial recognition, the loss allowance is required to measure the expected credit loss over the remainder of the surviving period for the exposure regardless of when an event of default occurs (expected credit loss over the entire period).

For the trade and other receivables and contract assets, the consolidated companies may apply the simplified method for the calculation of the expected credit loss. Thus, in lieu of tracking changes in the credit risk, the consolidated companies recognize the loss allowance on each date of settlement as an amount equivalent to the expected credit loss over the entire period. The consolidated companies place a provisioning rate table based on the past credit loss experiences adjusted to reflect the future prospects for specific debtors and economic environments.

For the debt instruments at fair value through other comprehensive income, the consolidated companies apply the low credit risk expedient method. On each date of settlement, the consolidated companies assess whether a debt instrument is considered to have a low credit risk using all reasonable and supportable information available without undue cost or effort. For such assessment, the consolidated companies re-evaluate the internal credit ratings of the relevant debt instrument. Furthermore, the consolidated companies consider whether there is a significant increase in the credit risk when the contractual payment exceeds 30 days.

If the consolidated companies' debt instruments at fair value through other comprehensive income consist only of the traded bonds with the highest investment rating, they are considered to be low-credit risk investment assets. The consolidated companies' policy is to measure such instruments at the 12-month expected credit loss. However, if there is a significant increase in the credit risk after the initial recognition, the loss allowance is calculated based on the expected credit loss over the entire period. The consolidated companies use the ratings of credit rating agencies to determine whether the credit risk of debt instruments has significantly increased and measure the expected credit loss.

The consolidated companies consider it a default if any contractual payment is overdue for over 90 days. However, under certain circumstances, the consolidated companies may consider that an

event of default has occurred against financial assets if and when internal or external information indicates that the consolidated companies will not be able to receive the principal in full under contract until all credit enhancements by the consolidated companies are considered. A financial asset is derecognized if and when there is no reasonable expectation to recover the cash flows under contract.

(2) Financial liabilities

1) Initial recognition and measurement

Upon the initial recognition, financial liabilities are appropriately classified as financial liabilities at fair value through profit or loss, loans and borrowings, and the accounts payable or derivative instruments are designated as effective hedging instruments.

All financial liabilities are initially recognized at fair value, and the directly related transaction costs are deducted for loans, borrowings and payables.

The consolidated companies' financial liabilities include the trade payables and other accounts payable, loans and borrowings including overdrafts and the derivatives liabilities.

If a financial liability arising from supplier financing agreements has attributes and functions similar to trade payables, the consolidated entity classifies it as trade payables and other payables in the consolidated statement of financial position. This applies when the supplier financing agreement of the consolidated entity is part of working capital used within the normal operating cycle, the level of collateral provided is similar to trade payables, and the terms of the liability arising from the supplier financing agreement are not substantially different from the terms of trade payables that are not related to supplier financing agreements. When a liability arising from a supplier financing agreement is classified as trade payables and other payables in the consolidated statement of financial position, the related cash flows are included in operating activities in the consolidated cash flow statement.

2) Subsequent measurements

The measurement of financial liabilities is governed by the classifications mentioned below.

① Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include the trading financial liabilities and

the financial liabilities designated to be measured at fair value through profit or loss upon the initial recognition.

Financial liabilities are classified as trading items if they are repurchased within a short period. This category also includes the derivatives which are not designated as hedging instruments in a hedging relationship as defined in K-IFRS No. 1109. Furthermore, the separated embedded derivatives are classified as trading items unless they are designated as effective hedging instruments.

Profits or losses on financial liabilities, which are trading items, are recognized as profit or loss.

The financial liabilities designated as items measured at fair value through profit or loss are designated only upon the initial recognition if the criteria provided under K-IFRS No.1109 are satisfied. The consolidated companies have not designated any financial liabilities as fair value through profit or loss.

② Financial liabilities measured at amortized cost (loans and borrowings)

After the initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Any profits or losses arising from the derecognition of a liability or from the effective interest rate amortization procedures is recognized as net profit or loss.

The amortized cost is calculated by taking into account any discounts or premiums for the fees or costs which form an essential part of the effective interest rate.

This category is generally applied for interest-bearing loans or borrowings.

3) Derecognition of financial liabilities

Financial liabilities are derecognized if and when the payment obligations are fulfilled, canceled or expired. If and where an existing financial liability is exchanged for a financial liability with the same borrower yet under substantially different terms and conditions, or where the terms and conditions of the existing liability are materially changed, such exchange or change causes the derecognition of the initial liability and the recognition of the new liability.

Each difference between the carrying amounts is recognized as profit or loss.

(3) Offset of financial assets and financial liabilities

Financial assets and financial liabilities are appropriated and presented as the net amount in the consolidated statement of financial position if and when one currently has a legally enforceable right to offset against the recognized assets and liabilities, or has the intent to settle the difference or realize the assets while settling the liabilities.

2-12 Measurement of fair value

The consolidated companies assess the financial instruments such as derivatives at fair value as of the end of the reporting period. Disclosures made on the fair value of financial instruments measured at fair value or for which fair value is disclosed are provided under Note 35.

Fair value is the price which would be received in selling an asset or paid to transfer a liability in a normal transaction by and between the market participants on the date of measurement. The fair value measurement assumes that a transaction of selling an asset or transferring a liability takes place in one of the following markets:

- The primary market for assets or liabilities
- A market that is most advantageous only in the absence of a primary market for assets or liabilities

The consolidated companies must be able to approach the primary market (or the most advantageous market).

The fair value of an asset or liability is measured based on the assumptions which the market participants use when determining the price for the asset or liability under the assumption that the market participants act to the best of their ability and in their economic interest.

When measuring the fair value of a non-financial asset, the ability of the market participant who sells the asset to another market participant who has best used or who will best use the asset to create economic benefits is considered.

The consolidated companies use the valuation techniques which are appropriate for the given circumstances and for which adequate data are available to measure the fair value while maximizing the use of relevant observable input variables and minimizing the use of unobservable input variables.

All assets and liabilities measured or disclosed at fair value in the consolidated financial statements are classified into the following fair value hierarchy based on the lowest level of

input variables which are significant for fair value measurement.

- Level 1 - Quoted (unadjusted) price in an accessible and active market for the same asset or liability
- Level 2 - Fair value using an input variable for which the input variable of the lowest level significant for the fair value measurement is directly or indirectly observable
- Level 3 - Fair value using the unobservable input variable of the lowest level significant for the fair value measurement

Regarding the assets and liabilities which are repeatedly measured at fair value in the consolidated financial statements, at the end of each reporting period, the consolidated companies determine whether there is any movement between the levels of the hierarchy by undertaking a reevaluation of the classification based on the input variable of the lowest level significant for the fair value measurement.

For the fair value's disclosure purposes, the consolidated companies determine the classification of assets and liabilities and the levels of the fair value hierarchy based on their nature, characteristics, and their risks.

2-13 Derivatives and hedge accounting

(1) Initial recognition and subsequent measurement

The consolidated companies use derivatives such as currency futures contracts and commodity forward contracts to hedge the foreign exchange risk, interest rate risk, and commodity price risk, and such derivatives are initially recognized at fair value on the date of contract execution, and thereafter, are subsequently remeasured at fair value. Derivatives are appropriated as financial assets if their fair value is positive, and as financial liabilities if their fair value is negative, and they are subsequently remeasured. Meanwhile, any changes in the fair value of derivatives are directly reflected in the consolidated statement of comprehensive income, and the effective portion of the cash flow hedging is reflected in other comprehensive income.

For hedge accounting, hedging is classified as follows:

- Fair value hedging: hedging against changes in the fair value of recognized assets and liabilities and unrecognized firm contracts
- Cash flow hedge: hedging against changes in the cash flows arising from the foreign currency risk of recognized assets and liabilities, highly

probable expected transactions, or unrecognized firm contracts

Upon the commencement of the hedging relationship, the consolidated companies formally designate and document the hedging relationship for which they seek to apply hedge accounting, the risk management objectives and the hedging strategies.

The documentation includes the hedging instruments, the hedged items, the nature of the hedged risks, and the method of assessing whether the hedging relationship satisfies the provisions for hedging effectiveness (including the analysis of the cause of hedging ineffectiveness and the method of determining the hedging ratio). The hedging relationship shall satisfy all of the following provisions related to hedging effectiveness.

- There is an "economic relationship" between the hedged items and the hedging instruments.
- The effect of credit risk does not account for "most of the changes in value" resulting from the economic relationship between the hedged items and the hedging instruments.
- The hedging ratio of the hedging relationship is equivalent to the ratio between the number of hedged items which the relevant company actually hedges and the number of hedging instruments actually used by the consolidated companies to hedge the risks of the number of hedged items.

Hedging relationships satisfying the criteria for hedge accounting are accounted for as follows:

- Fair value hedging

Changes in the fair value of the hedging instruments are recognized as profit or loss. Changes in the fair value of the hedged items attributable to the hedged risks are included in the hedged items' carrying amounts and recognized as profit or loss.

The carrying amounts' adjustments for fair value hedging of the items measured at amortized cost are amortized using the effective interest method over the surviving period of the hedging. Amortization at the effective interest rate can begin immediately after the adjustment is made, and at the latest, must begin before the adjustment of the hedged items for hedging profits or losses is discontinued.

When the hedged items are derecognized, the unamortized fair value is immediately derecognized and recognized as profit or loss.

If an unrecognized firm contract is designated as a hedged item, the cumulative change in the

fair value of the firm contract attributable to the hedged risk is recognized as an asset or liability, and the corresponding profit or loss thereto is recognized as profit or loss.

- Cash flow hedging

The effective portion of profit or loss from hedging instruments is recognized as other comprehensive income within the cash flow hedge reserves, and the ineffective portion is recognized immediately as profit or loss. The cash flow hedge reserves are adjusted to the accumulated profit or loss of the hedging instruments and the accumulated fair value change of the hedged items, whichever is the smaller.

The consolidated companies may hedge based on currency forward contracts against exposure to foreign currency risks in future prospective transactions or firm contracts, and the forward contracts against the commodity prices' volatility. The ineffective portion related to the currency forward contracts is recognized as other expenses, and the ineffective portion related to the forward commodity contracts is recognized as other operating income or other operating expenses. For more details, please refer to Note 23.

The amount accumulated for other comprehensive income (cash flow hedge reserves) is accounted for in line with the characteristics of the hedging transactions. If the hedged transactions subsequently recognize a non-financial item, the cash flow hedge reserves are derecognized and included for the amount of the relevant asset or liability initially recognized. This is not a reclassification adjustment and does not affect other comprehensive income. This is also applied if and when the hedged transaction for a non-financial asset or non-financial liability becomes a firm contract for which fair value hedge accounting is subsequently applied.

With regard to the cash flow hedging, the cash flow hedge reserves are reclassified as profit or loss during the period in which the hedged cash flows affect the profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserves are retained as other comprehensive income if and when the hedged expected cash flows are still expected to be generated. Otherwise, the cash flow hedge reserves are accounted for immediately as profit or loss based on the reclassification adjustment. If the hedged expected cash flows are generated following the discontinuation, the cash flow hedge reserves ought to be accounted for in line with the nature of the underlying transactions as explained in the above.

2-14 Cash and cash equivalents

The cash and cash equivalents in the consolidated statement of financial position consist of savings accounts, small amounts of cash, and short-term deposits with maturities of 3 months or less at the time of acquisition.

2-15 Inventories

The consolidated companies assess the inventories at the acquisition cost or the net realizable value, whichever is the less of the two, and the acquisition cost for each inventory asset includes the purchase cost, conversion cost, and the other costs incurred in bringing the inventory asset to its present location and condition. The unit cost of inventories is determined using the weighted average method, except for goods in transit, for which the specific identification method is applied.

2-16 Tangible assets

Construction in progress is the balance of acquisition cost minus the accumulated impairment losses, and the tangible assets are presented as the balance of acquisition cost minus the accumulated depreciation and accumulated impairment losses. Such costs include the replacement costs satisfying the recognition criteria of assets and the borrowing costs for the long-term construction projects. Where a major part of tangible assets needs to be replaced regularly, the consolidated companies recognize the relevant part as an individual asset and depreciate it over the relevant useful life. Furthermore, if an asset satisfies the recognition criteria such as the comprehensive testing cost, it is included among the carrying amount for tangible assets, and all repair and maintenance costs are reflected in the profit or loss when incurred. If the estimated costs to remove, dismantle, or restore the land after the economic use of the tangible asset has ended meet the recognition criteria for a provision, the present value of those expenditures is included in the acquisition cost of the tangible asset.

Meanwhile, the depreciation for tangible assets is appropriated using the straight-line method in line with the economic useful lives of each asset below.

Classification	Useful Life
Buildings	19 to 40 years
Structures	19 to 40 years
Mechanical equipment	5 to 25 years
Vehicles and transport equipment	4 to 6 years
Other tangible assets	3 to 10 years

The tangible assets are derecognized upon disposal or when no future economic benefits are

expected through their use or disposal, and the resulting difference between the net disposal value and the carrying amount is reflected in the profit or loss at the time of derecognition.

At the end of each reporting period, the consolidated companies review the adequacy of the estimated residual value, estimated useful life, and the depreciation method for tangible assets, and where any changes are needed, apply them in a forward-looking manner, and at this time, the impacts of health, safety and environmental laws and regulations are reviewed.

2-17 Borrowing cost

Borrowing costs directly related to the acquisition, construction or production of an asset which requires a significant period to be used for the intended use or ready for sale are capitalized as part of the cost of the relevant asset. Other borrowing costs are appropriated as expenses when incurred. The borrowing costs consist of the interests incurred in connection with the borrowing of funds and the other costs.

2-18 Investment properties

Investment real estate properties are measured at acquisition cost plus the relevant transaction costs, and include the replacement cost that meets the recognition criteria for the assets when incurred. However, costs incurred in day-to-day management activities are recognized as expenses when they are incurred. Following the initial recognition, the investment real estate properties are presented as the balance of the acquisition cost minus the accumulated depreciation and the accumulated impairment losses.

When it is expected that future economic benefits can no longer be profited from the disposal or use of the investment real estate properties, the consolidated companies derecognize them from the consolidated financial statements, and the resulting difference between the net amount of disposal and the carrying amount is reflected in profit or loss when derecognized. The consideration (amount) to be included in the profit or loss arising from the derecognition of investment real estate properties is calculated in accordance with the requirements on the calculation of transaction price as provided under K-IFRS No. 1115.

In addition, if and only if the purpose of use of the relevant asset is changed, it is transferred from the investment real estate properties to another account or from another account to the investment real estate properties. When it is transferred from the investment real estate properties to tangible assets, the fair value at the point where the purposes of use are changed is applied as the deemed cost. Furthermore, when the tangible assets are replaced with

investment real estate properties, the relevant real estate properties are accounted for in the same manner as the tangible assets until the purposes of use are changed.

2-19 Lease

At the point of a contractual commitment, the consolidated companies determine whether the contract itself is a lease or includes a lease by considering whether the contract transfers control over the use of the identified asset for a certain period in exchange for consideration under contract.

(1) Consolidated companies as the lessee

The consolidated companies apply the single recognition and measurement approach for all leases, with the exception of short-term leases and leases for the underlying assets of small amounts. The consolidated companies recognize a lease liability presenting an obligation to make lease payments and the right-of-use assets presenting the right to use the underlying assets.

1) Right-of-use assets

The consolidated companies recognize the right-of-use assets on the date of commencement of the lease (that is, when the underlying assets are available for use). The right-of-use assets are measured at cost, and a cost model was applied for the subsequent measurement. To apply the cost model, the accumulated depreciation and accumulated impairment losses are deducted, and the adjustments following the remeasurement of lease liabilities are reflected. The cost of the right-of-use asset includes the amount of the recognized lease liability, initial direct cost, and the lease payments made on or before the date of commencement of the lease minus any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful lives of the assets, whichever is the shorter.

If the ownership of the underlying assets transfers to the consolidated companies at the end of the lease term, or if the cost of the right-of-use assets reflects the fact that the consolidated companies will exercise the purchase option, the depreciation is calculated using the estimated useful lives of the underlying assets.

The right-of-use assets are also subject to impairment, and are explained under Note 2-23 concerning the accounting policy on the impairment of non-financial assets.

2) Lease liabilities

On the date of commencement of the lease, the consolidated companies measure the lease liability at the present value of the lease payments to be paid over the lease term. Lease payments consist of fixed lease payments (including the substantive fixed lease payments minus the lease incentives to be received), variable lease payments that depend on an index or rate, and the amount expected to be paid under the residual value guarantee. Lease payments also include the exercise price of the purchase option if it is reasonably certain that the consolidated companies will exercise the purchase option and the amount they would pay to terminate the lease if the lease term reflects the consolidated companies' exercise of the termination option. Variable lease payments other than those that depend on an index or rate are recognized as expenses for the period in which the event or condition giving rise to the lease payment occurs (unless it is incurred to produce inventories).

When calculating the present value of lease payments, the consolidated companies use the incremental borrowing rate on the date of commencement of the lease since the implied interest rate of the lease cannot be calculated with ease. After the date of commencement of the lease, the amount of the lease liability increases by reflecting the interest and decreases by reflecting the lease payments made. Furthermore, the carrying amount of the lease liability is remeasured if there is any change in the lease term, change in the lease payments (for example, changes in future lease payments resulting from changes in the index or rate used to calculate the lease payments) or change in the assessment of options to purchase the underlying assets.

3) Short-term leases and the underlying asset leases of small amounts

The consolidated companies apply the provisions on recognition exemption for short-term leases of machinery and equipment (that is, such leases operate on a lease term of 12 months or less from the date of commencement and do not include a purchase option). In addition, the consolidated companies apply the provisions on recognition exemption for leases of assets of small amounts for the leases of office supplies that are considered assets of small amounts. Lease payments for the short-term leases and leases of assets of small amounts are recognized as expenses on a straight-line basis over the lease term.

(2) Accounting as lessor

The consolidated companies classify the leases which do not substantially transfer all of the risks and rewards of ownership of the underlying asset as operating leases. The revenue from lease payments is recognized on a straight-line basis over the lease term and is included in the sales in the income statement depending on the nature of the business. The direct cost of establishing an

operating lease is added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease payment income. Conditional rent payments are recognized as sales when the rent payment is received.

2-20 Classification as current and non-current

The consolidated companies present assets and liabilities separately in the statement of financial position as current and non-current.

Assets are classified as current assets where any of the following apply.

- Where the asset is expected to be realized within the normal operating cycle, or intended to be sold or consumed within the normal operating cycle
- Where the asset is primarily held for trading purposes
- Where the asset is expected to be realized within 12 months after the reporting period
- Where, as cash or cash equivalents, the period of restriction on the use of the asset for exchange or debt repayment purposes is not more than 12 months after the reporting period

Any and all other assets are classified as the non-current assets.

Liabilities are classified as current liabilities where any of the following apply.

- Where it is expected that payment will be made within the normal operating cycle
- Where the asset is primarily held for trading purposes
- Where the payment is due within 12 months after the reporting period
- Where the unconditional right to defer the settlement of liabilities for more than 12 months after the reporting period is not granted.

Any and all other liabilities are classified as the non-current liabilities.

The deferred income tax assets (liabilities) are classified as the non-current assets (liabilities).

2-21 Cash dividend

The consolidated companies recognize liabilities when the distribution is authorized to pay the dividends out and the company no longer has discretion. Distribution for the shareholders requires approval by the shareholders. The corresponding amount is reflected directly in equity.

2-22 Intangible assets

The consolidated companies appropriate the intangible assets acquired individually at acquisition cost, and appropriate the intangible assets acquired in a business combination at fair

value at the point of purchase, and following the initial acquisition, directly deduct the accumulated amortization and accumulated impairment losses and present them accordingly. Meanwhile, the internally created intangible assets, excluding the development costs, are reflected in profit or loss as expense items when created.

Intangible assets are classified into those with finite useful lives and those with indefinite useful lives.

Intangible assets with finite useful lives are amortized over their useful lives, and the impairment is reviewed if there are indications of impairment. Furthermore, the adequacy of the useful lives and amortization method is reviewed at the end of each reporting period, and if any changes are needed due to changes in the expected period of use or changes in the consumption patterns of economic benefits, they are accounted for through changes in estimates. Amortization of intangible assets is reflected in the profit or loss as an expense item consistent with the function of the relevant intangible asset

Meanwhile, the intangible assets with indefinite useful lives are not amortized, yet are each tested for impairment individually or included for the cash-generating units each year. Furthermore, each year, whether it is appropriate to apply an indefinite useful life for the intangible asset is reviewed, and if not appropriate, it is changed to a finite useful life in a forward-looking manner.

Upon the derecognition of intangible assets, the consolidated companies reflect any profit or loss arising from the differences between the net sales amount and the carrying amount of the intangible assets when derecognized.

(1) Capitalized research and development costs

The consolidated companies recognize research expenses as an expense when incurred. However, for development costs related to individual projects, they are appropriated as intangible assets if and where i) it is possible to demonstrate the technical feasibility of completing the intangible asset for use or sale; ii) there is the intention and ability to complete and use or sell the intangible assets; iii) adequate resources are secured towards that end; iv) it is possible to demonstrate how the intangible assets can generate future economic benefits; and v) the expenditures related to the intangible assets incurred during the development phase can be reliably measured.

The new drug development project of the consolidated companies proceeds through stages such as preclinical studies, phase 1 clinical trials, phase 2 clinical trials, phase 3 clinical trials,

government approval application, government approval completion, and commencement of product sales for each candidate substance for the new drug.

Typically, the consolidated companies recognize expenditures incurred after a project has entered the phase 3 clinical trial stage as intangible assets, and consider expenditures incurred in earlier stages as R&D expenses, treating them as expenses of the current period.

Meanwhile, the development costs recognized as assets are directly deducted from the acquisition cost by deducting the accumulated amortization and the accumulated impairment losses through applying the cost model. They are also amortized over the expected period of continuity for the economic benefits from the time development is completed and available for use and are appropriated as the cost of sales. The consolidated companies conduct an annual impairment test for the development costs recognized as assets during the development period.

(2) Patents and licenses

Patents are licensed by the government for a period of 10 or 20 years, with the right to renew granted at the end of the term.

The amortization expenses for the consolidated companies' intangible assets are appropriated using the straight-line method in line with the economic useful lives of each asset below.

Classification	Useful Life
Industrial property rights	5 - 10 years
Software	5 years
Development costs	10 years
Memberships	Indefinite

2-23 Impairment of non-financial assets

At the end of each reporting period, the consolidated companies review whether there are any signs of the impairment of assets. Where such signs exist or when an annual impairment test is required for the assets, the consolidated companies estimate the assets' recoverable amount. The recoverable amount of the assets is net fair value of the assets or the cash-generating unit or the value in use, whichever is the larger, and it is determined for each individual asset; however, if the cash inflow of the individual asset is not generated almost independently of the cash inflow of the other assets or groups of assets, it is determined by the cash-generating unit to which the individual asset belongs. If the asset's carrying amount exceeds its recoverable amount, the asset

is deemed to be impaired and its carrying amount is reduced to its recoverable amount.

The value in use is determined by discounting the estimated future cash flows of the asset at a pre-tax discount rate reflective of the market's assessment of the time value of money and the risk of the asset. As for the net fair value, a most recent transaction price is considered.

If no such transaction is identified, it is determined using an appropriate valuation model. Valuation multiples, market prices of listed stocks, or other fair value indicators are used for such calculations.

The consolidated companies calculate the impairment amount based on the specific financial budgets and forecasts prepared for each cash-generating unit for which the individual assets are allocated. The financial budgeting and forecasting generally cover a period of 5 years, while for longer periods, the long-term growth rates are calculated and applied for the period over 5 years.

Impairment loss is reflected in the profit or loss as an expense item consistent with the function of the impaired asset. However, if there is a previously recognized reevaluation surplus as an asset for which the reevaluation model is applied, it is offset against the reevaluation surplus with the previous reevaluation amount as the ceiling.

For assets other than goodwill, at the end of each reporting period, an assessment is made as to whether there are any signs that an impairment loss on any previously recognized assets is no longer present or has decreased, and if such signs exist, the recoverable amount is estimated. The impairment loss on an asset, other than the goodwill recognized in the past, increases the carrying amount to the recoverable amount for the amortized balance of the asset's carrying amount if no recognition of the impairment loss is made; however, this is limited to cases in which there is any change in the estimates used to determine the recoverable amount of the relevant asset after the point of recognition of the immediately previous impairment loss. However, for the assets for which the reevaluation model is applied, the relevant reversal amount is accounted for an increase in the reevaluation surplus.

For the following assets, each criterion is additionally applied for the asset impairment testing.

(1) Goodwill

The consolidated companies conduct an impairment test for goodwill on December 31 of each year and whenever any signs of impairment are present.

The impairment test for goodwill is carried out by estimating the recoverable amount of each cash-generating unit or group of cash-generating units related to the goodwill. If the recoverable amount of the cash-generating unit should be less than the carrying amount, the impairment loss is recognized, and the impairment loss recognized for goodwill is not reversed thereafter.

(2) Other intangible assets

As for the other intangible assets with indefinite useful lives, the consolidated companies conduct the impairment testing for each individual asset or cash-generating unit on December 31 of each year and whenever any signs of impairment are present.

The consolidated companies assess the areas where climate-related issues may have a significant impact, such as the introduction of legislation to regulate greenhouse gas emissions which may increase the manufacturing costs. Such issues related to climate change are included as the key assumptions if they have a material impact on the measurement of the recoverable amount.

2-24 Provisioning Liabilities

The consolidated companies recognize a provision when, as a result of a past event, there is a present obligation (either a legal or constructive obligation), it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount required to settle the obligation can be reliably estimated. Where it is expected that a third party will pay for some or all of the expenses needed to settle the provisioning liabilities, provided that it is almost a certainty that the consolidated companies will receive reimbursement if the consolidated companies fulfill the obligations, they are accounted for as separate assets. The expenses recognized in the consolidated statements of comprehensive income in connection with the provisioning liabilities are presented by offsetting the amount recognized in connection with the reimbursement by a third party.

Where the time value effect of money is material, the provisioning liabilities are discounted at the current pre-tax interest rate reflective of the risk specific to the liabilities. Where the provisioning liabilities are assessed at the present value, any increase in the carrying amount over time is recognized as a financial cost.

(1) Onerous contracts

If the consolidated companies have executed onerous contracts, the related present obligations are recognized and measured as provisioning liabilities. Before recognizing the provisioning liabilities for the onerous contracts, the impairment loss on the assets used to perform the onerous contracts is recognized first.

An onerous contract is a contract in which the unavoidable costs required to perform the contractual obligations exceed the economic benefits expected to be received therefrom. The unavoidable cost is the lesser of the cost required to perform the contract at the minimum net cost which exists under the contract and the compensation or penalty payable in the event of its non-performance.

(2) Restructuring provision

Restructuring provisions are recognized when the general recognition criteria for provisions are met. In addition, consolidated companies are required to follow a detailed and formal plan that includes specific estimates regarding the business or parts of the business subject to restructuring, the locations and number of employees affected, the expected expenditures, and the timing of execution. The implementation of the restructuring plan has either commenced, or the relevant parties have a legitimate expectation that the restructuring will be carried out.

2-25 Greenhouse gas emission rights and emission liabilities

The consolidated companies received free emission rights as a result of the greenhouse gas emission trading system. These emission rights are paid for each year, and the same number of emission rights must be used in response to the actual emissions. The consolidated companies account for the emission rights received using the net debt approach, and accordingly, they are recognized as the provisioning liabilities if and only if the actual amount of carbon emitted exceeds the given emission rights, and the emission costs are recognized as the operating costs. Where the emission rights are purchased from a third party, they are appropriated at acquisition cost, and thereafter, remeasured at fair value in line with the emission liabilities, as they are considered as the right of repayment, and the changes in fair value are appropriated in the consolidated statements of comprehensive income.

2-26 Treasury shares

The consolidated companies account for the treasury shares as a deduction from the equity. Profit or loss on the acquisition, sale, issuance, or cancellation of treasury shares is not reflected in the consolidated statements of comprehensive income, and the differences

between the carrying amount and the consideration for disposal are accounted for as the other capital.

2-27 Share-based payment transaction

The consolidated companies operate a system that subsidizes stock options to employees for their services

(stock-settled share-based payment transactions).

The share-settled, share-based payment costs are measured at fair value of the date of granting using an appropriate valuation model.

The share-based payment costs are recognized as employee benefits over the period in which the service provision related terms and conditions (or performance condition) are satisfied (hereinafter, "vesting period"), and the corresponding increase in equity is recognized. At the end of each reporting period, the measurement of the cumulative cost of compensation reflects an estimate of whether the vesting period is completed and the final number of equity instruments to be granted. The changes in the cumulative compensation cost at the beginning and end of the reporting period are adjusted in the current consolidated statement of comprehensive income.

The service provision terms and conditions and the non-market conditions are not considered if and when estimating the fair value of share options as of the date of grant, yet are reflected in the estimation of the number of equity instruments which ultimately are vested, and the market conditions are reflected when measuring the fair value as of the date of granting. The other conditions granted for the share-based payments (unless there are relevant service conditions) are considered to be non-vesting conditions. Non-vesting conditions are reflected when the fair value of share-based payment costs is measured, and if there are no service provision terms and conditions (or performance conditions), they are recognized as expenses immediately thereby.

No expense is recognized for share-based payments which ultimately are not vested. However, the stock-settled transactions with market conditions or non-vesting conditions are accounted for as vested regardless of whether the market conditions or non-vesting conditions are satisfied if and where all other performance and service conditions are satisfied.

Changes in the conditions of the share-settled share-based payment are recognized at the

minimum cost which would have been recognized if and where the conditions were not changed, except where the equity instruments are not vested as the specified vesting conditions are not met. An additional effect of the change is recognized when it increases the total fair value of the share-based payment agreement or changes the terms to the benefit of employees. When the share-settled compensation is canceled, it is deemed as vested on the date of cancellation and the unrecognized compensation costs are recognized immediately thereby.

The dilutive effect of the issued options is reflected as the diluted shares when

calculating the diluted earnings per share. 2-28 Non-current assets held for sale and

discontinued operations

The consolidated companies classify the non-current assets (or groups of assets for disposal) as held for sale if their carrying amount

will be recovered primarily through sale transaction or distribution rather than continued use.

The non-current assets and disposal groups classified as held for sale are measured at the lesser of the fair value and carrying amount, after the deduction of the costs to sell. The costs to sell are the incremental costs (excluding the financial cost and the income tax expenses) directly reverted to the disposal of assets (or disposal group).

The condition for classification as held for sale is deemed to be satisfied if and when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. The measures required to complete the sale ought to demonstrate the fact that the sale is unlikely to be significantly altered or withdrawn, and the sale must be expected to be completed within 1 year of the asset being classified as held for sale.

Tangible and intangible assets classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale or distribution are presented as separate current items in the statement of financial position.

The consolidated companies exclude the after-tax income from discontinued operations from the results of continuing operations, and present it as a single amount in the statement of income.

2-29 Subsequent events

If the consolidated companies obtain information about conditions that existed at the end of the reporting period after the reporting period but before the approval date of the financial statements, they assess whether this information affects the amounts recognized in the financial

statements. If the consolidated companies adjust the amounts recognized in the financial statements to reflect subsequent events that require modification and revises the disclosures related to the situation by incorporating new information. For subsequent events that do not require adjustment, the consolidated company does not change the amounts recognized in the financial statements but discloses the nature of the event and its estimated financial impact. If such estimates cannot be changed, an explanation is provided in the disclosures.

2-30 Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the net income attributable to the consolidated company's common shareholders by the weighted average number of common shares outstanding. Diluted earnings per share is calculated by dividing the net income attributable to the consolidated company's common shareholders, after adjusting for preferred stock-related costs, by the sum of the weighted average number of common shares outstanding and the weighted average number of potential common shares that would be issued upon the conversion of dilutive potential common shares.

3. Significant Accounting Judgments, Estimates and Assumptions (Consolidated)

When preparing the consolidated financial statements, the senior management of the consolidated companies is required to make and offer judgments, estimates and assumptions which may affect the reported amounts of income, expenses, assets and liabilities as of the end of the reporting period and the disclosures for the notes to the contingent liabilities. However, the uncertainties of such estimates and assumptions could cause material adjustments to the carrying amounts of the assets and liabilities that will be affected in the future.

2-28 Important accounting judgments

In the process of applying the consolidated companies' accounting policies, the senior management's judgments which have had the most significant impact on the amounts recognized in the consolidated financial statements are as follows:

(1) Calculation of the lease term of contracts with options for extension and termination

The consolidated companies calculate the lease term inclusive of the non-cancellable period of the lease and the term of the option if and when it is reasonably certain to exercise the option

to extend the lease, or the period over which the option to terminate the lease is reasonably certain not to be exercised.

The consolidated companies have the lease agreements which include the extension and termination options. The consolidated companies apply judgments when assessing whether it is reasonably certain to exercise the option to extend or terminate the lease.

That is, they consider any and all relevant facts and circumstances which give rise to an economic incentive to exercise an extension option or not to exercise a termination option. After the date of commencement, the consolidated companies reassess the lease term if any significant events or changes in circumstances under the consolidated companies' control affect the ability to exercise an extension or not to exercise an option to terminate.

The consolidated companies include extended periods as part of the lease term for the leases of equipment and machinery with short non-cancellable periods. The consolidated companies generally exercise the option to extend the lease, as there is a significant negative impact on the production if replacement assets are not readily available. The extended periods for the long non-cancellable leases of equipment and machinery are not included as part of the lease term since it is not significantly certain that the extension option will be exercised. Furthermore, the consolidated companies generally lease vehicles for 5 years or less and do not exercise the option to extend the lease, and thus, the option to extend the vehicle lease is not included as part of the lease term. Moreover, the period covered by the termination option is included as part of the lease term if and only if it is reasonably certain that it will not be exercised.

(2) Classification of real estate leases

The consolidated companies have entered into commercial real estate lease agreements for their investment property portfolio. The consolidated companies have determined that, based on an assessment of the lease terms, such as that the lease term does not constitute a major part of the economic useful life of the commercial real estate and that the present value of lease payments does not amount to substantially all of the fair value of the commercial real estate, they retain most of the risks and rewards of ownership of the property. Therefore, these contracts are accounted for as operating leases.

2-29 Accounting estimates and changes

The other major sources of uncertainties for material assumptions and estimates on the future as

of the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year are as follows: Assumptions and estimates are based on the variables available at the time the consolidated financial statements are prepared. The current circumstances and assumptions about the future may change given changes in the market or circumstances beyond the control of the consolidated companies. When such changes occur, they are reflected in the assumptions.

Meanwhile, the Group considers climate-related risks in its estimates and assumptions due to climate change and the future global greenhouse gas reduction implementation system. Climate-related risks increase the uncertainty of estimates and assumptions considered in various items of the consolidated financial statements. Although they do not currently have a significant impact on the measurements, the consolidated companies are carefully monitoring climate-related changes and developments, such as new climate-related laws.

(1) Impairment of non-financial assets

The consolidated companies assess all non-financial assets for any signs of impairment at the end of each reporting period. Goodwill and intangible assets with indefinite useful lives are tested for impairment each year or when there are signs of impairment, and the other non-financial assets are tested for impairment when there are signs that their carrying amount will not be recoverable. To calculate the value in use, the senior management must estimate the expected future cash flows from the asset or the cash-generating unit, and select an appropriate discount rate to calculate the present value of the expected future cash flows.

(2) Retirement benefit plan

The present value of the defined benefit obligation is determined based on the actuarial valuation method. To apply the actuarial valuation method, it is necessary to establish various assumptions, and the establishment of such assumptions includes the discount rate, rate of future salary increase, and the mortality rate. Given the complexity of the valuation method, and the underlying assumptions and the long-term nature of the valuation method, the defined benefit obligation fluctuates sensitively according to these assumptions. All assumptions are reviewed at the end of each reporting period.

(3) Provisions for expected loss on trade and other receivables and contract assets

The consolidated companies use the provision setting table to calculate the expected credit loss (ECL) for trade and other receivables and contract assets. The provision setting rate is based on the number of delinquent days in a bundle for different customer segments with similar loss

patterns (i.e., geographic location, product type, customer type and credit rating, collateral or transactional credit insurance).

(4) Development costs

The consolidated companies capitalize development costs as assets. The development costs recognized as assets of the consolidated companies are based on the senior management's judgment that there is technical and economic feasibility, which means that a certain level of target selected according to project management techniques has been reached. The development costs subject to assetization were calculated based on senior management's assumptions about the expected future cash flow, discount rate, and period of economic benefits from the respective asset. As of the end of the current period, the carrying amount of development costs recognized as assets based on management's best estimate is KRW 66.876 billion (prior year-end: KRW 11.027 billion).

(5) Deferred income tax assets

Where it is highly likely that future taxable income for which the tax loss can be used will occur, the deferred income tax assets are recognized for the unused tax loss within the scope. The consolidated companies' senior management makes major judgments to determine the amount of deferred income tax assets that can be recognized based on the future tax strategies and the timing and extent of tax income. The relevant details are provided under Note 31.

(6) Fair value of financial instruments

The fair value of financial instruments without an active market was calculated by applying valuation techniques including the discounted cash flow method. When the observable market information is not available for the input factors used for such valuation techniques, the determination of fair value requires a considerable estimation. Such judgments include the consideration of input variables such as liquidity risk, credit risk and volatility. Changes in such factors may affect the fair value of financial instruments.

(7) Share-based compensation

The consolidated companies measure the compensation cost of share-settled, share-based payment transactions based on the fair value on the date of granting of equity instruments, and the fair value is estimated by applying an appropriate valuation model in consideration of the conditions for granting equity instruments. Furthermore, it is necessary to determine the most appropriate pricing factors for the valuation model, including the expected lifetime of stock

options, volatility, and dividend rate, and to establish assumptions for these factors. The assumptions and valuation models used to estimate the fair value of share-based payment transactions are provided under Note 26-3.

(8) Calculation of the incremental borrowing rate of a lease

The consolidated companies use the incremental borrowing rate to measure the lease liability, as the implicit interest rate of the lease cannot be easily determined. The incremental borrowing rate is the interest rate which the consolidated companies would be required to pay if the consolidated companies borrow the funds needed to acquire an asset of similar value to the right-of-use asset with similar collateral over a similar period in a similar economic environment. Accordingly, the incremental borrowing rate reflects the matters which the consolidated companies "must pay" for which measurement is required if and when there is no observable rate, or when it has to be adjusted to reflect the terms of the lease. The consolidated companies must measure the incremental borrowing rate using observable input variables where possible, and prepare company-specific estimates.

(9) Inventory valuation allowance

The consolidated companies must estimate the conversion cost and other costs incurred in bringing the inventory to its present location and condition for the net realizable value assessment of the inventories. The balance of the inventory valuation allowance may change depending on the estimation of operational cost and cost of goods sold.

(10) Provisioning Liabilities

If there exist legal obligations and constructive obligations as a result of past events as of the end of the reporting period, the consolidated companies must estimate the likelihood and amount of resource outflow required to fulfill such obligations. For this estimation, the consolidated companies take all available evidence into consideration, and significant estimation and judgment are required.

(11) Useful life and residual value of tangible assets

The consolidated company reviews the estimated residual value and expected useful life of tangible assets at least annually. In particular, when evaluating the expected useful life and estimated residual value, the impact of health, safety, and environmental regulations is considered. Additionally, climate-related factors, including physical risks and transition risks, are taken into consideration.

4. Standards Announced or Effective upon Revision or Enactment (Consolidated)

4-1 Application of issued or amended standards

The consolidated companies have initially applied the following new and amended standards and interpretations for the annual reporting period beginning on January 1, 2025.

(1) K-IFRS No. 1021 "Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability

Assessment of the exchangeability of a currency is required and, if exchangeability with another currency does not exist, the spot exchange rate is estimated and the related information is disclosed. The amendment to the standard do not have a material impact on the consolidated financial statements.

4-2 Accounting standards announced but not yet enforced

As of the date of authorization for issuance of the consolidated financial statements of the consolidated companies, the following new or amended standards and interpretations have been issued or amended but are not yet effective and have not been applied by the consolidated companies.

(1) Amendments to K-IFRS No. 1109, "Financial Instruments," and No. 1107, "Financial Instruments: Disclosures"

K-IFRS No. 1109, "Financial Instruments" and 1107, "Financial Instruments: Disclosures," were amended to address questions raised in practice and to incorporate new requirements. This revision is applied from the fiscal year beginning on January 1, 2026, and early application is permitted. Main content of the amendments are as follows: The amendments to the standards do not have a material impact on the consolidated financial statements.

- Permits, when specified criteria are met, a financial liability to be regarded as settled (derecognized) before the settlement date when payment is made through an electronic payment system.
- Clarifies and adds supplementary guidance for assessing whether financial assets meet the criterion of consisting solely of payments of principal and interest.
- Provide disclosures by each class of financial instruments of the extent of the entity's exposure to, and the effect on the entity of, contractual terms that could change the timing or

amount of contractual cash flows.

- Provide additional disclosures for equity instruments designated at FVOCI

(2) K-IFRS Annual Improvements Volume 11

This revision is applied from the first fiscal year beginning on January 1, 2026, and early application is permitted. The consolidated companies do not anticipate significant effects on the consolidated financial statements due to this revision.

- K-IFRS No. 1107, "Financial Instruments: Disclosures" : Gains or losses on derecognition, application guidance
- K-IFRS No. 1109 "Financial Instruments": The accounting treatment for the removal of lease liabilities and the definition of transaction price
- K-IFRS No. 1110 "Consolidated Financial Statements": Determination of De Facto Agent
- K-IFRS No. 1007 "Statement of Cash Flows": Cost method

(3) Amendments to K-IFRS No. 1109 "Financial Instruments" and No. 1107 "Financial Instruments: Disclosures" - Contracts related to electricity that is dependent on natural conditions

Contracts related to nature-dependent electricity are defined as contracts involving electricity for which the source of power generation depends on uncontrollable natural conditions (e.g., weather), thereby exposing the entity to variability in the underlying volume of electricity. The amendments clarify that contracts to purchase or sell nature-dependent electricity are subject to assessment for the own-use exception. In addition, the hedge accounting requirements have been amended to permit the designation of the variable nominal amount of forecast electricity transactions involving nature-dependent electricity as a hedged item, and related disclosure requirements have been added. This revision is applied from the fiscal year beginning on January 1, 2026, and early application is permitted. The amendments to the standards do not have a material impact on the consolidated financial statements.

(4) K-IFRS No. 1118, "Presentation and Disclosure in Financial Statements"

K-IFRS No. 1118, "Presentation and Disclosure in Financial Statements," replaces No. 1001, "Presentation of Financial Statements," and includes new requirements intended to enhance comparability of financial performance among similar entities and provide users with more relevant information. The new standard is expected to have a pervasive impact on presentation and disclosures, including the statement of profit or loss and the disclosure of management-

defined performance measures, although it is not expected to affect the recognition or measurement of items in the financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. In accordance with the retrospective application requirements of the standard, comparative information for the annual reporting period ending December 31, 2026 will be restated in accordance with K-IFRS No. 1118.

Management is currently assessing the impact of applying the new standard on the consolidated companies' consolidated financial statements and expects that, although adoption of the standard will not affect the consolidated companies' profit or loss, it will affect the calculation and presentation of operating profit by requiring income and expenses in the statement of profit or loss to be classified into new categories.

5. Financial Instruments (Consolidated)

5-1 Disclosure by category of financial assets

Current period

(Unit: KRW 1,000)

		Financial assets at fair value through profit or loss	Financial assets measured at amortized cost, category	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income	Financial assets, total by category
Total current financial assets		420,178,489	1,426,743,752	0	1,846,922,241
	Cash and cash equivalents	0	567,556,000	0	567,556,000
	Short-term financial instruments	419,900,411	530,847,628	0	950,748,039

Total current financial assets	Trade and other receivables	0	326,676,622	0	326,676,622
	Current derivative financial assets	278,078	0	0	278,078
	Other current financial assets	0	1,663,502	0	1,663,502
Total non-current financial assets		197,008,947	103,444,641	17,059,380	317,512,968
Total non-current financial assets	Long-term financial products	0	27,500	0	27,500
	Long-Term Investment Assets	189,309,197	100,684,400	17,059,380	307,052,977
	Trade receivables and other non-current receivables	0	1,138,002	0	1,138,002
	Non-current derivative assets	7,699,750	0	0	7,699,750
	Other non-current financial assets	0	1,594,739	0	1,594,739
Total financial assets		617,187,436	1,530,188,393	17,059,380	2,164,435,209

Previous period

(Unit: KRW 1,000)

		Financial assets at fair value through profit or loss	Financial assets measured at amortized cost, category	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income	Financial assets, total by category
Total current financial assets		611,864,440	1,152,939,810	0	1,764,804,250
	Cash and cash equivalents	0	542,302,081	0	542,302,081

Total current financial assets	Short-term financial instruments	611,864,245	239,711,067	0	851,575,312
	Trade and other receivables	0	368,470,892	0	368,470,892
	Current derivative financial assets	195	0	0	195
	Other current financial assets	0	2,455,770	0	2,455,770
Total non-current financial assets		75,213,458	3,371,762	19,406,807	97,992,027

Total non-current financial assets	Long-term financial products	0	27,500	0	27,500
	Long-Term Investment Assets	66,428,462	0	19,406,807	85,835,269
	Trade receivables and other non-current receivables	0	957,290	0	957,290
	Non-current derivative assets	8,784,996	0	0	8,784,996
	Other non-current financial assets	0	2,386,972	0	2,386,972
Total financial assets		687,077,898	1,156,311,572	19,406,807	1,862,796,277

(Note 1) Short-term financial instruments: Included are the money market financial instruments deposited with financial institutions.

(Note 2) Trade and other current receivables for the current period: Amounts related to employee benefit plans and other receivables associated with taxes and dues are excluded, as they are not subject to financial instruments disclosure requirements.

(Note 3) Other current financial assets and other non-current financial assets: These consist of short-term and long-term guarantee deposits.

5-2 Disclosure by category of financial liabilities

Current period

(Unit: KRW 1,000)

		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost, category	Financial liabilities, total by category
Total current financial liabilities		1,431,734	858,320,948	859,752,682
	Trade payables and other current liabilities	0	369,971,976	369,971,976
	Current borrowings (including bonds)	0	326,461,547	326,461,547

Total current financial liabilities	Current portion of non-current borrowings (including bonds)	0	151,421,667	151,421,667
	Current derivative financial liabilities	1,431,734	0	1,431,734
	Current lease liabilities	0	7,262,293	7,262,293
	Other current financial liabilities	0	3,203,465	3,203,465
Total non-current financial liabilities		0	1,677,299,734	1,677,299,734
Total non-current financial liabilities	Non-current portion of bonds payable	0	466,146,318	466,146,318
	The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	0	1,195,636,617	1,195,636,617
	Non-current lease liabilities	0	15,516,799	15,516,799
Total financial liabilities		1,431,734	2,535,620,682	2,537,052,416

Previous period

(Unit: KRW 1,000)

		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost, category	Financial liabilities, total by category
Total current financial liabilities		5,620,854	748,734,458	754,355,312

Total current financial liabilities	Trade payables and other current liabilities	0	307,560,156	307,560,156
	Current borrowings (including bonds)	0	303,095,328	303,095,328
	Current portion of non-current borrowings (including bonds)	0	127,397,424	127,397,424
	Current derivative financial liabilities	5,620,854	0	5,620,854
	Current lease liabilities	0	7,804,298	7,804,298
	Other current financial liabilities	0	2,877,252	2,877,252
Total non-current financial liabilities		0	1,219,904,927	1,219,904,927
Total non-current financial liabilities	Non-current portion of bonds payable	0	219,404,969	219,404,969
	The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	0	983,815,255	983,815,255
	Non-current lease liabilities	0	16,684,703	16,684,703
Total financial liabilities		5,620,854	1,968,639,385	1,974,260,239

(Note 1) Current year – Trade payables and other current liabilities: Accrued expenses related to employee benefit plans and taxes and dues are excluded, as they are not subject to financial instruments disclosure.

(Note 2) Current period - Current lease liabilities and non-current lease liabilities: Lease liabilities represent liabilities recognized in accordance with K-IFRS No. 1116.

(Note 3) Other current financial liabilities: Included are the deposits received and the dividends payable.

5-3 Profit and loss by the category of financial instruments

Current period

(Unit: KRW 1,000)

	Assets and liabilities					Total assets and liabilities
	Financial assets, category			Financial liabilities, category		
	Financial assets at fair value through profit or loss	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income	Financial assets measured at amortized cost, category	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost, category	
Interest income (expense)	0	0	25,090,623	0	(50,427,913)	(25,337,290)
Fair value gains and losses of financial assets measured at fair value through profit or loss	7,460,414	0	0	0	0	7,460,414

Disposal gains and losses of financial assets measured at fair value through profit or loss	9,723,981	0	0	0	0	9,723,981
Dividend income	1,190,000	0	0	0	0	1,190,000
Profit or loss on foreign currency translation	0	0	(3,026,628)	0	(11,355,321)	(14,381,949)
Net gains on foreign currency transactions	0	0	3,756,390	0	0	3,756,390
Net losses on foreign currency transactions	0	0	0	0	(4,573,592)	(4,573,592)
Financial service fees	0	0	0	0	(3,312,911)	(3,312,911)
Profit or loss on the valuation of derivatives	(807,168)	0	0	(1,002,672)	0	(1,809,840)
Profit or loss on the transaction of derivatives	(11,786,013)	0	0	12,982,124	0	1,196,111
Reversal of allowance for bad debts	0	0	400,292	0	0	400,292
Reversal of allowance for other bad debts	0	0	255,060	0	0	255,060
After-tax other comprehensive income, investments in equity instruments	0	(1,751,050)	0	0	0	(1,751,050)
Profit and loss by the category of financial instruments	5,781,214	(1,751,050)	26,475,737	11,979,452	(69,669,737)	(27,184,384)

Previous period

(Unit: KRW 1,000)

	Assets and liabilities					Total assets and liabilities
	Financial assets, category			Financial liabilities, category		
	Financial assets at fair value through profit or loss	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income	Financial assets measured at amortized cost, category	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost, category	
Interest income (expense)	0	0	17,938,686		(41,439,574)	(23,500,888)
Fair value gains and losses of financial assets measured at fair value through profit or loss	10,799,357	0	0		0	10,799,357
Disposal gains and losses of financial assets measured at fair value through profit or loss	14,674,527	0	0		0	14,674,527
Dividend income	1,190,000	0	0		0	1,190,000
Profit or loss on	0	0	8,605,964		(4,322,689)	4,283,275

foreign currency translation						
Net gains on foreign currency transactions	0	0	13,306,967		0	13,306,967
Net losses on foreign currency transactions	0	0	0		(5,501,533)	(5,501,533)
Financial service fees						
Profit or loss on the valuation of derivatives	(1,891,439)	0	0		0	(1,891,439)
Profit or loss on the transaction of derivatives	(7,340,934)	0	0		0	(7,340,934)
Reversal of allowance for bad debts	0	0	779,339		0	779,339
Reversal of allowance for other bad debts	0	0	405,814		0	405,814
After-tax other comprehensive income, investments in equity instruments	0	61,379,515	0		0	61,379,515
Profit and loss by the category of financial instruments	17,431,511	61,379,515	41,036,770		(51,263,796)	68,584,000

5. Financial Instruments – Cash and Cash Equivalents (Consolidated)

5-4 Details of cash and cash equivalents

Current period

(Unit: KRW 1,000)

	Disclosure amount
Cash on hand	7,886
Deposit balance	535,294,211
Other cash and cash equivalents	32,253,903
Total cash and cash equivalents	567,556,000

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Cash on hand	8,616
Deposit balance	36,149,608
Other cash and cash equivalents	506,143,857
Total cash and cash equivalents	542,302,081

5. Financial Instruments – Restricted Deposits (Consolidated)

5-5 Details of financial Instruments – restricted deposits, etc.

Current period

(Unit: KRW 1,000)

	Cash and cash equivalents	Time deposit	Security deposits	Security deposit for opening current deposit account	Financial assets, classification total
Restricted financial assets	116,880,294	1,600,000	915,789	27,500	119,423,583
Description of restricted financial assets	Creation of security interests in relation to PF	Short-term financial assets provided to the Employee Stock Ownership Association as collateral for borrowings	Short-term financial assets related to leasehold deposits	Long-term financial assets	

Previous period

(Unit: KRW 1,000)

	Cash and cash equivalents	Time deposit	Security deposits	Security deposit for opening current deposit account	Financial assets, classification total
Restricted financial assets		7,768,660		27,500	7,796,160
Description of restricted financial assets		Short-term financial assets provided to the Employee Stock Ownership Association as collateral for borrowings and pledged for collateral		Long-term financial assets	

6. Trade and Other Receivables (Consolidated)

6-1 Details of trade and other receivables

Current period

(Unit: KRW 1,000)

		Gross carrying amount	Accumulated impairment losses	Total carrying amount
Trade receivables and other current receivables		347,771,627	(4,987,904)	342,783,723
Trade receivables and other current	Current trade receivables	315,785,233	(2,850,714)	312,934,519
	Short-term receivables, net amount	26,920,494	(197,190)	26,723,304
	Short-term loans,	1,946,250	(1,940,000)	6,250

receivables	net amount			
	Short-term unearned revenue, net amount	3,119,650	0	3,119,650
Trade receivables and other non-current receivables		1,138,002	0	1,138,002
Trade receivables and other non-current receivables	Long-term loans, net amount	1,138,002	0	1,138,002

Previous period

(Unit: KRW 1,000)

		Gross carrying amount	Accumulated impairment losses	Total carrying amount
Trade receivables and other current receivables		374,272,477	(5,801,585)	368,470,892
Trade receivables and other current receivables	Current trade receivables	260,823,674	(3,273,250)	257,550,424
	Short-term receivables, net amount	99,081,873	(88,335)	98,993,538
	Short-term loans, net amount	2,440,000	(2,440,000)	0
	Short-term unearned revenue, net amount	11,926,930	0	11,926,930
Trade receivables and other non-current receivables		957,290	0	957,290
Trade receivables and other non-current receivables	Long-term loans, net amount	957,290	0	957,290

6-2 Changes in allowance for bad debts for trade and other receivables

Current period

(Unit: KRW 1,000)

	Financial instruments
	Trade and other receivables
	Carrying amount
	Accumulated impairment losses
Beginning financial assets	(5,801,585)
Provision (or reversal) of expected credit loss allowance, financial assets	655,352
Decrease due to derecognition, financial assets	403,163
Total increase (decrease) due to foreign currency translation and other changes, financial assets	(244,834)
Ending financial assets	(4,987,904)

Previous period

(Unit: KRW 1,000)

	Financial instruments
	Trade and other receivables
	Carrying amount
	Accumulated impairment losses
Beginning financial assets	(7,276,384)
Provision (or reversal) of expected credit loss allowance, financial assets	1,185,153
Decrease due to derecognition, financial assets	4,065,343
Total increase (decrease) due to foreign currency translation and other changes, financial assets	(3,775,697)
Ending financial assets	(5,801,585)

(Note 1) Ending financial assets: As of the end of the current period, some trade receivables are secured by collateral, and trade receivables credit insurance has been obtained.

6-3 Trade and other receivables aging schedule by amount

Current period

(Unit: KRW 1,000)

	Financial assets, classification		
	Trade and other receivables		
	Carrying amount		
	Gross carrying amount	Accumulated impairment losses	

	Past due status				Total past due status	Total past due status	Total carrying amount
	Present	Within 3 months	Over 3 months, within 6 months	Over 6 months			
Financial assets	270,984,539	64,800,369	7,580,079	5,544,642	348,909,629	(4,987,904)	343,921,725

Previous period

(Unit: KRW 1,000)

	Financial assets, classification						
	Trade and other receivables						
	Carrying amount						Total carrying amount
	Gross carrying amount					Accumulated impairment losses	
	Past due status				Total past due status	Total past due status	Total carrying amount
	Present	Within 3 months	Over 3 months, within 6 months	Over 6 months			
Financial assets	267,262,578	95,279,780	2,906,800	9,780,609	375,229,767	(5,801,585)	369,428,182

6. Trade and Other Receivables – Derecognition of Financial Assets (Consolidated)

If the transferred or discounted trade receivables do not satisfy the requirements for the derecognition of financial instruments, the consolidated companies continue to recognize them as trade and other receivables.

6-4 Transferred financial assets that are not fully derecognized

Current period

(Unit: KRW 1,000)

	Trade receivables
Assets continuously recognized by the company	49,326,972
Related liabilities continuously recognized by the company	49,326,972
Description of the nature of risks and rewards exposed due to ownership	Recourse obligation

Previous period

(Unit: KRW 1,000)

	Trade receivables
Assets continuously recognized by the company	15,350,258
Related liabilities continuously recognized by the company	15,350,258

Description of the nature of risks and rewards exposed due to ownership	Recourse obligation

(Note 1) Related liabilities continuously recognized by the company: The consolidated companies recognize short-term borrowings equal to the nominal amount of trade receivables transferred or discounted (refer to Note 17-2).

7. Inventories (Consolidated)

7-1 Details of inventories

Current period

(Unit: KRW 1,000)

	Gross carrying amount	Inventory valuation allowance	Total carrying amount
Current goods	49,726,929	(1,046,562)	48,680,367
Current products	272,211,563	(29,309,474)	242,902,089
Current processed products	48,567,644	(1,792,771)	46,774,873
Current semi-finished goods	30,578,319	(7,966,555)	22,611,764
Current work-in-process	51,158,351	(10,442,226)	40,716,125
Current raw materials	200,080,919	(36,570,116)	163,510,803
Current supplies	44,791,856	(17,284,986)	27,506,870
Current in-transit inventory	31,944,188	0	31,944,188
Other inventories	708,426	0	708,426
Total current inventories	729,768,195	(104,412,690)	625,355,505

Previous period

(Unit: KRW 1,000)

	Gross carrying amount	Inventory valuation allowance	Total carrying amount
Current goods	44,568,229	(610,463)	43,957,766
Current products	208,743,687	(19,907,728)	188,835,959
Current processed products	35,225,461	(1,101,271)	34,124,190
Current semi-finished goods	38,700,210	(8,864,755)	29,835,455
Current work-in-process	70,464,856	(15,551,927)	54,912,929
Current raw materials	171,745,555	(30,908,422)	140,837,133

Current supplies	44,249,145	(13,373,759)	30,875,386
Current in-transit inventory	41,344,001	0	41,344,001
Other inventories	763,642	0	763,642
Total current inventories	655,804,786	(90,318,325)	565,486,461

(Note 1) Current period – Total current inventories: The amount of KRW 2,383,931,000 includes costs related to the nature of contract performance (see Note 21).

(Note 2) Previous period – Total current inventories: The amount of KRW 8,810,973,000 includes costs related to the nature of contract performance (see Note 21).

7-2 Inventory write-downs recognized or reversals thereof in relation to inventories

Current period

(Unit: KRW 1,000)

	Cost of sales
Loss on the valuation of inventories	14,094,365
Reversal of inventory write-downs	

Previous period

(Unit: KRW 1,000)

	Cost of sales
Loss on the valuation of inventories	
Reversal of inventory write-downs	73,579,316

8. Other Assets (Consolidated)

8. Details of other assets

Current period

(Unit: KRW 1,000)

		Disclosure amount
Other current assets		54,513,768
Other current assets	Short-term deposits, net amount	1,663,502
	Current advances paid	14,337,683
	Current prepaid expenses	9,699,720
	Current income tax assets	11,454,257
	Current VAT receivables	576,474
	Ending balance of current	430,508

	emissions allowances, net amount	
	Short-term other assets	16,351,624
Other non-current assets		8,251,022
Other non-current assets	Long-term deposits, net amount	1,594,739
	Non-current advances paid	0
	Long-term prepaid expenses, net amount	1,319,826
	Long-term other assets	5,336,457

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Other current assets		57,923,464
Other current assets	Short-term deposits, net amount	2,455,770
	Current advances paid	17,495,935
	Current prepaid expenses	11,710,933
	Current income tax assets	9,637,627
	Current VAT receivables	66,447
	Ending balance of current emissions allowances, net amount	430,508
	Short-term other assets	16,126,244
Other non-current assets		17,163,951
Other non-current assets	Long-term deposits, net amount	2,386,972
	Non-current advances paid	4,580,260
	Long-term prepaid expenses, net amount	8,882,235
	Long-term other assets	1,314,484

9. Current and Non-current Financial Assets (Consolidated)

9. Long-term and short-term financial assets

Current period

(Unit: KRW 1,000)

	Financial assets at fair value through profit or loss	Time deposit	Promissory notes	Security deposit for opening current deposit account	Financial assets, classification total
Short-term financial instruments	419,900,411	520,847,628	10,000,000		950,748,039
Long-term financial products				27,500	27,500

Previous period

(Unit: KRW 1,000)

	Financial assets at fair value through profit or loss	Time deposit	Promissory notes	Security deposit for opening current deposit account	Financial assets, classification total
Short-term financial instruments	611,864,245	149,711,067	90,000,000		851,575,312
Long-term financial products				27,500	27,500

(Note 1) Current period - financial assets at fair value through profit or loss: It includes demand deposit financial instruments deposited with financial institutions and bond funds, etc.

(Note 2) Time deposits: Certain time deposits are pledged as collateral or are subject to security interests (see Note 5-5).

10. Long-term Investments (Consolidated)

10-1 Details of long-term investment assets measured at amortized cost

(Unit: KRW 1,000)

	Financial assets, category							
	Financial assets measured at amortized cost, category							
	Financial assets, classification							
	Debt securities							
	Corporate bond						National and local government bonds	
	Eastern Energy Gas Holdings		Daehan Real Estate Trust 6		Hyundai Engineering			
	Total measurement	Overall total measurement	Total measurement	Overall total measurement	Total measurement	Overall total measurement	Total measurement	Overall total measurement
	Acquisition cost		Acquisition cost		Acquisition cost		Acquisition cost	
Long-Term Investment Assets	48,347,574	50,701,400	10,070,000	10,070,000	20,000,000	20,000,000	19,913,000	19,913,000

10-1 Details of long-term investment assets: Financial assets at fair value through profit or loss

Current period
1,000

(Unit: KRW)

(Unit: KRW)Page 188

Current period
1,000)

(Unit: KRW

Financial assets, category																	
Financial assets measured at fair value through other comprehensive income																	
Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income																	
Financial assets, classification																	
Unlisted shares															Listed shares		
J2H Biotech Co., Ltd.			OncoBio Co., Ltd.			CT Cells Co., Ltd.			CLIPS BNC Co., Ltd.			Fina Biosolutions LLC			Novavax Inc.		
Total measurement			Total measurement			Total measurement			Total measurement			Total measurement			Total measurement		
Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement
Ownership interest, long-term investment assets			0.0085		0.0220			0.0283			0.0054			0.1200			0.0062
Long-Term Investment Assets	1,500,052	1,500,052		999,980	999,980		1,000,076	112,114		500,006	500,006		4,174,500	4,304,700		17,137,900	9,642,528

Previous period
1,000)

(Unit: KRW

Financial assets, category																	
Financial assets measured at fair value through other comprehensive income																	
Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income																	
Financial assets, classification																	
Unlisted shares															Listed shares		
J2H Biotech Co., Ltd.			OncoBio Co., Ltd.			CT Cells Co., Ltd.			CLIPS BNC Co., Ltd.			Fina Biosolutions LLC			Novavax Inc.		
Total measurement			Total measurement			Total measurement			Total measurement			Total measurement			Total measurement		
Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement	Acquisition cost	Fair Value	Overall total measurement
Ownership interest, long-term investment assets																	
Long-Term Investment Assets	1,500,052	1,500,052		999,980	999,980		1,000,076	177,968		500,006	500,006		4,174,500	4,410,000		17,137,900	11,818,800

(Note 1) Unlisted shares: The consolidated companies recognize unquoted equity securities, for which there is no active market and fair value cannot be reliably measured, or where the difference between fair value and acquisition cost is not significant, at acquisition cost.

(Note 2) Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income The consolidated companies designated the financial instrument as fair value through other comprehensive income at the initial recognition, as it is not held for short-term trading purposes.

(Note 3) CLIPS BNC Co., Ltd.: Convertible preferred stock.

10-1 Details of long-term investment assets: Total

Current period

(Unit: KRW 1,000)

	Acquisition cost	Fair Value
Long-Term Investment Assets	304,886,736	307,052,977

Previous period

(Unit: KRW 1,000)

	Acquisition cost	Fair Value
Long-Term Investment Assets	90,231,487	85,835,268

10-2 Details of changes in long-term investment assets measured at amortized cost

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories				
	Assets and liabilities classified as non-current				
	Financial assets, category				
	Financial assets measured at amortized cost, category				
	Financial assets, classification				Financial assets, classification total
	Long-Term Investment Assets				
	Debt securities				
	Corporate bond			National and local government bonds	
	Eastern Energy Gas Holdings	Daehan Real Estate Trust 6	Hyundai Engineering		
Beginning financial assets	0	0	0	0	0
Increase due to issuance or purchase, financial assets	48,347,574	10,070,000	20,000,000	19,913,000	98,330,574
Decrease due to transfer, financial assets	0	0	0	0	0
Increase (decrease) due to valuation, etc., financial assets	2,353,826	0	0	0	2,353,826
Ending financial assets	50,701,400	10,070,000	20,000,000	19,913,000	100,684,400

(Note 1) Increase (decrease) due to valuation, etc., financial assets: The effects of exchange rate fluctuations, etc. are included.

	Classification of asset and liability changes into current and non-current categories																
	Assets and liabilities classified as non-current																
	Financial assets, category																
	Financial assets measured at fair value through profit or loss																
	Financial assets, classification																
	Long-Term Investment Assets																
	Unlisted shares			Debt securities												Unlisted shares (previous period)	Financial assets, classification
																), debt securities (current period)	
	S/M, Biopharma Co., Ltd.	K-Bio Vaccine Fund	KMCo Fund	Standigm Inc.	Korea Investment Bio Global Fund	Sante Health Ventures IV, LP	Tumbio Co., Ltd.	Eastman Fiber Korea Ltd.	Yongyeon Industrial District 4	Private Equity Investment Trust	Private Equity Investment Trust	Private Equity Investment Trust	FRN (JB Woori Capital)	IMA (Mirae Asset)	IMA (Korea Investment & Securities)	Sunflower Therapeutics PBC	Total
Beginning financial assets	1,000,001	1,510,550	0	3,000,007	1,602,470	12,540,114	14,268,961	29,147,160	419,199	0	0	0	0	0	0	2,940,000	66,428,462
Increase due to issuance or purchase, financial assets	0	1,613,200	100,000	0	0	2,088,674	0	0	0	9,998,500	20,687,800	30,675,000	15,105,930	999,570	35,007,000	0	116,275,674
Decrease due to transfer, financial assets	0	0	0	0	(65,000)	0	0	0	0	0	0	0	0	0	0	0	(65,000)
Increase (decrease) due to valuation, etc., financial assets	0	0	0	0	376,596	1,485,868	5,573,760	(695,963)	0	0	0	0	0	0	0	(70,200)	6,670,061
Assets																	
Ending financial assets	1,000,001	3,123,750	100,000	3,000,007	1,914,066	16,114,656	19,842,721	28,451,197	419,199	9,998,500	20,687,800	30,675,000	15,105,930	999,570	35,007,000	2,869,800	189,309,197

Previous period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories																
	Assets and liabilities classified as non-current																
	Financial assets, category																
	Financial assets measured at fair value through profit or loss																
	Financial assets, classification																
	Long-Term Investment Assets																
	Unlisted shares			Debt securities												Unlisted shares (previous period)	Financial assets, classification
																), debt securities (current period)	
	S/M, Biopharma Co., Ltd.	K-Bio Vaccine Fund	KMCo Fund	Standigm Inc.	Korea Investment Bio Global Fund	Sante Health Ventures IV, LP	Tumbio Co., Ltd.	Eastman Fiber Korea Ltd.	Yongyeon Industrial District 4	Private Equity Investment Trust	Private Equity Investment Trust	Private Equity Investment Trust	FRN (JB Woori Capital)	IMA (Mirae Asset)	IMA (Korea Investment & Securities)	Sunflower Therapeutics PBC	Total
Beginning financial assets	1,000,001	0		3,000,007	1,953,614	6,597,934	19,999,995	25,566,223	419,199							0	58,536,973
Increase due to issuance or purchase, financial assets	0	1,510,550		0	0	2,678,208	0	0	0							2,755,800	6,944,558
Decrease due to transfer, financial assets	0	0		0	(549,000)	0	0	0	0							0	(549,000)
Increase (decrease) due to valuation, etc., financial assets	0	0		0	197,856	3,263,972	(5,731,034)	3,580,937	0							184,200	1,495,931
Assets																	
Ending financial assets	1,000,001	1,510,550	0	3,000,007	1,602,470	12,540,114	14,268,961	29,147,160	419,199	0	0	0	0	0	0	2,940,000	66,428,462

(Note 1) Current period - increase (decrease) due to valuation, etc., financial assets: The effects of exchange rate fluctuations, etc. are included.

(Note 2) Eastman Fiber Korea Ltd. The consolidated companies hold a put option on the preferred shares of Eastman Fiber Korea Ltd. and have granted a call option of the same amount to Eastman Chemical Korea B.V., the largest shareholder. Considering the option relationship, the valuation of the investment asset has been reflected at fair value.

10-2 Details of changes in long-term investment assets: financial assets at fair value through other comprehensive income

Current period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories						
	Assets and liabilities classified as non-current						
	Financial assets, category						
	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income						
	Financial assets, classification						Financial assets, total classification
	Long-Term Investment Assets						
	Unlisted shares					Listed shares	
	J2H Biotech Co., Ltd.	Oncobox Co., Ltd.	CT Cells Co., Ltd.	CLIPS BNC Co., Ltd.	Fina Biosolutions LLC	Novavax Inc.	
Beginning financial assets	1,500,052	999,980	177,968	500,006	4,410,000	11,818,800	19,406,806
Increase due to issuance or purchase, financial assets	0	0	0	0	0	0	0
Decrease due to transfer, financial assets	0	0	0	0	0	0	0
Increase (decrease) due to valuation, etc., financial assets	0	0	(65,854)	0	(105,300)	(2,176,272)	(2,347,426)
Ending financial assets	1,500,052	999,980	112,114	500,006	4,304,700	9,642,528	17,059,380

Previous period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories						
	Assets and liabilities classified as non-current						
	Financial assets, category						
	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income						

	Financial assets, classification						Financial assets, total classification
	Long-Term Investment Assets						
	Unlisted shares					Listed shares	
	J2H Biotech Co., Ltd.	Oncobix Co., Ltd.	CT Cells Co., Ltd.	CLIPS BNC Co., Ltd.	Fina Biosolutions LLC	Novavax Inc.	
Beginning financial assets	1,500,052	999,980	1,000,076	500,006	0	40,229,280	44,229,394
Increase due to issuance or purchase, financial assets	0	0	0	0	4,174,500	0	4,174,500
Decrease due to transfer, financial assets	0	0	0	0	0	(105,307,947)	(105,307,947)
Increase (decrease) due to valuation, etc., financial assets	0	0	(822,108)	0	235,500	76,897,467	76,310,859
Ending financial assets	1,500,052	999,980	177,968	500,006	4,410,000	11,818,800	19,406,806

(Note 1) Current period - increase (decrease) due to valuation, etc., financial assets: The effects of exchange rate fluctuations, etc. are included.

10-2 Details of changes in long-term investment assets

Current period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories
	Assets and liabilities classified as non-current
	Financial assets, classification
	Long-Term Investment Assets
Beginning financial assets	85,835,268
Increase due to issuance or purchase, financial assets	214,606,248
Decrease due to transfer, financial assets	(65,000)
Increase (decrease) due to valuation, etc., financial assets:	6,676,461

Ending financial assets	307,052,977

Previous period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories
	Assets and liabilities classified as non-current
	Financial assets, classification
	Long-Term Investment Assets
Beginning financial assets	102,766,367
Increase due to issuance or purchase, financial assets	11,119,058
Decrease due to transfer, financial assets	(105,856,947)
Increase (decrease) due to valuation, etc., financial assets:	77,806,790
Ending financial assets	85,835,268

(Note 1) Current period - increase (decrease) due to valuation, etc., financial assets: The effects of exchange rate fluctuations, etc. are included.

11. Investments in Associates and Joint Ventures (Consolidated)

11-1 The details of investments in associates and joint ventures as of the end of the reporting period are as follows:

(Unit: KRW 1,000)

Company Name	Location	End of the Current Period		End of the Previous Period	
		Equity interest (%)	Carrying amount	Equity interest (%)	Carrying amount
Entis Co., Ltd.	Republic of Korea	50.00	9,243,875	50.00	8,545,699
JSI Co., Ltd.	Republic of Korea	40.00	951,844	40.00	881,199
HDC Polyall Co., Ltd. (Notes 1, 2, 3)	Republic of Korea	20.00	-	20.00	-
Total			10,195,719		9,426,898

(Note 1) Prior to the previous period, after transferring the PPS business division to HDC Polyall Co., Ltd., the consolidated companies acquired a 20%-1 share stake in HDC Polyall Co., Ltd. The consolidated companies are determined to have influence over HDC Polyall Co., Ltd. based on the fact that the consolidated companies can appoint one of the five directors.

(Note 2) The consolidated companies have put options for all of their interest in HDC Polyall Co., Ltd.

(Note 3) The consolidated companies recognized an impairment loss of KRW 218,342,000 during the prior year for the carrying amount in excess of the recoverable amount estimated based on value in use.

11.2 The changes of investments in associates and joint ventures for the current and previous periods are as follows:

<Current period>

(Unit: KRW 1,000)

Company Name	Beginning of Period	Equity Method Profit (Loss)	End of Period
Entis Co., Ltd.	8,545,699	698,176	9,243,875
JSI Co., Ltd.	881,199	70,645	951,844
HDC Polyall Co., Ltd.	-	-	-
Total	9,426,898	768,821	10,195,719

<Previous period>

(Unit: KRW 1,000)

Company Name	Beginning of Period	Equity Method Profit (Loss)	Impairment loss	Other (Note 1)	End of Period
Entis Co., Ltd.	7,221,645	1,324,054	-	-	8,545,699
JSI Co., Ltd.	635,199	246,000	-	-	881,199
HDC Polyall Co., Ltd.	2,560,972	(2,356,900)	(218,342)	14,270	-
Total	10,417,816	(786,846)	(218,342)	14,270	9,426,898

(Note 1) These are the changes due to the recognition of other comprehensive income, etc.

11.3 The summarized financial information of investments in associates and joint ventures as of the end of the reporting period is as follows:

<Current period>

(Unit: KRW 1,000)

Company Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Sales	Net income (loss)
Entis Co., Ltd.	18,934,489	3,727,968	5,954,829	-	16,707,628	40,088,273	1,396,353

JSI Co., Ltd.	2,053,833	6,773,314	8,422,078	1,669,771	(1,264,702)	7,682,150	176,611
HDC Polyall Co., Ltd.	46,230,306	11,964,164	65,140,134	9,700,000	(16,645,664)	36,971,208	(14,402,227)

<Previous period>

(Unit: KRW 1,000)

Company Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Sales	Net income (loss)
Entis Co., Ltd.	21,080,274	3,597,238	7,586,114	-	17,091,398	44,716,015	3,352,368
JSI Co., Ltd.	2,331,361	6,869,159	9,084,662	1,557,171	(1,441,313)	9,289,830	610,322
HDC Polyall Co., Ltd.	47,253,584	13,098,015	59,198,357	61,497	1,091,745	29,835,731	(11,784,885)

Meanwhile, the consolidated companies determined that there were indicators of asset impairment regarding the investment in shares of HDC Polyall Co., Ltd. during the previous period and conducted an impairment test. In the impairment test, the recoverable amount was evaluated based on value in use. The future cash flows used to estimate the value in use were determined based on the Company's past operating performance and future business plans. The key assumptions used in the value in use calculation are as follows:

Discount rate	Permanent growth rate
11.87%	0%

Meanwhile, as of the reporting period end, there is no remaining recoverable amount for HDC Polyall Co., Ltd. Therefore, no changes in the estimated value in use have occurred due to variations in key assumptions such as the discount rate and perpetual growth rate.

11.4 As of the end of the current period, the unrecognized changes in equity relating to investments in associates and joint ventures, for which the application of the equity method has been discontinued, are as follows:

(Unit: KRW 1,000)

Company Name	Unrecognized losses		Unrecognized capital adjustments	
	Current period	Cumulative	Current period	Cumulative
HDC Polyall Co., Ltd.	(2,880,301)	(3,512,948)	(8,333)	(34,356)

12. Tangible Assets (Consolidated)

12-1 Breakdown of tangible assets

Current period

(Unit: KRW 1,000)

Tangible assets																															
Land				Buildings				Structures				Mechanical equipment				Vehicles and transport equipment				Other tangible assets				Assets under construction				Machinery in transit			
Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount			
Gross carrying amount	Accumulated depreciation and accumulated amortisation	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortisation	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortisation	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortisation	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortisation	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortisation	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortisation	Accumulated impairment losses	Total carrying amount				
Tangible assets	262,377,470	0	0	262,377,470	1,146,045,587	(233,816,362)	907,861,791	405,507,179	(173,261,132)	(6,856,934)	226,383,172	1,879,185,340	(20,967,040)	818,831,421	(2,944,786)	364,641	273,241	(193,165,508)	(41,975,419)	80,020,339	427,762,414	0	0	427,762,414	4,900,980	0	0	4,900,980			

Previous period
1,000)

(Unit: KRW

	Tangible assets																															
	Land				Buildings				Structures				Mechanical equipment				Vehicles and transport equipment				Other tangible assets				Assets under construction				Machinery in transit			
	Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount			
	Gross carrying amount	Accumulated amortization and accumulated impairment losses	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated amortization and accumulated impairment losses	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated amortization and accumulated impairment losses	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated amortization and accumulated impairment losses	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated amortization and accumulated impairment losses	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated amortization and accumulated impairment losses	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated amortization and accumulated impairment losses	Accumulated impairment losses	Total carrying amount				
	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount				
	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million	million				
Tangible assets	253,79	0	0	253,79	846,0	(209,38)	(5,160)	631,54	358,32	(145,82)	(5,856)	206,64	1,432,9	(945,54)	(21,134)	466,24	3,025,5	(2,657)	(4,786)	363,46	270,63	(184,03)	(41,975)	86,557	805,78	0	0	805,78	8,295,0	0	0	8,295,0
Land	3,385			3,385	7,144	(8,506)	520	8,120	3,136	(2,627)	(933)	3,576	23,133	(3,357)	(566)	5,210	14	(268)	(4,786)	0	5,903	(6,522)	1	(406)	5,123	0	0	5,123	59			59

12-1 Breakdown of tangible assets: Total

Current period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount
Tangible assets	4,403,132,285	(1,643,392,383)	(31,233,630)	2,728,506,271

Previous period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated	Accumulated impairment losses	Total carrying amount

		amortization		
Tangible assets	3,978,878,399	(1,487,448,280)	(32,198,780)	2,459,231,339

12-2 Changes in the carrying amount of tangible assets

Current period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Mechanical equipment	Vehicles and transport equipment	Other tangible assets	Assets under construction	Machinery in transit	Total tangible assets
Beginning tangible assets	253,793,385	631,548,120	206,643,576	466,245,210	363,460	86,557,406	805,785,123	8,295,059	2,459,231,339
Increase other than through business combination acquisition, tangible assets	2,770,330	7,571,418	3,423,615	24,697,406	109,619	2,804,356	360,477,903	11,727,824	413,582,471
Disposal, tangible assets	(13,872,379)	(19,090,298)	(139,629)	(2,471,557)	0	(511,580)	(114,961)	0	(36,200,404)
Depreciation expense, tangible assets	0	(25,558,458)	(18,362,886)	(84,311,175)	(115,544)	(22,412,029)	0	0	(150,760,092)
Impairment loss recognized in profit or loss, Tangible assets									
Acquisition through business combination, tangible assets									
Increase (decrease) due to exchanges and other changes, tangible assets	19,686,134	313,395,178	34,819,049	414,670,858	7,106	13,582,186	(738,385,651)	(15,121,903)	42,652,957
Ending tangible assets	262,377,470	907,865,960	226,383,725	818,830,742	364,641	80,020,339	427,762,414	4,900,980	2,728,506,271

Previous period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Mechanical equipment	Vehicles and transport equipment	Other tangible assets	Assets under construction	Machinery in transit	Total tangible assets

Beginning tangible assets	227,771,927	363,809,574	128,402,953	322,379,018	407,979	25,927,618	524,923,764	8,010,947	1,601,633,780
Increase other than through business combination acquisition, tangible assets	0	13,822,110	11,257,858	43,155,729	2,186	2,915,123	346,545,502	5,688,266	423,386,774
Disposal, tangible assets	(1,810,979)	(1,162,190)	(41,330)	(1,236,930)	(11,428)	(4,689)	(702,964)	0	(4,970,510)
Depreciation expense, tangible assets	0	(16,767,160)	(10,727,845)	(68,841,217)	(132,272)	(11,446,694)	0	0	(107,915,188)
Impairment loss recognized in profit or loss, Tangible assets	0	(1,465,806)	(1,285,082)	(1,122,804)	0	0	0	0	(3,873,692)
Acquisition through business combination, tangible assets	26,696,444	234,899,872	59,037,737	123,018,379	41,700	64,214,214	19,494,912	0	527,403,258
Increase (decrease) due to exchanges and other changes, tangible assets	1,135,993	38,411,720	19,999,285	48,893,035	55,295	4,951,834	(84,476,091)	(5,404,154)	23,566,917
Ending tangible assets	253,793,385	631,548,120	206,643,576	466,245,210	363,460	86,557,406	805,785,123	8,295,059	2,459,231,339

(Note 1) Current period - Increase (decrease) due to reclassifications and other changes, tangible assets: Included are the main account reclassification of construction in progress, reclassification to real estate investments and intangible assets, the effects of exchange rate fluctuations, etc.

(Note 2) Previous period - Impairment loss recognized in profit or loss, tangible assets: Impairment loss was recognized on idle assets at the Ulsan plant.

(Note 3) Previous period - Increase (decrease) due to exchanges and other changes, tangible assets: Included are the main account reclassification of construction in progress, reclassification to intangible assets, receipt of government subsidies, and the effects of exchange rate fluctuations.

12-3 Capitalized borrowing costs

Current period

(Unit: KRW 1,000)

	Sub-scope	Upper scope	Total scope
Capitalized borrowing costs			35,085,860
The capitalization interest rate used to determine the capitalizable borrowing costs	0.0325	0.0510	

Previous period

(Unit: KRW 1,000)

	Sub-scope	Upper scope	Total scope
Capitalized borrowing costs			35,364,364
The capitalization interest rate used to determine the capitalizable borrowing costs	0.0474	0.0679	

12-4 New facility investment

(Unit: KRW 1,000)

	All subsidiaries
	Subsidiaries
	SK bioscience Co., Ltd.
Date of board resolution	2023-02-08
Investment details	The board approved an investment in infrastructure development for the expansion of the vaccine business and the promotion of new business initiatives.
Investment amount	298,100,000
Expected investment completion date	2026-01-15

12. Tangible Assets – Assets Pledged as Collateral (Consolidated)

12-5 Assets provided for collateral

(Unit: KRW million)

	Land and buildings
Conditions of assets provided as collateral for liabilities or contingent liabilities	The consolidated companies have pledged land and buildings, including those located at 137-3 Hwangseong-dong, Nam-gu, Ulsan Metropolitan City, as collateral in connection with a real estate collateral trust agreement under which the lenders are designated as the first-priority joint beneficiaries.
Collateral amount	792,000

The consolidated companies pledged certain items of tangible assets as collateral for borrowings (see Note 24).

13. Leases - Right-of-Use Assets (Consolidated)

13-1 Company as a lessee

13-1-1 Changes in the carrying amount of right-of-use assets

Current period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Mechanical equipment	Vehicles and transport equipment	Other tangible assets	Total assets
Beginning right-of-use assets	20,501,690	5,041,500	13,669,528	1,361,564	4,727,941	0	45,302,223
Addition of right-of-use assets	0	2,786,863	0	0	3,774,994	2,402,022	8,963,879
Decrease due to contract termination or cancellation, right-of-use assets	0	(628,205)	0	0	(386,867)	0	(1,015,072)
Amortization of right-of-use assets	(543,805)	(4,219,594)	(663,465)	(313,160)	(3,155,321)	(2,001,860)	(10,897,205)
Acquisition through business combination,							

right-of-use assets							
Increase (decrease) due to other changes, lease liabilities right-of-use assets	336,305	(199,792)	0	0	(130,147)	19,482	25,848
Ending right-of-use assets	20,294,190	2,780,772	13,006,063	1,048,404	4,830,600	419,644	42,379,673

Previous period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Mechanical equipment	Vehicles and transport equipment	Other tangible assets	Total assets
Beginning right-of-use assets	18,820,099	9,094,621	2,996,355	1,768,351	2,638,196		35,317,622
Addition of right-of-use assets	728,540	5,907,990	10,926,881	74,282	1,836,927		19,474,620
Decrease due to contract termination or cancellation, right-of-use assets	0	(2,635,309)	0	0	(357,634)		(2,992,943)
Amortization of right-of-use assets	(142,717)	(7,842,035)	(253,708)	(481,069)	(1,967,817)		(10,687,346)
Acquisition through business combination, right-of-use assets	0	0	0	0	1,964,890		1,964,890

Increase (decrease) due to other changes, lease liabilities right-of-use assets	1,095,768	516,233	0	0	613,379		2,225,380
Ending right-of- use assets	20,501,690	5,041,500	13,669,528	1,361,564	4,727,941	0	45,302,223

(Note 1) Increase (decrease) due to other changes, right-of-use assets: They consist of the effects of exchange rate fluctuations, etc.

13. Leases - Lease Liabilities (Consolidated)

13-1-2 Details of lease liabilities

Current period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Total lease liabilities	7,490,510	3,703,709	5,014,914	17,114,318	33,323,451
Lease liabilities	7,262,293	3,481,994	4,129,503	7,905,302	22,779,092

Previous period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Total lease liabilities	7,999,427	4,504,214	5,430,026	18,359,819	36,293,486
Lease liabilities	7,804,298	4,106,850	4,323,622	8,254,231	24,489,001

13-1-3 Details of changes in lease liabilities

Current period

(Unit: KRW 1,000)

	Disclosure amount
Beginning lease liabilities	24,489,001
Additions to lease liabilities	8,920,138
Acquisition through business combination, lease liabilities	0
Decrease due to contract termination or	(965,222)

cancellation, lease liabilities	
Interest expenses to lease liabilities	1,394,501
Payments of lease liabilities	(11,243,409)
Increase (decrease) due to other changes, lease liabilities	184,083
Ending lease liabilities	22,779,092

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Beginning lease liabilities	16,700,069
Additions to lease liabilities	19,474,620
Acquisition through business combination, lease liabilities	1,964,890
Decrease due to contract termination or cancellation, lease liabilities	(3,005,418)
Interest expenses to lease liabilities	885,531
Payments of lease liabilities	(11,641,073)
Increase (decrease) due to other changes, lease liabilities	110,382
Ending lease liabilities	24,489,001

(Note 1) Increase (decrease) due to exchanges and other changes, lease liabilities: They consist of the effects of exchange rate fluctuations, etc.

13-1-4 Expenses recognized in relation to lease contracts

Current period

(Unit: KRW 1,000)

	Disclosure amount
Costs related to short-term leases for which the recognition exemption is applied	2,921,081
Costs related to leases of low-value assets for which the recognition exemption is applied	305,714
Amortization of right-of-use assets	10,897,205
Interest expenses to lease liabilities	1,394,501

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Costs related to short-term leases for which the recognition exemption is applied	744,276
Costs related to leases of low-value assets for which the recognition exemption is applied	442,308
Amortization of right-of-use assets	10,687,346
Interest expenses to lease liabilities	885,531

13-1-5 Total cash outflows from leases

Current period

(Unit: KRW 1,000)

	Disclosure amount
Lease cash outflows	14,470,204

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Lease cash outflows	12,827,657

The consolidated companies have a number of lease agreements executed with the options for extension and termination included. Such options are negotiated by the senior management to provide flexibility in the management of the portfolio of leased assets and to meet the business needs of the consolidated companies. The senior management apply their material judgment in determining whether it is significantly certain that such extension and termination options will be exercised.

13-2 Company as a lessor

The consolidated companies have executed operating lease agreements for a portfolio of investment real estate properties consisting of specific offices and manufacturing properties. The terms of these leases range from 1 to 50 years. Included in all leases is a provision that allows for an annual increase in rental payments based on current market conditions. The lessee must also guarantee the residual value of the real estate properties.

13-2-1 Operating lease rental income

Current period

(Unit: KRW 1,000)

	Disclosure amount
Operating lease income	2,725,940

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Operating lease income	2,578,345

13-2-2 Future minimum lease payments receivable under non-cancellable operating leases

Current period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years	Over 5 years	Segment total
Undiscounted operating lease payments to be received	1,965,418	846,095	833,447	826,985	800,317	16,437,562	21,709,824

Previous period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years	Over 5 years	Segment total
Undiscounted operating lease payments to be received	2,684,547	994,152	985,063	979,077	979,077	13,503,188	20,125,104

14. Intangible Assets (Consolidated)

14-1 Disclosure of the composition of intangible assets

Current period

(Unit: KRW 1,000)

Intangible assets and goodwill																
Goodwill					Copyrights, patents, other industrial property rights, service operation				Memberships				Capitalized development expenditures			
Carrying amount					Carrying amount				Carrying amount				Carrying amount			
Gross carrying amount	Accumulated depreciation and amortization	Accumulated impairment losses	Carrying amount		Gross carrying amount	Accumulated depreciation and amortization	Accumulated impairment losses	Carrying amount	Gross carrying amount	Accumulated depreciation and amortization	Accumulated impairment losses	Carrying amount	Gross carrying amount	Accumulated depreciation and amortization	Accumulated impairment losses	Carrying amount
Intangible assets					(31,617,70)				(2,427,399)				(16,597,88)	(1,153,608)		

and goodwill	55,339,091	0	0	55,339,091	42,536,578	7)	0	10,918,871	10,410,287	0	7,982,888	84,627,920	2)	66,876,400	4	2)	0	55,018,812	33,837,073	0	31,385,111

Previous period

(Unit: KRW 1,000)

Intangible assets and goodwill																									
Goodwill					Copyrights, patents, other industrial property rights, service operation				Memberships				Capitalized development expenditures				Computer software				Other intangible assets				
Carrying amount					Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				
	Gross carrying amount	Accumulated depreciation and amortization	Accumulated impairment losses	Carrying amount total		Gross carrying amount	Accumulated depreciation and amortization	Accumulated impairment losses	Carrying amount total		Gross carrying amount	Accumulated depreciation and amortization	Accumulated impairment losses	Carrying amount total		Gross carrying amount	Accumulated depreciation and amortization	Accumulated impairment losses	Carrying amount total		Gross carrying amount	Accumulated depreciation and amortization	Accumulated impairment losses	Carrying amount total	
Intangible assets and goodwill	57,522,272	0	0	57,522,272	42,064,576	(30,321,345)	0	11,743,231	10,717,294	0	(2,427,399)	8,289,895	28,200,327	(16,019,507)	(1,153,638)	11,027,182	162,154,329	(118,113,165)	0	44,041,164	30,811,402	(456,853)	0	30,354,549	

14-1 Breakdown of intangible assets: Total

Current period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount
Intangible assets and goodwill	372,284,013	(141,181,803)	(3,581,037)	227,521,173

Previous period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount
Intangible assets and goodwill	331,470,200	(164,910,870)	(3,581,037)	162,978,293

14-2 Changes in the carrying amount of intangible assets

Current period

(Unit: KRW 1,000)

Goodwill	Copyrights, patents, other industrial	Memberships	Capitalized development expenditures	Computer software	Other intangible assets	Total Intangible assets and goodwill

		property rights, service operation					
Intangible assets and goodwill at beginning of period	57,522,272	11,743,231	8,289,895	11,027,182	44,041,164	30,354,549	162,978,293
Increase other than through business combinations, intangible assets excluding goodwill	0	226,230	478,296	58,163,272	22,427,534	0	81,295,332
Disposals, intangible assets, and goodwill	0	(292,453)	(785,303)	0	(34,148)	0	(1,111,904)
Other amortization, intangible assets excluding goodwill	0	(3,255,705)	0	(2,314,054)	(19,026,704)	(1,870,988)	(26,467,451)
Acquisition through business combination, intangible assets and goodwill	(7,036,036)	0	0	0	0	0	(7,036,036)
Increase (decrease) due to exchanges and other changes, intangible assets and goodwill	4,852,855	2,497,568	0	0	7,610,966	2,901,550	17,862,939
Intangible assets and goodwill at end of period	55,339,091	10,918,871	7,982,888	66,876,400	55,018,812	31,385,111	227,521,173

Previous period

(Unit: KRW 1,000)

	Goodwill	Copyrights, patents, other industrial property rights, service operation	Memberships	Capitalized development expenditures	Computer software	Other intangible assets	Total Intangible assets and goodwill
Intangible assets and goodwill at beginning of period	86,234	10,125,726	9,373,215	8,280,894	26,237,940	100,135	54,204,144
Increase other than through business combinations, intangible assets excluding goodwill	0	3,287,506	0	5,059,786	9,789,197	42,323	18,178,812
Disposals, intangible assets, and goodwill	0	(17,764)	(1,083,320)	0	(1)	0	(1,101,085)
Other amortization, intangible assets excluding goodwill	0	(2,814,170)	0	(2,313,498)	(11,332,918)	(443,700)	(16,904,286)
Acquisition through business combination, intangible assets and goodwill	55,351,342	0	0	0	12,746,036	29,588,470	97,685,848
Increase (decrease) due to exchanges and other changes, intangible assets	2,084,696	1,161,933	0	0	6,600,910	1,067,321	10,914,860

and goodwill							
Intangible assets and goodwill at end of period	57,522,272	11,743,231	8,289,895	11,027,182	44,041,164	30,354,549	162,978,293

(Note 1) Current period - Acquisition through business combination, intangible assets and goodwill: The consolidated companies recognized additional amounts during the measurement period after the acquisition date based on new information obtained about facts and circumstances that existed as of the acquisition date.

(Note 2) Increase (decrease) due to exchanges and other changes, intangible assets and goodwill: They consist of the main account reclassification for construction in progress, the effects of exchange rate fluctuations, etc.

14-3 Changes in development costs

Current period

(Unit: KRW 1,000)

	New drug development stage, biopharmaceuticals							New drug development stage, biopharmaceuticals : total
	Development completed				Development in progress			
	New drug classification, biopharmaceuticals							
	Genetic recombination	Vaccines				Vaccines		
	Individual assets, biopharmaceuticals							
	NBP601	NBP607	NBP608 Herpes Zoster	NBP608 Chickenpox	GBP510 COVID-19	GBP410 Pneumococcus	NBP608B Chickenpox	
Capitalized research and development costs at the Phase III clinical trial stage, biopharmaceuticals	0	4,354,658	10,199,115	3,486,768	1,344,045	63,108,059	114,999	82,607,644
Capitalized research and development	5,100,000	0	0	0	0	0	0	5,100,000

costs at the point of sales approval, biopharmaceuticals								
Total, capitalized research and development costs, biopharmaceuticals	5,100,000	4,354,658	10,199,115	3,486,768	1,344,045	63,108,059	114,999	87,707,644
Remaining amortization period, research and development costs, biopharmaceuticals	1 year	Less than 1 year	2 years	3 years				

Previous period

(Unit: KRW 1,000)

	New drug development stage, biopharmaceuticals							New drug development stage,
	Development completed					Development in progress		biotechnology: total
	New drug classification, biopharmaceuticals							
	Genetic recombination	Vaccines				Vaccines		
	Individual assets, biopharmaceuticals							
	NBP601	NBP607	NBP608 Herpes Zoster	NBP608 Chickenpox	GBP510 COVID-19	GBP410 Pneumococcus	NBP608B Chickenpox	
Capitalized research and development costs at the Phase III clinical trial stage, biopharmaceuticals	0	4,354,658	10,199,115	3,486,768	1,344,045	5,059,786		24,444,372

Capitalized research and development costs at the point of sales approval, biopharmaceuticals	5,100,000	0	0	0	0	0	5,100,000
Total, capitalized research and development costs, biopharmaceuticals	5,100,000	4,354,658	10,199,115	3,486,768	1,344,045	5,059,786	29,544,372
Remaining amortization period, research and development costs, biopharmaceuticals	2 years	1 year	3 years	4 years			

(Note 1) NBP601: NBP 601 is a treatment for hemophilia and is currently on sale after securing approval for sales in Europe, the United States, etc.

(Note 2) NBP607: NBP607 is an influenza vaccine product, and is currently on sale after securing approval for sales in 2015.

(Note 3) NBP608 Herpes Zoster: It is a herpes zoster vaccine product for adults, which is currently on sale after securing approval for sales in 2017.

(Note 4) NBP608 Chickenpox: As a varicella prevention vaccine for infants, it has been marketed since receiving sales approval in 2018. (Note 5) GBP510 COVID-19: GBP 510, as a COVID-19 prevention vaccine product, recognized an impairment loss due to the indication of impairment on the development costs of GBP 510 in the 2023.

(Note 6) GBP410 Pneumococcus: As a pneumococcal prevention vaccine product, it is currently undergoing clinical phase 3.

(Note 7) Current period - NBP608B Chickenpox: Development for the expansion of the indication for a two-dose chickenpox vaccine regimen is currently in Phase III clinical trials.

14-3 Details of development costs – carrying amount and accumulated impairment losses

Current period

(Unit: KRW 1,000)

	New drug development stage, biopharmaceuticals													
	Development completed										Development in progress			
	New drug classification, biopharmaceuticals													
	Genetic recombination		Vaccines										Vaccines	
	Individual assets, biopharmaceuticals													
	NBP601		NBP607		NBP608 Herpes Zoster		NBP608 Chickenpox		GBP510 COVID-19		GBP410 Pneumococcus		NBP608B Chickenpox	
	Carrying amount	Total carrying amount	Carrying amount	Total carrying amount	Carrying amount	Total carrying amount	Carrying amount	Total carrying amount	Carrying amount	Total carrying amount	Carrying amount	Total carrying amount	Carrying amount	Total carrying amount
	Accumulated impairment losses		Accumulated impairment losses		Accumulated impairment losses		Accumulated impairment losses		Accumulated impairment losses		Accumulated impairment losses		Accumulated impairment losses	
Carrying amount, capitalized research and development costs, biopharmaceuticals	0	510,000	0	258,707	0	1,954,830	0	929,805	(1,153,638)	0	0	63,108,059	0	114,999

Previous period

(Unit: KRW 1,000)

	New drug development stage, biopharmaceuticals														
	Development completed										Development in progress				
	New drug classification, biopharmaceuticals														
	Genetic recombination			Vaccines							Vaccines				
	Individual assets, biopharmaceuticals														
	NBP601			NBP607		NBP608 Herpes Zoster		NBP608 Chickenpox		GBP510 COVID-19		GBP410 Pneumococcus		NBP608B Chickenpox	
	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount
	Accumulated impairment losses			Accumulated impairment losses			Accumulated impairment losses			Accumulated impairment losses			Accumulated impairment losses		
Carrying amount, capitalized research and development costs, biopharmaceuticals	0	1,020,000	0	694,172	0	2,974,742	0	1,278,482	(1,153,638)	0	0	5,059,786			

14-3 Details of development costs – carrying amount and accumulated impairment losses: total

Current period

(Unit: KRW 1,000)

	Accumulated impairment losses	Total carrying amount
Carrying amount, capitalized research and development costs, biopharmaceuticals	(1,153,638)	66,876,400

Previous period

(Unit: KRW 1,000)

	Accumulated impairment losses	Total carrying amount
Carrying amount, capitalized research and development costs, biopharmaceuticals	(1,153,638)	11,027,182

14-4 Changes in development costs

Current period

(Unit: KRW 1,000)

	Intangible assets other than goodwill						
	Capitalized development expenditures						
	Individual assets, biopharmaceuticals						Individual assets, biopharmaceuticals: total
	NBP601	NBP607	NBP608		GBP410	NBP608B Chickenpox	
			Herpes zoster	Chickenpox			
Beginning carrying amount, capitalized research and development costs, biopharmaceuticals	1,020,000	694,172	2,974,742	1,278,482	5,059,786	0	11,027,182
Increase other than through business combinations, intangible assets excluding goodwill	0	0	0	0	58,048,273	114,999	58,163,272
Other amortization, intangible assets excluding goodwill	(510,000)	(435,465)	(1,019,912)	(348,677)	0	0	(2,314,054)
Ending carrying amount, capitalized research and development	510,000	258,707	1,954,830	929,805	63,108,059	114,999	66,876,400

costs, biopharmaceuticals							

Previous period

(Unit: KRW 1,000)

	Intangible assets other than goodwill						
	Capitalized development expenditures						
	Individual assets, biopharmaceuticals						Individual assets, biopharmaceutical s: total
	NBP601	NBP607	NBP608		GBP410	NBP608B Chickenpox	
			Herpes zoster	Chickenpox			
Beginning carrying amount, capitalized research and development costs, biopharmaceutical s	1,530,000	1,129,082	3,994,654	1,627,158	0		8,280,894
Increase other than through business combinations, intangible assets excluding goodwill	0	0	0	0	5,059,786		5,059,786
Other amortization, intangible assets excluding goodwill	(510,000)	(434,910)	(1,019,912)	(348,676)	0		(2,313,498)
Ending carrying amount, capitalized research and development costs, biopharmaceutical s	1,020,000	694,172	2,974,742	1,278,482	5,059,786	0	11,027,182

14-5 Research and development expenditures recognized as expenses

Current period

(Unit: KRW 1,000)

	Selling, general and administrative expenses	External subsidies, etc.	Total by function
Research and development costs	146,778,155	(27,824,986)	118,953,169

Previous period

(Unit: KRW 1,000)

	Selling, general and administrative expenses	External subsidies, etc.	Total by function
Research and development costs	146,886,600	(29,761,795)	117,124,805

15. Intangible Assets - Impairment Testing (Consolidated)

The consolidated companies perform impairment testing annually for intangible assets and goodwill with indefinite useful lives, and for this purpose, they evaluate the recoverable amount.

(1) IDT Biologika GmbH business combination

The consolidated companies performed an impairment test on goodwill arising from the business combination with IDT Biologika GmbH during the prior year.

14-6 Intangible assets - impairment testing

(Unit: KRW 1,000)

	Assets
	Intangible assets and goodwill
	Cash-generating unit: total
	Cash-generating unit
	IDT Biologika GmbH

Description of the basis on which the recoverable amount of the cash-generating unit has been determined	The key assumptions used in the calculation of the recoverable amount reflect management's assessment of the future of the industry, which is determined considering both external and internal information.
Description of the key assumptions used by management in estimating future cash flows	Goodwill was allocated to the cash-generating unit of the operating segment of IDT Biologika GmbH. The value in use was determined by discounting the future cash flows expected to be derived from the continued use of the asset, based on a five-year business plan approved by management.
Discount rate applied to the estimated future cash flows	0.103
Growth rate used to estimate future cash flows	0.01

It is assessed that reasonably possible changes in key assumptions would not cause the gross carrying amount to exceed the gross recoverable amount; however, such effects may be offset by changes in other key assumptions.

15. Investment Properties (Consolidated)

15-1 Breakdown of investment properties

Current period

(Unit: KRW 1,000)

	Assets								
	Land			Buildings			Structures		
	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount
	Gross carrying amount	Accumulated depreciation and accumulated amortization		Gross carrying amount	Accumulated depreciation and accumulated amortization		Gross carrying amount	Accumulated depreciation and accumulated amortization	
Investment properties	26,296,282	0	26,296,282	10,740,102	(4,741,201)	5,998,901	35,090	(35,089)	1

Previous period

(Unit: KRW 1,000)

	Assets								
	Land			Buildings			Structures		
	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount
	Gross carrying amount	Accumulated depreciation and accumulated amortization		Gross carrying amount	Accumulated depreciation and accumulated amortization		Gross carrying amount	Accumulated depreciation and accumulated amortization	
Investment properties	23,469,396	0	23,469,396	1,681,258	(1,223,362)	457,896	35,090	(35,089)	1

15-1 Breakdown of investment properties: total

Current period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Total carrying amount
Investment properties	37,071,474	(4,776,290)	32,295,184

Previous period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Total carrying amount
Investment properties	25,185,744	(1,258,451)	23,927,293

15-2 Changes in the carrying amount of investment properties

Current period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Total assets
Beginning investment properties	23,469,396	457,896	1	23,927,293
Depreciation expense, investment properties	0	(395,854)	0	(395,854)
Transfers of investment properties to inventories or owner-occupied property, or transfers of inventories or owner-occupied property to investment properties	2,141,719	5,936,859	0	8,078,578

Acquisition through business combination, investment properties				
Increase (decrease) due to net foreign exchange differences, investment properties	685,167	0	0	685,167
Ending investment properties	26,296,282	5,998,901	1	32,295,184

Previous period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Total assets
Beginning investment properties	16,797,406	499,927	1	17,297,334
Depreciation expense, investment properties	0	(42,031)	0	(42,031)
Transfers of investment properties to inventories or owner-occupied property, or transfers of inventories or owner-occupied property to investment properties				
Acquisition through	6,433,388	0	0	6,433,388

business combination, investment properties				
Increase (decrease) due to net foreign exchange differences, investment properties	238,602	0	0	238,602
Ending investment properties	23,469,396	457,896	1	23,927,293

(Note 1) Current period - Transfers of investment properties to inventories or owner-occupied property, or transfers of inventories or owner-occupied property to investment properties: It is the amount transferred from tangible assets.

15-3-1 Rental income generated from investment properties

Current period

(Unit: KRW 1,000)

	Land and buildings
Rental income generated from investment properties	2,725,940

Previous period

(Unit: KRW 1,000)

	Land and buildings
Rental income generated from investment properties	2,578,345

It has been assessed that the difference between the fair value and the carrying amount of the building is not material.

15-3-2 Fair value of investment properties

(Unit: KRW 1,000)

	Total measurement
	Fair value disclosed but not measured at fair value in the balance sheet

	Assets
	Land
Investment properties	28,595,684

16. Trade and Other Payables (Consolidated)

16 Trade and other payables

Current period (Unit: KRW 1,000)

	Disclosure amount
Trade payables	204,307,902
Accounts payable	103,774,785
Accrued expenses	123,914,787
Trade and other payables	431,997,474

Previous period (Unit: KRW 1,000)

	Disclosure amount
Trade payables	117,810,300
Accounts payable	83,382,493
Accrued expenses	106,367,363
Trade and other payables	307,560,156

16-2 Disclosure of supplier financing agreements

Current period

(Unit: KRW 1,000)

	Supplier financing agreements
Description of agreements	The consolidated companies have entered into supplier financing agreements with several key suppliers in the domestic market. Participation in the agreements is determined at the discretion of the suppliers. Suppliers participating in the supplier financing agreements can receive early payment of their receivables from the consolidated companies from the financial provider. If the supplier chooses early payment, the supplier will pay the fee to the financial provider, not the consolidated companies. The financial provider must receive approval of the invoice for the goods supplied or received by the consolidated companies before making payment for the receivables. Before the payment due date, the financial provider pays the supplier the amount due. In all cases, the consolidated companies pay the financial provider on the original payment due date as described above and settles the debt. The payment terms with the supplier are not renegotiated due to the agreement. The consolidated companies do not provide collateral to the financial provider. All financial liabilities arising from supplier finance arrangements are included in trade and other payables in the consolidated statement of financial position.
The carrying amount of trade and other payables that are part of the supplier financing agreements	13,935,603
The amount received by the supplier	1,453,133
Weighted average payment maturity of the financial liability included in the arrangement	17 to 45 days after the invoice issuance date

Average payment period of comparable trade payables not subject to the arrangement	11 to 91 days after the invoice issuance date

Previous period

(Unit: KRW 1,000)

	Supplier financing agreements
Description of agreements	The consolidated companies have entered into supplier financing agreements with several key suppliers in the domestic market. Participation in the agreements is determined at the discretion of the suppliers. Suppliers participating in the supplier financing agreements can receive early payment of their receivables from the consolidated companies from the financial provider. If the supplier chooses early payment, the supplier will pay the fee to the financial provider, not the consolidated companies. The financial provider must receive approval of the invoice for the goods supplied or received by the consolidated companies before making payment for the receivables. Before the payment due date, the financial provider pays the supplier the amount due. In all cases, the consolidated companies pay the financial provider on the original payment due date as described above and settles the debt. The payment terms with the supplier are not renegotiated due to the agreement. The consolidated companies do not provide collateral to the financial provider. All financial liabilities arising from supplier finance arrangements are included in trade and other payables in the consolidated statement of financial position.
The carrying amount of trade and other payables that are part of the supplier financing agreements	19,588,587
The amount received by the supplier	1,624,607
Weighted average payment maturity of the financial liability included in the arrangement	

Average payment period of comparable trade payables not subject to the arrangement	

There were no significant non-cash changes in the carrying amount of trade and other payables that are part of the supplier finance arrangements of the consolidated companies.

17. Bonds and Borrowings (Consolidated)

17-1 Details of bonds and borrowings

Current period

(Unit: KRW 1,000)

	Disclosure amount
Current borrowings (including bonds)	326,461,547
Current bonds and non-current bonds with liquidity substitute portion	119,932,525
The current and non-current portions borrowings from financial institutions (excluding bonds) that are replaced by liquidity	31,489,142
The non-current portion of non-current bonds	466,146,318
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	1,195,636,617
Borrowings (including bonds)	2,139,666,149

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Current borrowings (including bonds)	303,095,328
Current bonds and non-current bonds with liquidity substitute portion	94,970,000
The current and non-current portions borrowings from financial institutions (excluding bonds) that are replaced by liquidity	32,427,424
The non-current portion of non-current bonds	219,404,969
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	983,815,255
Borrowings (including bonds)	1,633,712,976

	Name of borrowings												Name of borrowings, total	
	Short-term borrowings													
	Hana Bank, etc. - general bank borrowings			Nonghyup Bank - credit limit amount			Hana Bank, etc. - trade receivable discounts			Shinhan Bank - commercial paper (CP)				
	Scope		Total scope	Scope		Total scope	Scope		Total scope	Scope		Total scope		
	Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope			
Borrowings, interest rate	0.0280	0.0480				0.0404	0.0187	0.0540						
Current borrowings (including bonds)			271,134,575			6,000,000			49,326,972			0	326,461,547	

Previous period

(Unit: KRW 1,000)

	Name of borrowings											Name of borrowings, total	
	Short-term borrowings												
	Hana Bank, etc. - general bank borrowings			Nonghyup Bank - credit limit amount			Hana Bank, etc. - trade receivable discounts			Shinhan Bank - commercial paper (CP)			
	Scope		Total scope	Scope		Total scope	Scope		Total scope	Scope			Total scope
	Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		
Borrowings, interest rate													
Current borrowings (including bonds)			237,745,070						15,350,258			50,000,000	303,095,328

17-3 Details of bonds payable

Current period

(Unit: KRW 1,000)

	Name of borrowings						Name of borrowings, total
	Debenture						
	The 13-2nd public placement bonds	The 13-3rd public placement bonds	The 14-1st public placement bonds	The 14-2nd public placement bonds	The 15-1st public placement bonds	The 15-2nd public placement bonds	
Borrowings, maturity	2025-02-24	2026-02-24	2026-04-24	2027-04-26	2027-01-29	2028-01-31	
Borrowings, interest rate		0.0460	0.0408	0.0417	0.0314	0.0331	
Debenture, nominal amount	0	70,000,000	50,000,000	100,000,000	70,000,000	100,000,000	390,000,000
Bonds issued at a discount							(679,233)
Current bonds and non-current bonds with liquidity substitute portion							(119,932,525)
Non-current portion of bonds payable (excluding exchangeable bonds)							269,388,242

Previous period

(Unit: KRW 1,000)

	Name of borrowings						Name of borrowings, total
	Debenture						
	The 13-2nd public placement bonds	The 13-3rd public placement bonds	The 14-1st public placement bonds	The 14-2nd public placement bonds	The 15-1st public placement bonds	The 15-2nd public placement bonds	
Borrowings, maturity	2025-02-24	2026-02-24	2026-04-24	2027-04-26			
Borrowings, interest rate							
Debenture, nominal amount	95,000,000	70,000,000	50,000,000	100,000,000			315,000,000
Bonds issued at a discount							(625,031)
Current bonds and non-current bonds with liquidity substitute portion							(94,970,000)
Non-current portion of bonds payable (excluding exchangeable bonds)							219,404,969

17-4 Details of exchangeable bonds

(Unit: KRW 1,000)

	Name of borrowings
	Debenture
	First bearer exchangeable bonds, 1st issue
Borrowings, date of issuance	2025-10-20
Borrowings, maturity	2030-10-20
Borrowings, interest rate	0.0000
Exchangeable bonds, total amount	220,000,000

Discount on issuance of exchangeable bonds	(473,888)
Adjustment to exchangeable bond conversion rights	(22,768,036)
Exchangeable bonds, net amount	196,758,076

17-4-1 Terms of issuance of exchangeable bonds

(Unit: KRW million)

	Name of borrowings		
	Debenture		
	First bearer exchangeable bonds, 1st issue		
	Scope		Total scope
	Sub-scope	Upper scope	
Nominal amount			220,000
Exchangeable bonds, total amount			220,000
Borrowings, interest rate			0.0000
Exchangeable bonds, guaranteed yield at maturity			0.0000
Information on exchangeable bonds and options			The bondholder may request early redemption of all or part of the principal amount of the bonds on October 20, 2028, being the date falling three years from the issue date of the bonds, and on each date every three months thereafter (the "Early Redemption Date").

Exchangeable bonds, major causes for adjustment of the exchange price			(1) If the target company (i) conducts a capital increase with consideration, bonus issue, stock dividend, capitalization of reserves, or similar transaction at an issue price below market value, or (ii) issues convertible bonds, bonds with warrants, or other equity-linked bonds with a conversion price or exercise price below market value. (2) If the exchange target company undergoes a division or merger, or if the exchange target shares are subject to a share split or similar event, the exchange price shall be adjusted so that the value corresponds to the number of shares the bondholder would have been entitled to receive had the exchange right been

			exercised prior to the occurrence of such event. (3) If an event occurs that increases the share value of the exchange target company, such as a capital reduction or share consolidation of the exchange target shares, the exchange price shall be adjusted upward by the corresponding ratio of such capital reduction, share consolidation, or similar event. (4) No adjustment to the exchange price under this paragraph shall be made on the basis of fluctuations in the fair value of the shares subject to exchange.
Exchangeable bonds, exchange underlying shares			3,822,430 registered common shares of SK bioscience Co., Ltd.
Exchangeable bonds, exchange price (KRW /share)			57,555

Exchangeable bonds, exchange right exercise period	2025-11-20	2030-09-20	
Exchangeable bonds, exchange ratio			1

(Note 1) Exchangeable bonds, exchange underlying shares: If 100% of the exchangeable shares are exchanged as of the end of the current period, the effective ownership interest in SK bioscience Co., Ltd. may change from 66.37% to 61.50%.

17-4-2 Details of changes in exchangeable bonds

(Unit: KRW 1,000)

	Name of borrowings			
	Debenture			
	First bearer exchangeable bonds, 1st issue			
	Carrying amount			Total carrying amount
	Gross carrying amount	Bonds issued at a discount	Voucher adjustment	
Borrowings (including bonds)	0	0	0	0
Issuance, exchangeable bonds	220,000,000	(492,233)	(23,649,416)	195,858,351
Amortization, exchangeable bonds	0	18,345	881,380	899,725
Valuation, exchangeable bonds	0	0	0	0
Borrowings (including bonds)	220,000,000	(473,888)	(22,768,036)	196,758,076

17-5 Details of long-term borrowings of financial institutions

Current period

(Unit: KRW 1,000)

Name of borrowings	

	Long-term borrowings															Name of borrowings, total
	Hana Bank, etc. - facility loan			Woori Bank - facility loan			Korea Development Bank, etc. - acquisition financing			Agricultural Bank of China, etc. - general loan			KB Kookmin Bank - project financing loan			
	Scope		Total scope	Scope		Total scope	Scope		Total scope	Scope		Total scope	Scope		Total scope	
	Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		
Borrowings, interest rate						0.0443			0.0388	0.0300	0.0583		0.0457	0.0510		
Financial institution borrowings (Excluding bonds)			0			130,000,000			123,971,322			314,999,803			660,000,000	1,228,971,125
Discount on present value long-term borrowings																(1,845,366)
The current and non-current portions borrowings from financial institutions (excluding bonds) that are replaced by liquidity																(31,489,142)
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity																1,195,636,617

Previous period
1,000)

(Unit: KRW

	Name of borrowings																Name of borrowings, total
	Long-term borrowings																
	Hana Bank, etc. - facility loan			Woori Bank - facility loan			Korea Development Bank, etc. - acquisition financing			Agricultural Bank of China, etc. - general loan			KB Kookmin Bank - project financing loan				
	Scope		Total scope	Scope		Total scope	Scope		Total scope	Scope		Total scope	Scope		Total scope		
	Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope			
Borrowings, interest rate																	
Financial institution borrowings (Excluding bonds)			24,660,950			80,000,000			112,239,984			295,341,745			504,000,000		
Discount on present value, Long-term borrowings															0		

The current and non-current portions borrowings from financial institutions (excluding bonds) that are replaced by liquidity																	(32,427,424)
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity																	983,815,255

The consolidated companies provide collateral to financial institutions for long-term borrowings in the form of various assets, including tangible assets and equity securities (refer to Note 24).

18. Other Liabilities (Consolidated)

18 Details of Other Liabilities

Current period

(Unit: KRW 1,000)

		Disclosure amount
Other current liabilities		44,835,683
Other current liabilities	Current advances received	35,447,588
	Short-term deposits received	4,740,913
	Short-term security deposits payable	3,192,967
	Current emission liabilities	323,756
	Current unpaid dividends	10,498
	Short-term unearned revenue	231,037
	Other current liabilities	888,924
Other non-current liabilities		3,068,542
Other non-current liabilities	Non-current employee benefits provision	3,068,542
Other Liabilities		47,904,225

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Other current liabilities		37,911,990
	Current advances received	27,474,816

Other current liabilities	Short-term deposits received	6,162,232
	Short-term security deposits payable	2,866,627
	Current emission liabilities	323,756
	Current unpaid dividends	10,625
	Short-term unearned revenue	284,363
	Other current liabilities	789,571
Other non-current liabilities		1,245,650
Other non-current liabilities	Non-current employee benefits provision	1,245,650
Other Liabilities		39,157,640

19. Emission Rights and Emission Liabilities (Consolidated)

19-1 Free allocation of emission allowance by compliance year

	2021	2022	2023	2024	2025	Total planned period
Free allocation, emission allowance	530,173 tons	530,173 tons	530,173 tons	525,208 tons	525,208 tons	2,640,935 tons

As of the end of the current period, there are no greenhouse gas emission allowances provided as collateral.

19-2 Changes in the quantity of greenhouse gas emission allowances

		2021	2022	2023	2024	2025	Total planned period
Allocation, emission allowance quantity		652,295 tons	619,877 tons	562,887 tons	569,673 tons	569,673 tons	2,974,405 tons
Allocation, emission allowance quantity	Free allocation, emission allowance quantity	530,173 tons	530,173 tons	530,173 tons	525,208 tons	525,208 tons	2,640,935 tons
	Cancellation and additional allocation of emission allowances, quantity of emission allowances	122,941 tons	90,523 tons	33,533 tons	45,276 tons	45,276 tons	337,549 tons

	Changes due to business division disposal, quantity of emission allowances	- 819 tons	- 819 tons	- 819 tons	- 811 tons	- 811 tons	- 4,079 tons
Emissions, emission allowance quantity		- 654,219 tons	- 609,844 tons	- 555,691 tons	- 578,421 tons	0 tons	- 2,398,175 tons
Emissions, emission allowance quantity	Government expenditure, emission allowance quantity	- 654,219 tons	- 609,844 tons	- 555,691 tons	- 578,421 tons	0 tons	- 2,398,175 tons
Changes due to emission allowance trading, emission allowance quantity		- 13,328 tons	1,430 tons	6,907 tons	- 3,113 tons	0 tons	- 8,104 tons
Changes due to emission allowance trading, emission allowance quantity	Purchase, emission allowance quantity	1,300 tons	12,600 tons	16,661 tons	0 tons	0 tons	30,561 tons
	Sale, emission allowance quantity	- 14,628 tons	- 11,170 tons	- 9,754 tons	- 3,113 tons	0 tons	- 38,665 tons
Borrowings, emission allowance quantity		7,585 tons	- 7,585 tons	0 tons	0 tons	0 tons	0 tons
Balance carried forward, emission allowance quantity		38,220 tons	30,553 tons	34,431 tons	48,534 tons	36,673 tons	188,411 tons
Carried forward to the next period, emission allowance quantity		- 30,553 tons	- 34,431 tons	- 48,534 tons	- 36,673 tons	0 tons	- 150,191 tons
End of period, emission allowance quantity		0 tons	0 tons	0 tons	0 tons	606,346 tons	606,346 tons

19-2 Changes in the carrying amount of greenhouse gas emission allowances

(Unit: KRW 1,000)

		2021	2022	2023	2024	2025	Total planned period
Allocation, emission allowances		0	0	0	0	0	0
Allocation, emission allowances	Free allocation, emission allowances	0	0	0	0	0	0
	Allocation cancellation and additional allocation, emission allowances	0	0	0	0	0	0

	Changes due to business division disposal, emission allowances	0	0	0	0	0	0
Emission, emission allowances		(270,895)	0	0	0	0	(270,895)
Emission, emission allowances	Government expenditure, emission allowances	(270,895)	0	0	0	0	(270,895)
Changes due to emission allowance trading, emission allowances		45,025	446,796	209,583	0	0	701,404
Changes due to emission allowance	Purchase, emission allowances	45,025	446,796	209,583	0	0	701,404
transactions, emission allowances	Sale, emission allowances	0	0	0	0	0	0
Borrowings, emission allowances		270,895	(270,895)	0	0	0	0
Carried forward from previous period, emission allowances		0	45,025	220,926	430,509	430,509	1,126,969
Carried forward to the next period, emission allowances		(45,025)	(220,926)	(430,509)	(430,509)	0	(1,126,969)
End of period, emission allowances		0	0	0	0	430,509	430,509

19-3 There are no changes in emission rights assets for the current and previous periods.

19-4 Changes in the quantity of emission allowance liabilities

current period

	Emissions allowances
Beginning balance of emissions allowance quantity, emissions allowance liabilities	20,836 tons
Emission cost quantity, emission allowance liabilities	0 tons
End of period emission allowance quantity, emission allowance liabilities	20,836 tons

Previous period

	Emissions allowances
Beginning balance of emissions allowance quantity, emissions allowance liabilities	6,196 tons
Emission cost quantity, emission allowance liabilities	14,640 tons
End of period emission allowance quantity, emission allowance liabilities	20,836 tons

19-4 Changes in the amount of emissions allowance liabilities

Current period

(Unit: KRW 1,000)

	Disclosure amount
Beginning balance of current emissions allowance liabilities	323,756
Emission cost, emission allowance liabilities	0
Ending balance of current emissions liabilities	323,756

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Beginning balance of current emissions allowance liabilities	75,353
Emission cost, emission allowance liabilities	248,403
Ending balance of current emissions liabilities	323,756

19-5 Confirmed and estimated greenhouse gas emissions

current period

	Disclosure amount
Confirmed greenhouse gas emissions data	
Estimated greenhouse gas emissions	594,368 tCO ₂ -eq

Previous period

	Disclosure amount
Confirmed greenhouse gas emissions data	578,421 tCO ₂ -eq
Estimated greenhouse gas emissions	

20. Defined Benefit Obligations (Assets) (Consolidated)

The consolidated companies operate a defined benefit plan for the employees and have used the projected unit credit method for the actuarial valuation of the defined benefit obligations.

20-1, 3, 4 Defined benefit obligations (assets)

Current period

(Unit: KRW 1,000)

	Present value of defined benefit obligation	Plan assets	Total net defined benefit obligations (assets)
Beginning balance of net defined benefit obligations (assets)	183,578,535	(228,029,880)	(44,451,345)
Current service cost, net defined benefit obligations (assets)	23,538,909		23,538,909
Past service cost, net defined benefit obligations (assets)	80,607		80,607
Interest expense (income), net defined benefit obligations (assets)	5,817,566	(7,298,785)	(1,481,219)
Total remeasurement gains and losses, net defined benefit obligations (assets)	(1,272,666)	(648,966)	(1,921,632)
Amount paid under the plan, net defined benefit obligations (assets)	(22,238,910)	16,095,845	(6,143,065)

Contributions paid by the company to the plan, net defined benefit obligations (assets)		(9,438,919)	(9,438,919)
Affiliates' transfers, reclassifications to other accounts, etc.	(55,502)	863,261	807,759
Net defined benefit obligations (assets) at the end of the period	189,448,539	(228,457,444)	(39,008,905)
Defined benefit obligations, present value			189,448,539
Plan assets, fair value			(228,457,444)

Previous period

(Unit: KRW 1,000)

	Present value of defined benefit obligation	Plan assets	Total net defined benefit obligations (assets)
Beginning balance of net defined benefit obligations (assets)	162,132,222	(205,841,126)	(43,708,904)
Current service cost, net defined benefit obligations (assets)	23,327,657		23,327,657

Past service cost, net defined benefit obligations (assets)	2,309,994		2,309,994
Interest expense (income), net defined benefit obligations (assets)	6,296,277	(8,093,906)	(1,797,629)
Total remeasurement gains and losses, net defined benefit obligations (assets)	2,370,574	(1,421,110)	949,464
Amount paid under the plan, net defined benefit obligations (assets)	(12,608,014)	11,363,270	(1,244,744)
Contributions paid by the company to the plan, net defined benefit obligations (assets)		(23,344,745)	(23,344,745)
Affiliates' transfers, reclassifications to other accounts, etc.	(250,175)	(692,263)	(942,438)
Net defined benefit obligations (assets) at the end of the period	183,578,535	(228,029,880)	(44,451,345)
Defined benefit obligations, present value			183,578,535
Plan assets, fair value			(228,029,880)

20-4 Composition of plan assets

(Unit: KRW 1,000)

	Disclosure amount
Cash and cash equivalents, amount representing the portion of total plan assets	206,423
Time deposit, amount representing the portion	14,616,674

of total plan assets	
Qualifying insurance contracts, amount representing the portion of total plan assets	186,894,927
Other assets, amount representing the portion of total plan assets	26,739,420
Total plan assets, fair value	228,457,444
Cash and cash equivalents, proportion of plan assets in fair value	0.0009
Time deposit, proportion of plan assets in fair value	0.0640
Qualifying insurance contracts, proportion of plan assets in fair value	0.8181
Other assets, proportion of plan assets in fair value	0.1170

20-2 Profit or loss recognized in relation to defined benefit plans

Current period

(Unit: KRW 1,000)

	Disclosure amount
Current service cost, defined benefit plan	23,538,909
Past service cost, defined benefit plan	80,607
Interest cost, defined benefit plan	5,817,566
Interest revenue, defined benefit plan	(7,298,785)
Retirement benefit expense, defined benefit plan	22,138,297

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Current service cost, defined benefit plan	23,327,657
Past service cost, defined benefit plan	2,309,994
Interest cost, defined benefit plan	6,296,277
Interest revenue, defined benefit plan	(8,093,906)
Retirement benefit expense, defined benefit plan	23,840,022

20-5 Key assumptions used for actuarial valuation
current period

	Sub-scope	Upper scope
Actuarial assumption regarding the discount rate	0.0365	0.0450
Expected rate of return on plan assets	0.0334	0.0408
Actuarial assumption regarding future salary increase rate	0.0200	0.0702

Previous period

	Sub-scope	Upper scope
Actuarial assumption regarding the discount rate	0.0334	0.0418
Expected rate of return on plan assets	0.0334	0.0418
Actuarial assumption regarding future salary increase rate	0.0200	0.0720

20-6 Components of remeasurement elements of the defined benefit plan

Current period

(Unit: KRW 1,000)

	Disclosure amount
Actuarial losses (gains) arising from changes in demographic assumptions, net defined benefit obligation (assets)	0
Actuarial losses (gains) arising from changes in financial assumptions, net defined benefit obligation (assets)	2,282,159
Actuarial losses (gains) arising from experience adjustments, net defined benefit obligation (assets)	(3,554,825)
Return on plan assets excluding amounts included in interest, net defined benefit obligation (assets)	(648,966)
Total remeasurement gains and losses, net defined benefit obligation (assets)	(1,921,632)

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Actuarial losses (gains) arising from changes in demographic assumptions, net defined benefit obligation (assets)	(6,100,175)
Actuarial losses (gains) arising from changes in financial assumptions, net defined benefit obligation (assets)	4,176,840
Actuarial losses (gains) arising from experience adjustments, net defined benefit obligation (assets)	4,293,909
Return on plan assets excluding amounts included in interest, net defined benefit obligation (assets)	(1,421,110)
Total remeasurement gains and losses, net defined benefit obligation (assets)	949,464

20-7 Key assumptions used for actuarial valuation

Current period

(Unit: KRW 1,000)

	Actuarial assumption regarding the discount rate	Actuarial assumption regarding future salary increase rate
Possible increase rates within a reasonable range of actuarial assumptions	0.01	0.01
Increase (decrease) in the defined benefit obligation due to possible increases within a reasonable range of actuarial assumptions	(12,773,177)	14,506,531
Possible decrease rates within a reasonable range of actuarial assumptions	0.01	0.01
Increase (decrease) in the defined benefit obligation due to possible decreases within a reasonable range of actuarial assumptions	14,575,046	(12,950,830)

Previous period

(Unit: KRW 1,000)

	Actuarial assumption regarding the discount rate	Actuarial assumption regarding future salary increase rate
Possible increase rates within a reasonable range of actuarial assumptions	0.01	0.01
Increase (decrease) in the defined benefit obligation due to possible increases within a reasonable range of actuarial assumptions	(12,241,366)	13,931,333
Possible decrease rates within a reasonable range of actuarial assumptions	0.01	0.01
Increase (decrease) in the defined benefit obligation due to possible decreases within a reasonable range of actuarial assumptions	13,968,527	(12,424,665)

Sensitivity analysis is based on the method of estimating the impact on the defined benefit obligation if significant actuarial assumptions change within a reasonable range at the reporting date. Since it is unlikely that changes in assumptions would occur independently of each other, the sensitivity analysis may not reflect the actual changes in the defined benefit obligation.

20-8 Weighted average maturity of the defined benefit obligation

Current period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years, within 10 years	Over 10 years, within 20 years	Over 20 years	Segment total
Estimated amount of benefit payments expected to be paid under the defined benefit plan	26,766,466	20,404,338	71,476,446	105,628,317	246,679,488	140,696,289	611,651,344
Weighted average maturity of the defined benefit obligation							7 year and 7 months

Previous period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years, within 10 years	Over 10 years, within 20 years	Over 20 years	Segment total
Estimated amount of benefit payments expected to be paid under the defined benefit plan	27,850,575	20,591,853	68,575,473	100,867,482	227,540,306	126,254,575	571,680,264
Weighted average maturity of the defined benefit obligation							7 year and 4 months

20-8-(Note) Expected contributions for the fiscal year

(Unit: KRW 1,000)

	Defined benefit plan with fully or partially funded assets
Estimated contributions expected to be paid during the next annual reporting period	21,834,795

20-9 Expense recognized in profit or loss in relation to defined contribution plans

Current period

(Unit: KRW 1,000)

	Disclosure amount
Retirement benefit expense, defined contribution plan	864,716

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Retirement benefit expense, defined contribution plan	500,688

21. Contract Assets and Contract Liabilities (Consolidated)

21-1 Details of contract balances

Current period

(Unit: KRW 1,000)

	Disclosure amount
Inventories	2,383,931
Contract liabilities	181,214,175

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Inventories	8,810,973
Contract liabilities	181,007,207

(Note 1) Inventories: The contract performance costs, which are the contract assets of the consolidated companies, are recognized as inventory. The contract performance costs included in Data Analysis, Retrieval and Transfer System (dart.fss.or.kr)

inventory consist of costs incurred for technology transfer and production activities to produce products ordered by customers. These activities are required to be performed in advance to produce the products ordered by customers, but since they are not activities that transfer goods or services to the customer, they are not included in the performance obligation and are recognized as contract costs.

21-2 Changes in contract liabilities

Current period

(Unit: KRW 1,000)

	Liabilities		Total liabilities
	Contract liabilities		
	Provisions for returns	Unearned revenue	
Beginning contract liabilities	4,943,778	176,063,429	181,007,207
Increase and decrease in contract liabilities	(1,537,549)	1,744,517	206,968
Contract liabilities at the end of the period	3,406,229	177,807,946	181,214,175
Revenue recognized that was included in the opening contract liability balance		66,315,000	66,315,000

Previous period

(Unit: KRW 1,000)

	Liabilities		Total liabilities
	Contract liabilities		
	Provisions for returns	Unearned revenue	
Beginning contract liabilities	3,943,442	53,181,840	57,125,282
Increase and decrease in contract liabilities	1,000,336	122,881,589	123,881,925
Contract liabilities at the end of the period	4,943,778	176,063,429	181,007,207
Revenue recognized that was included in the opening contract liability balance			

(Note 1) Provisions for returns: The consolidated companies appropriate the contract liabilities for the returned goods for expected returns based on past experience with returns for the products. All assumptions applied for the contract liability calculations above were based on the current products' sales levels and the currently available information on the returns expected to occur during the returnable period for products sold under returnable conditions.

(Note 2) Unearned revenue This is an amount received from the customer for the contract with the customer to be performed over the period.

21-2 Current and non-current contract liabilities

Current period

(Unit: KRW 1,000)

		Disclosure amount
Current contract liabilities		145,587,664
Current contract liabilities	Current provision for returns	3,406,229
	Current unearned revenue	142,181,435
Non-current contract liabilities		35,626,511
Non-current contract liabilities	Non-current provision for returns	0
	Long-term unearned revenue	35,626,511

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Current contract liabilities		129,980,833
Current contract liabilities	Current provision for returns	4,943,778
	Current unearned revenue	125,037,055
Non-current contract liabilities		51,026,374
Non-current contract liabilities	Non-current provision for returns	0
	Long-term unearned revenue	51,026,374

22. Provisioning Liabilities (Consolidated)

22 Details of provisioning liabilities

Current period

(Unit: KRW 1,000)

		Disclosure amount

Current provisions for liabilities		16,105,862
Current provisions for liabilities	Current restructuring provisions	4,658,519
	Current provisions for sales warranties	7,997,863
	Current provisions for contributions	1,213,718
	Current provisions for loss-making contracts	199,252
	Current provisions for other provisions	2,036,510
Non-current portion of provisioning liabilities		31,058,445
Non-current portion of provisioning liabilities	Non-current legal provisions for litigation	5,957,148
	Non-current restructuring provisions	25,101,297
	Provisions for non-current aftercare, restoration, and remediation costs	0

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Current provisions for liabilities		40,798,567
Current provisions for liabilities	Current restructuring provisions	29,535,105
	Current provisions for sales warranties	5,939,880
	Current provisions for contributions	2,194,490
	Current provisions for loss-making contracts	2,328,208
	Current provisions for other provisions	800,884
Non-current portion of provisioning liabilities		6,699,669
Non-current portion of provisioning liabilities	Non-current legal provisions for litigation	5,957,148
	Non-current restructuring provisions	0
	Provisions for non-current aftercare, restoration, and remediation costs	742,521

(Note 1) Current and non-current restructuring provisions: During the previous period, the consolidated companies announced a restructuring plan, including the relocation of the main business location of IDT Biologika Corporation, which created a constructive obligation. As a result, direct costs arising from the restructuring, including loss compensation to the lessor, were recognized as provisions.

(Note 2) Current provisions for sales warranties: The consolidated companies have recognized expected warranty claims for products sold and services provided during the current period, based on past experience, and it is expected that costs will arise in the next period. The consolidated companies have estimated provisions based on currently available information related to the claims.

(Note 3) Current provisions for contributions: The consolidated companies have a constructive obligation for additional contribution payments or the return of government subsidies as a result of past events, such as construction and energy use. The consolidated companies have estimated provisions based on currently available information related to the constructive obligation.

(Note 4) Current provisions for loss-making contracts: The consolidated companies have recognized provisions for loss-making contracts, as they predict that the unavoidable costs required to fulfill contractual obligations will exceed the expected economic benefits to be obtained from those contracts. The excess amount has been estimated and recognized as provisions for loss-making contracts.

(Note 5) Non-current legal provisions for litigation: Provisions have been recognized based on the best estimate regarding the ongoing humidifier disinfectant lawsuit.

23. Hedging Activities and Financial Derivatives (Consolidated)

The consolidated companies are exposed to certain risks in connection with their ongoing business operations. The major risks managed using derivatives are the foreign exchange risk, commodity price risk, and the interest rate risk. The consolidated companies' risk management strategies and risk management methods are explained under Note 34 below.

23-1 Risk management activities

The consolidated companies are exposed to the foreign currency risk for some of their sales and purchases in international transactions. To mitigate such risk, the consolidated companies regularly monitor the net exposures in major currencies (the dollar, euro, and yuan) based on projected sales and purchases over the next 12 months. Furthermore, the consolidated companies enter into foreign currency forward contracts to avoid such exposures.

For business and sales purposes, the consolidated companies have not designated such currency forward contracts for hedging. Therefore, the fair value changes of all forward contracts are recognized in profit or loss for the current period.

23-2 Assets in derivative financial instruments

Current period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes		
	For trading purposes		
	Types of derivative contracts		Types of derivative contracts: total
	Currency-related	Share-related	
	Types of derivatives		
	Forward contract	Option contracts	
		Written put options	

Current derivative financial assets	278,078	0	278,078
Non-current derivative assets	0	7,699,750	7,699,750

Previous period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes		
	For trading purposes		
	Types of derivative contracts		Types of derivative contracts: total
	Currency-related	Share-related	
	Types of derivatives		
	Forward contract	Option contracts	
		Written put options	
Current derivative financial assets	195	0	195
Non-current derivative assets	0	8,784,996	8,784,996

23-2 Derivative financial assets and liabilities

Current period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes		
	For trading purposes		
	Types of derivative contracts		Types of derivative contracts: total
	Currency-related	Share-related	
	Types of derivatives		
	Forward contract	Option contracts	
		Purchased call options	
Current derivative financial liabilities	416,992	1,014,742	1,431,734

Previous period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes		
	For trading purposes		
	Types of derivative contracts		

	Currency-related	Share-related	Types of derivative contracts: total
	Types of derivatives		
	Forward contract	Option contracts	
		Purchased call options	
Current derivative financial liabilities	5,191,791	429,063	5,620,854

23-3 Contract amounts and fair value of currency forward contracts

Current period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes	
	For trading purposes	
	Types of derivative contracts	
	Currency-related	
	Types of derivatives	
	Forward contract	
	Buy	Sell
Counterparties, derivative financial instruments	Hana Bank, etc.	Hana Bank, etc.
Contract amount, derivative financial instruments	19,420,278	66,851,464
Fair value, derivative financial instruments	(320,709)	181,795

Previous period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes	
	For trading purposes	
	Types of derivative contracts	
	Currency-related	
	Types of derivatives	
	Forward contract	
	Buy	Sell
Counterparties, derivative financial instruments		Hana Bank, etc.
Contract amount, derivative financial instruments		214,383,971

Fair value, derivative financial instruments		(5,191,596)

23-4 Fair value of option contracts

Current period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes			
	For trading purposes			
	Types of derivative contracts			
	Share-related			
	Types of derivatives			Types of derivatives: total
	Written put options		Purchased call options	
	Investments in shares of SK chemicals Daejeong Co., Ltd.	Investments in shares of HDC Polyall Co., Ltd.	Convertible preferred shares of Tiumbio Co., Ltd.	
Non-current derivative assets	0	7,699,750		7,699,750
Current derivative financial liabilities			1,014,742	1,014,742

Previous period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes			
	For trading purposes			
	Types of derivative contracts			
	Share-related			
	Types of derivatives			Types of derivatives: total
	Written put options		Purchased call options	
	Investments in shares of SK chemicals Daejeong Co., Ltd.	Investments in shares of HDC Polyall Co., Ltd.	Convertible preferred shares of Tiumbio Co., Ltd.	
Non-current derivative assets	1,085,246	7,699,750		8,784,996

Current derivative financial liabilities			429,063	429,063

(Note 1) Investments in shares of SK chemicals Daejeong Co., Ltd.: They are put options that allow the parent company to sell its shares to Daejeong Chemicals & Metals Co., Ltd. at the specified price.

(Note 2) Investments in shares of HDC Polyall Co., Ltd.: They are put options that allow the parent company to sell its shares to HDC Hyundai EP Co., Ltd. at the specified price.

(Note 3) Preferred shares of Tiumbio Co., Ltd.: The consolidated companies have an obligation to purchase convertible preferred shares at the specified price from a third party designated by Tiumbio Co., Ltd.

23-5 The consolidated companies are exposed to certain risks in connection with their ongoing business operations. The main risks managed using derivatives are the foreign exchange risk and the interest rate risk. The consolidated companies' risk management strategies and risk management methods are explained under Note 34.

24. Contingencies and Commitments (Consolidated)

24-1, 2 Description of significant litigation cases

(Unit: KRW 1,000)

Classification of legal contingency liabilities												
	Lawsuit (Defendant)											Lawsuit (Plaintiff)
	Indemnity claims 1	Indemnity claims 2	Indemnity claims 3	Indemnity claims 4	Indemnity claims 5	Claim for damages 1	Claims for the prohibition of patent infringements and for damages	Claim for damages 2	Claim for damages 3	Violation of Special Act on Remedy for Damage Caused by Humidifier Disinfectants	Violation of the Serious Accidents Punishment Act	Petition for cancellation of corrective order, etc.
Plaintiff, lawsuit case	Korea Environmental Industry and Technology Institute	Korea Environmental Industry and Technology Institute	National Health Insurance Service	Republic of Korea	Aekyung Industrial Co., Ltd.	Kang Chan Ho and 271 others	Novartis AG	Republic of Korea	Korea Disease Control and Prevention Agency (KDCA)			Parent company and 1 other
Defendant, lawsuit case	Parent company and 12 others	Parent company and 12 others	Parent company and 12 others	Parent company and 19 others	Parent company	Parent company and 18 others	Parent company	Parent company and 26 others	SK bioscience and 26 others			Fair Trade Commission
Lawsuit amount	1,530,687	294,414	10,782,868	4,910,025	34,303,420	11,201,379	17,853,079	36,402,015	20			161,667
Lawsuit progress/status	First trial in progress	First trial in progress	First trial in progress	First trial in progress	First trial in progress	First trial in progress	Third trial in progress	First trial in progress	First trial in progress	The parent company is under criminal trial for violating the Special Act on Remedy for Damage Caused by Humidifier Disinfectants, as it submitted an opinion contrary to the facts in response	The subsidiary, SK Multi-Utility, has been indicted by the Ulsan District Prosecutor's Office for violating the Serious Accident Punishment Act.	Second trial in progress

										to the Ministry of Environment's request for data submission.		

(Note 1) Indemnity claims 1, Indemnity claims 2, Indemnity claims 3, Indemnity claims 4: As of the end of the current period, part of the land owned by the parent company has been temporarily seized in connection with the litigation above.

(Note 2) Indemnity claims 1, Indemnity claims 2, Indemnity claims 3, Indemnity claims 4, Claim for damages 1: This is a civil lawsuit against the parent company related to damages caused by a humidifier disinfectant, etc., and a number of other civil lawsuits are in progress. (Note 3) Claim for damages 2, Claim for damages 3: This is a lawsuit with the consolidated company as the defendant, and the lawsuit amount may change during the course of the proceedings.

The outcome of ongoing litigation as of the end of the current period cannot be predicted at this time, and a provisioning liability has been recognized based on the best estimate considering the likelihood of winning or losing the case (refer to Note 22).

24-3 Project financing agreement

(Unit: KRW million)

	Types of commitment
	Loan agreement
	Project financing agreement
Description of agreements	The consolidated companies have entered into a project financing common terms agreement with KB Kookmin Bank for the Ulsan integrated facility project.
Total loan agreement amount	660,000
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	660,000

24-3 Creation of a pledge and transfer collateral agreement related to the project financing agreement

(Unit: KRW million)

	First priority insurance collateral right contract	First priority deposit collateral right contract	Debt assignment collateral contract	Movable property assignment collateral contract	Establishment of collateral over shares and capital	Agreement on the payment of shareholder loans in lieu of capital stock
					substitute shareholder loans	
Description of agreements	A first priority collateral right for the consolidated companies' claims for insurance benefits, etc., with the maximum amount of debt set to the equivalent of 120% of KRW 660 billion	A first priority collateral right for the consolidated companies' bank deposits, whether already deposited or to be deposited, with the collateral limit set to the equivalent of 120% of KRW 660 billion	The consolidated companies have transferred all claims related to the contracts listed below, which they have already acquired or will acquire in the future, to financial companies, within the scope of the secured debt. * Construction subcontracting contract * Other contracts that the consolidated companies will enter into with third parties related to this project, where the consolidated companies are scheduled to receive payments or acquire	A contract for the transfer of collateral for all kinds of facilities (including, but not limited to, existing facilities, all existing project-related facilities, and the constructed parts of buildings under construction on the project site), structures, equipment, machinery, apparatus, and other facilities that have been or	The parent company has established collateral rights on all shares and shareholder loans in lieu of capital that it currently holds or will hold in the future in SK Multi-Utility Co., Ltd., for the project financing agreement with a limit of 120% of the loan agreement amount (KRW 660 billion).	The parent company has, in accordance with the project financing arrangement, made an additional equity contribution of KRW 59.1 billion during the current period in the form of shareholder loans in lieu of capital contribution. The project facilities will be completed in full by the expected completion date at the investor's responsibility and cost, and the facilities will be

			property rights under certain conditions stipulated in the contract, and which the lenders require to be included in the transfer target contracts	will be constructed or installed on the project site		operated on a responsible basis within the limits of the pre-approved annual operating budget. In the event of a funding shortfall at SK Multi-Utility Co., Ltd., the parent company has committed to contribute the full amount of the shortfall to the borrower.
Financial assets pledged as collateral for liabilities or contingent liabilities		116,880				

24-4 Technology transfer agreement and joint development

	Types of commitment	
	joint development and commercialization of next-generation pneumococcal conjugate vaccines	Development of next-generation pneumococcal vaccine
	Counterparty to the transaction	
	Sanofi Pasteur Inc., USA	

Description of agreements	On March 19, 2014, a contract was signed with Sanofi Pasteur Inc. in the USA for the joint development and commercialization of a next-generation pneumococcal conjugate vaccine. The scale of the contract includes an initial technology fee and milestone payments at various stages of development.	An additional contract was signed with Sanofi on December 20, 2024, to further advance the development of a next-generation pneumococcal vaccine. The total contract value includes an advance payment and milestone payments at various stages.
Contract value (USD) [USD, one]	45,000,000	
Contract value (EUR) [EUR, one]		350,000,000
Revenue recognition method	Revenue is recognized when the rights to receive consideration are met according to each stage of progress. Currently, clinical phase 3 is ongoing.	

24-5 Contract Manufacturing Organization (CMO) and Contract Development & Manufacturing Organization (CDMO) contracts

	Types of commitment
	CDMO/CMO contract
	Counterparty to the transaction
	Takeda Pharmaceutical Company and others
Description of agreements	The consolidated companies have entered into various CMO and CDMO contracts with global multinational companies such as Takeda Pharmaceutical Company. The consolidated companies have determined that, for such CMO contracts, the integrated service comprising contract manufacturing of biopharmaceuticals of customer-specified quality and the accompanying essential services is a single performance obligation.
Revenue recognition method	Revenue is recognized at the point in time when control of the biopharmaceuticals is

	transferred to the customer.

24-6, 7 Disclosure of land purchase rights

	Types of commitment	
	Land purchase rights	
	Counterparty to the transaction	
	HDC Polyall Co., Ltd. and Toray Advanced Materials Korea Inc.	SK chemicals Daejeong Co., Ltd.
Description of agreements	The right is reserved to purchase the land if HDC Polyall Co., Ltd. or Toray Advanced Materials Korea Inc. relocates or closes the business sites acquired from the consolidated companies.	The right is reserved to purchase the land of SK chemicals Daejeong Co., Ltd. if the parent company exercises the put option on its shares of SK chemicals Daejeong Co., Ltd. or if SK chemicals Daejeong Co., Ltd. closes its business.

24-8 Agreement for the acquisition of shares in a subsidiary

	Types of commitment
	Agreement for the transfer of the obligation to pay registered capital
	Counterparty to the transaction
	Shuye-SK Chemicals(Shantou) Co., Ltd.,
Description of agreements	The parent company has entered into an agreement to transfer its obligation to pay the registered capital of its subsidiary Shuye-SK Chemicals(Shantou) Co., Ltd., to Shuye Environmental Technology Co., Ltd.
Method of performing the agreement	The obligation to pay the transferred registered capital will be fulfilled through 1/2 of the relevant patents and utility model rights held by Shuye Environmental Protection Technology Co., Ltd.

Ownership percentage after fulfilling the agreement	After the payment, Shuye Environmental Protection Technology Co., Ltd. will acquire up to 44.9% of the shares in Shuye-SK Chemicals(Shantou) Co., Ltd. However, the ownership percentage may change depending on the terms of the agreement.

24-9 Sales contract for land

	Types of commitment
	Land sales contract
	Counterparty to the transaction
	Incheon Free Economic Zone
Description of agreements	On December 27, 2021, a sales contract was signed for land located in Songdo-dong, Yeonsu-gu, Incheon, for the purpose of constructing a research facility.
Terms of contract cancellation and amendments	The facility construction plan and necessary procedures, such as obtaining usage permits, must be completed within a certain period from the date of the sales contract. If these obligations are not fulfilled, the sales contract may be canceled.

The consolidated companies entered into a construction contract with SK Ecoplant Co., Ltd. on February 17, 2023, for the Incheon Songdo Global R&PD Center.



24-10 Joint and several liability for debt repayment

	All related parties
	Parent company
	SK discovery Co., Ltd.
Regulatory basis for joint and several liability for repayment	Article 530-9, Paragraph 1 of the Commercial Act
Debts subject to joint and several liability for repayment	The parent company is jointly and severally liable for repaying the existing liabilities of the parent company and SK discovery Co., Ltd., the surviving company of the split-off which occurred on or before December 1, 2017, the date of split-off.

24-11 Fair Trade Commission's corrective actions

	Other contingent liabilities
Description of nature of obligation, contingent liabilities	The Fair Trade Commission determined that an internet article related to the humidifier disinfectant, published before the split-off of the parent company, violated the Act on Fair Labeling and Advertising. As a result, corrective measures were taken, a fine was imposed, and the case was referred to the prosecution. The parent company must carry out such corrective actions and comply with the order to pay fines issued by the Fair Trade Commission jointly with SK discovery Co., Ltd., the surviving company of split-off.

24-12 Other agreements

(Unit: KRW million)

	Types of commitment					
	Loan agreement					
	Agreements related to credit limits, etc.	Foreign currency borrowing agreement	Trade finance and other opening agreements	Agreements on derivative financial instruments guarantee deposit waiver and transaction limit	Acquisition financing agreement	Performance guarantee
	Counterparty to the transaction					
	Hana Bank, etc.	Hana Bank, etc.	Hana Bank, etc.	Hana Bank, etc.	Hana Bank, etc.	Seoul Guarantee Insurance
Total loan agreement amount	501,300			39,000		11,742
Total loan agreement amount [USD,			120.0	387.7		

million]						
Total loan agreement amount [CNY, million]		736.0				
Total loan agreement amount [EUR, million]		125.0	46.8		74.0	
Financial assets pledged as collateral		Equity instruments of IDT Biologika GmbH and Technik-Energie-Wasser Servicegesellschaft mbH acquired by the consolidated companies				

24-12-(Notes) Collateral provided under acquisition financing arrangements

	Assets
	Land and buildings
	Collateral provider
	Bank of China
Tangible assets pledged as collateral (CNY) [CNY, million]	287
Maximum claim amount under collateralized debt instrument [CNY, 1 million]	400

24-13 Investment commitments

(Unit: KRW 1,000)

	Types of commitment		
	Capital call method of investment commitment		
	Counterparty to the transaction		
	Korea Investment Bio Global Fund	Sante Health Ventures IV, LP	K-Bio Vaccine Fund
Commitment amount	5,000,000		5,000,000
Commitment amount (USD) [USD, one]		10,000,000	
Commitment balance	0		1,876,250
Commitment balance (USD) [USD, one]		2,407,174	

25. Related Parties (Consolidated)

25-1 As of the end of the current period, the details of the consolidated companies' related parties are as follows:

Classification	Name of related parties
Parent company	SK discovery Co., Ltd.
Associates and joint ventures	JSI Co., Ltd., Entis Co., Ltd., HDC Polyall Co., Ltd.,
Other	Subsidiaries and associates of SK discovery Co., Ltd., affiliates of SK corporate group, etc. (Note 1) Tiumbio Co., Ltd., Eastman Fiber Korea Ltd. (Note 2)

(Note 1) The Fair Trade Commission-designated large business group affiliates are considered related parties based on the substantive relationship as defined in Paragraph 10 of K-IFRS No. 1024.

(Note 2) Before the previous period, shares of TiumBio Co., Ltd. and Eastman Fiber Korea Ltd. were acquired, and since the parent company holds the right to appoint directors, it has significant influence. Therefore, the companies have been included as other related parties.

25-2 Details of key transactions with related parties

Current period

(Unit: KRW 1,000)

All related parties			All related parties
Related Parties			
Parent company	Associates	Other related parties	

	SK discovery Co., Ltd.	Entis Co., Ltd.	JSI Co., Ltd.	HDC Polyall Ltd.	SK Gas Co., Ltd.	SK Plasma Co., Ltd.	SK Advanced Co., Ltd.	Havis Co., Ltd.	SK Ecoplant Co., Ltd.	SK Ecoengineering Co., Ltd.	SK Networks Co., Ltd.	SK NETWORKS HONGKONG	SK Energy Co., Ltd.	SK Geo Centric Co., Ltd.	SK Co., Ltd.	SK Hynix Co., Ltd.	Happy Narae Co., Ltd.	SK Broadband Co., Ltd.	Glowide Co., Ltd.	SK Gas International Pte. Ltd.	Other	total
Revenue from the sale of goods, related party transactions	343,567	1,682,771	31,360	6,319,875	2,194,136	1,347,683	4,644,887	1,259,434	0	205,010	147,117	0	18,006,148	0	0	0	0	0	1,371,879	0	8,108,192	45,662,059
Other income and asset sales, related party transactions	525,604	1,289,348	98,580	0	50,602,169	2,284,170	0	0	0	142,261	0	0	0	0	94,000	0	0	19,706,301	0	0	92,837	74,835,270
Purchases of goods, related party transactions	0	0	0	0	5,242,831	0	5,372,890	17,306,688	0	0	0	21,598,138	0	2,219,671	0	0	1,283,904	0	12,097,429	118,431,309	225,410	183,778,270
Other expenses and capital expenditures, related party transactions	1,419,501	1,266	61,560	9,451	39,851,179	6,688	280,207	0	119,149,438	82,524,773	981,637	0	473,150	675	28,148,245	0	9,086,493	46,677	0	0	9,210,819	291,251,759

Previous period

(Unit: KRW 1,000)

All related parties																					
Related Parties																					
	Parent company	Associates			Other related parties																
	SK discovery Co., Ltd.	Entis Co., Ltd.	JSI Co., Ltd.	HDC Polyall Ltd.	SK Gas Co., Ltd.	SK Plasma Co., Ltd.	SK Advanced Co., Ltd.	Havis Co., Ltd.	SK Ecoplant Co., Ltd.	SK Ecoengineering Co., Ltd.	SK Networks Co., Ltd.	SK NETWORKS HONGKONG	SK Energy Co., Ltd.	SK Geo Centric Co., Ltd.	SK Co., Ltd.	SK Hynix Co., Ltd.	Happy Narae Co., Ltd.	SK Broadband Co., Ltd.	Glowide Co., Ltd.	SK Gas International Pte. Ltd.	Other
																					total
Revenue from the sale of goods, related party transactions	251,051	1,976,246	158,760	8,857,217	1,069,242	2,103,721	5,030,855	398,400	0	238,933	4,418,590	0	18,850,136	0	0	0	0	0	0	4,995,995	48,349,146
Other income and asset sales, related party transactions	443,471	5,194,172	129,588	0	28,396	953,359	39,791	0	0	417,868	0	0	25,507,048	0	0	0	0	0	0	51,179,810	83,893,503

Purchases of goods, related party transactions	0	0	82,596	0	39,033,936	0	7,158,466	7,090,141	0	0	13,130,285	22,436,024	0	2,948,095	0	0	1,223,173				799,280	93,901,996
Other expenses and capital expenditures, related party transactions	1,421,232	2,704	77,127	0	6,193,338	3,009	262,434	0	96,069,734	134,084,147	141,195	0	534,352	0	21,335,902	27,800	8,825,635				81,391,676	350,370,285

(Note 1) Previous period - Other income and asset sales, related party transactions/Other expenses and capital expenditures, related party transactions: Other income and other expenses include the exchange transactions of inventory assets under the LNG volume exchange contract.

25-2-(Note) Details of key transactions with related parties: acquisition and disposal of tangible assets

Current period

(Unit: KRW 1,000)

	All related parties	
	Other related parties	
	SK Ecoengineering Co., Ltd., etc.	SK Broadband Co., Ltd., etc.
Purchase of real estate and other assets, related party transactions	226,114,283	
Sale of real estate and other assets, related party transactions		70,306,301

Previous period

(Unit: KRW 1,000)

	All related parties	
	Other related parties	
	SK Ecoengineering Co., Ltd., etc.	SK Broadband Co., Ltd., etc.
Purchase of real estate and other assets, related party transactions	244,050,740	
Sale of real estate and other assets, related party		

transactions		

25-3 Details of key receivables and liabilities concerning the related parties

Current period

(Unit: KRW 1,000)

	All related parties																				All related parties : total
	Related Parties																				
	Parent company		Associates			Other related parties															
	SK discovery Co., Ltd.	Entis Co., Ltd.	JSI Co., Ltd.	HDC Polyall Co., Ltd.	SK Gas Co., Ltd.	SK Plasma Co., Ltd.	SK Advanced Co., Ltd.	Huvis Co., Ltd.	SK Ecoplant Co., Ltd.	SK Ecoengineerin g Co., Ltd.	SK Networks Co., Ltd.	SK NETWORKS HONGKONG	SK Energy Co., Ltd.	SK Geo Centric Co., Ltd.	SK Co., Ltd.	Happy Narae Co., Ltd.	Urban GPS Co., Ltd.	SK Gas International Pte. Ltd.	Other		
Trade receivables, related party transactions	90,894	91,818	0	970,915	210,746	142,676	379,900	291,244	0	0	0	0	4,219,872	0	0	0	0	0	808,106	7,206,171	
Other receivables, related party transactions	91,478	66,853	1,940,000	0	825,883	341,615	0	0	164,426	0	0	830,888	3,330,106	0	0	0	1,423,581	0	8,145	9,022,975	
Trade payables, related party transactions	0	0	0	0	330,587	0	900,563	417,602	0	0	0	2,092,918	0	151,042	0	193,182	0	47,227,848	1,374,996	52,688,738	
Other payables, related party transactions	229,106	303	0	9,451	1,418,798	2,871	2,391,266	0	12,406,327	12,022,964	20,000	0	0	0	2,442,835	771,275	1,178,889	0	976,049	33,870,134	
Allowance for doubtful accounts on the receivable balance from related party transactions			(1,940,000)																		

Previous period

(Unit: KRW 1,000)

	All related parties																				All related parties : total
	Related Parties																				
	Parent company	Associates			Other related parties																
	SK discovery Co., Ltd.	Entis Co., Ltd.	JSI Co, Ltd.	HDC Polyall Co., Ltd.	SK Gas Co., Ltd.	SK Plasma Co., Ltd.	SK Advanced Co., Ltd.	Huvis Co., Ltd.	SK Ecoplant Co., Ltd.	SK Ecoengineering Co., Ltd.	SK Networks Co., Ltd.	SK NETWORKS HONGKONG	SK Energy Co., Ltd.	SK Geo Centric Co., Ltd.	SK Co., Ltd.	Happy Narae Co., Ltd.	Urban GPS Co., Ltd.	SK Gas International Pte. Ltd.	Other		
Trade receivables, related party transactions	35,000	184,898	0	870,465	34,037	117,223	526,877	97,152	0	19,412	72,606	0	2,478,218	0	0	0			947,371	5,383,259	
Other receivables, related party transactions	30,195	871,675	2,440,000	0	831,911	171,969	0	0	164,426	21,142	0	428,029	6,666,947	0	0	0			0	11,626,294	
Trade payables, related party transactions	0	0	12,778	0	619,724	0	438,187	0	0	0	1,556,203	3,098,484	0	197,851	0	54,293			0	5,977,520	
Other payables, related party transactions	225,999	0	8,762	0	1,543,115	305,269	2,733,875	0	5,077,681	5,668,266	0	0	256,450	0	3,323,735	913,289			1,504,354	21,560,795	

Allowance for doubtful accounts on the receivable balance from related party transactions																				
			(2,440,000)																	

25-4 Capital expenditure agreement amount with related parties

Previous period

(Unit: KRW 1,000)

	All related parties	
	Related Parties	
	Other related parties	
	SK Ecoengineering Co., Ltd.	SK Ecoplant Co., Ltd.
Outstanding agreement balance entered into by the Company, related party transactions	51,000,000	121,372,094

(Note 1) Outstanding agreement balance entered into by the Company, related party transactions
It is an agreed amount in accordance with the tangible asset construction contract.

25-5-1 Transactions with related parties and dividend details: loans to related parties

Current period

(Unit: KRW 1,000)

	All related parties
	Related Parties
	Associates
	JSI Co., Ltd.
Loan transactions, beginning balance	2,440,000
Loan transactions, recoveries	(500,000)
Loan transactions, ending balance	1,940,000
Allowance for doubtful accounts on the receivable balance from related party transactions	(1,940,000)

Previous period

(Unit: KRW 1,000)

	All related parties
	Related Parties
	Associates
	JSI Co., Ltd.
Loan transactions, beginning balance	3,040,000
Loan transactions, recoveries	(600,000)
Loan transactions, ending balance	2,440,000
Allowance for doubtful accounts on the receivable balance from related party transactions	(2,440,000)

25-5-2 Transactions with related parties and dividend details: receipt of dividends

Current period (Unit: KRW 1,000)

	All related parties
	Related Parties
	Other related parties
	Eastman Fiber Korea Ltd.
Dividends received, related party transactions	1,190,000

Previous period (Unit: KRW 1,000)

	All related parties
	Related Parties
	Other related parties
	Eastman Fiber Korea Ltd.
Dividends received, related party transactions	1,190,000

25-5 Transactions with related parties and dividend details: payment of dividends

Current period (Unit: KRW 1,000)

	All related parties
	Related Parties
	Parent company
	SK discovery Co., Ltd.

Dividends recognized as distributions to owners, related party transactions	8,115,434

Previous period

(Unit: KRW 1,000)

	All related parties
	Related Parties
	Parent company
	SK discovery Co., Ltd.
Dividends recognized as distributions to owners, related party transactions	4,586,985

25-6, 7 Agreements entered into with related parties

	All related parties

	Related Parties
	Other related parties
	SK Multi-Utility Co., Ltd.
Description of the details of collateral provided or received for receivables and payables arising from transactions with related parties	The parent company has entered into an agreement to guarantee the unpaid fuel costs and related liabilities arising from the LNG supply contract between its subsidiaries, SK Multi-Utility Co., Ltd. and SK Gas International, PTE., Ltd.
Agreements entered into by the Company, related party transactions	The parent company has entered into agreements for shareholder loans in lieu of capital stock and collateral provision for the subsidiary, SK Multi-Utility Co., Ltd.'s Project Financing agreement.

25-8 Details of compensation for key management personnel

Current period

(Unit: KRW 1,000)

	Disclosure amount
Compensation for key management personnel, short-term employee benefits	4,683,033
Compensation for key management personnel, retirement benefits	1,133,563
Compensation for key management personnel, share-based payment	670,094
Compensation for key management personnel	6,486,690

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Compensation for key management personnel, short-term employee benefits	4,926,354
Compensation for key management personnel, retirement benefits	1,281,204
Compensation for key management personnel, share-based payment	0
Compensation for key management personnel	6,207,558

The key senior management of the consolidated companies consists of the directors who are registered executives and the members of the Audit Committee.

26. Equity – Capital Stock and Consolidated Capital Surplus (Consolidated)

26-1 Details of capital stock

Current period

(Unit: KRW 1,000)

	Common shares	Preferred stocks
Authorized number of shares (unit: shares)	40,000,000	10,000,000
Par value per share (unit: KRW/share)	5,000	5,000
Total number of issued shares (unit: shares)	17,298,766	2,115,429
Capital	88,441,275	10,577,145

Previous period

(Unit: KRW 1,000)

	Common shares	Preferred stocks
Authorized number of shares (unit: shares)	40,000,000	10,000,000
Par value per share (unit: KRW/share)	5,000	5,000
Total number of issued shares (unit: shares)	17,253,783	2,115,429
Capital	88,216,360	10,577,145

(Note 1) Capital stock: As a result of the cancellation of 389,489 treasury shares during the previous period, the capital stock and the total par value of the issued shares of the parent company as of the end of the current period do not match.

26-2 Details of consolidated capital surplus

Current period

(Unit: KRW 1,000)

		Disclosure amount
Capital surplus		1,242,285,236
Capital surplus	Paid-in capital in excess of par value	240,245,043

	Other capital surplus	1,002,040,193

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Capital surplus		1,240,117,261
Capital surplus	Paid-in capital in excess of par value	237,858,538
	Other capital surplus	1,002,258,723

26. Equity – Other Components of Consolidated Equity (Consolidated)

26-3-1 Details of other components of consolidated equity

Current period

(Unit: KRW 1,000)

		Disclosure amount
Components of other equity		(17,539,602)
Components of other equity	Treasury shares	(4,486,537)
	Stock options	670,094
	Other capital adjustments	(12,624,060)
	Loss on disposal of treasury shares	(1,099,099)

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Components of other equity		(21,644,726)
Components of other equity	Treasury shares	(8,921,443)
	Stock options	1,532,450
	Other capital adjustments	(14,255,733)
	Loss on disposal of treasury shares	0

(Note 1) Treasury shares: The parent company acquired the shares of the parent company at the market price following the acquisition of fractional shares and the exercise of appraisal rights by the shareholders. During the current period, a portion of treasury shares was disposed of.

26-3-1-(Note) Disclosure of treasury shares

	Common shares	Preferred stocks
The number of shares owned by the Company, its subsidiaries, or associates out of the total issued shares (unit: shares)	29,909	4,366

26. Equity – Share Options (Consolidated)

26-3-2 Details of share options

(Unit: KRW)

	Share-based payment agreements		
	Stock options		
	Scope		Total scope
	Sub-scope	Upper scope	
Grant date of share-based payment agreements			2025-03-26
Number of shares to be issued under share options and share sale agreements (unit: shares)			140,000
Exercise period, stock options granted	2028-03-27	2032-03-26	
Exercise price, stock options granted (unit: KRW, shares)			42,570

Weighted average fair value as of the measurement date, stock options granted (unit: KRW, shares)			11,487
Weighted average remaining contractual life of outstanding stock options			6 years and 3 months
Number of stock options granted under share-based payment agreements (unit: shares)			140,000

26-3-3 Disclosure of fair value measurement of share options

(Unit: KRW)

	Stock options

Grant date of share-based payment agreements	2025-03-26
Information on fair value measurement methods, stock options granted	Binomial option pricing model
Weighted average stock price, stock options granted (Unit: KRW, shares)	41,550
Exercise price, stock options granted (Unit:KRW, shares)	42,570
Expected stock price volatility, stock options granted	0.2879
Risk-free interest rate, stock options granted	0.0284

26-3-4 Changes in the details of stock options

(Unit: KRW 1,000)

	Stock option 1	Stock option 2	Stock option 3	Stock option 4	Stock option 5	Stock option 6	Share-based payment agreements total
Share-based payment agreements grant date	2018-03-06	2018-03-26	2018-03-26	2019-03-25	2019-03-25	2025-03-26	
Number of outstanding stock options under the beginning share-based payment agreements (Unit: stocks)	29,988	22,491	22,492	22,491	22,492	0	119,954
Number of stock options expired under share-based payment agreements (Unit: stocks)	(29,988)	(22,491)	(22,492)				(74,971)

Number of stock options exercised under share-based payment agreements (Unit: stocks)				(22,491)	(22,492)		(44,983)
Number of stock options granted under share-based payment agreements (Unit: stocks)						140,000	140,000
Number of stock options outstanding at the end of the period under share-based payment agreements (Unit: stocks)	0	0	0	0	0	140,000	140,000
Beginning stock options	475,721	364,940	308,530	206,567	176,691	0	1,532,449
Number of stock options changed under the share-based payment agreement	(475,721)	(364,940)	(308,530)	(206,567)	(176,691)	670,094	(862,355)
Ending stock options	0	0	0	0	0	670,094	670,094

(Note 1) Stock option 1, stock option 2, stock option 3, stock option 4, stock option 5: Following the capital increase without consideration prior to the previous period, the number of shares to be issued has been adjusted.

26. Equity – Accumulated Other Comprehensive Income (Consolidated)

26-4 Accumulated other comprehensive income on a consolidated basis

Current period

(Unit: KRW 1,000)

	Equity				Total equity
	Accumulated other comprehensive income				
	Cash flow hedge reserve	Impairment reserve for gains and losses on investments in equity instruments	Capital change in equity method	Translation-related foreign exchange reserve	
Accumulated other comprehensive income	0	3,402,814	346,559	47,646,045	51,395,418

Previous period

(Unit: KRW 1,000)

	Equity				Total equity
	Accumulated other comprehensive income				
	Cash flow hedge reserve	Impairment reserve for gains and losses on investments in equity instruments	Capital change in equity method	Translation-related foreign exchange reserve	
Accumulated other comprehensive income	228,244	4,337,202	346,559	17,485,321	22,397,326

26. Equity – Retained Earnings (Consolidated)

26-5 Details of consolidated retained earnings

Current period

(Unit: KRW 1,000)

	Disclosure amount
Retained earnings (losses)	884,169,193
Earned surplus reserve;	16,769,852

Retained earnings (losses)	Unappropriated retained earnings (unsettled deficit)	867,399,341

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Retained earnings (losses)		861,029,873
Retained earnings (losses)	Earned surplus reserve;	14,258,666
	Unappropriated retained earnings (unsettled deficit)	846,771,207

(Note 1) Legal reserve: In accordance with the provisions of the Commercial Act, the parent company is required to accumulate over 10% of the dividends in cash as an earnings surplus reserve for each settlement period until it reaches 50% of the capital, and this reserve can only be used to compensate for losses and for capitalization.

26. Equity – Dividends (Consolidated)

26-6 Details of cash dividends

Current period

(Unit: KRW 1,000)

	Common shares	Preferred stocks

Number of shares to receive dividends (unit: shares)	17,268,857	2,111,063
Dividend per common share (unit: KRW/shares)	750	
Dividend per preferred stock (unit: KRW/shares)		800
Dividend rate per common share	0.15	
Dividend rate per preferred stock		0.16
Dividends proposed or declared before the financial statement approval date, but not recognized as distributions to owners within the period	12,951,643	1,688,850

Previous period

(Unit: KRW 1,000)

	Common shares	Preferred stocks
Number of shares to receive dividends (unit: shares)	17,222,926	1,967,296
Dividend per common share (unit: KRW/shares)	750	
Dividend per preferred stock (unit: KRW/shares)		800
Dividend rate per common share	0.15	
Dividend rate per preferred stock		0.16
Dividends proposed or declared before the financial statement approval date, but not recognized as distributions to owners within the period	12,917,195	1,573,836

The parent company resolved dividends for the reporting period ended December 31, 2024, and paid them in April 2025, and interim dividends approved by the board of directors meeting held on July 23, 2025 were paid in August 2025.

26-6-(Note) Dividends

(Unit: KRW 1,000)

		Annual dividend	Interim dividend
Dividends recognized as distributions to owners		14,491,031	7,733,975
Dividends recognized as distributions to owners	Dividend paid per common share (unit: KRW, shares)		400
	Dividend per preferred stock (unit: KRW, shares)		400

27. Operating Segments (Consolidated)

The consolidated companies have 2 reporting divisions, which are strategic operating units. The strategic business units provide different products and services, and operate separately since the technologies and marketing strategies required for each business unit are different. The chief operating decision maker reviews the internal reporting data for each strategic business unit at least on a monthly basis.

27-1,2 Disclosure of reporting segments

Current period

(Unit: KRW 1,000)

	Total for the entire company				Total sum of company-wide totals
	Sales Division			Significant adjustments	
				Amount eliminated between segments	
	Divisions			Segments total	
	Reporting segments		Other segments		
	Green Chemicals Biz.	Life Science Biz.			
Description of the types of products and services through which each reporting segment generates revenue	PET resin, DMT, highly functional PETG resin, polyester adhesive, utilities, etc.	Pharmaceuticals, medical devices, etc.			

Revenue (Sales)	1,551,420,598	1,139,815,225	12,360,008	(338,431,389)	2,365,164,442
Operating profit (loss)	92,375,687	(99,471,541)	(4,923,149)	11,811,639	(207,364)
Depreciation and amortization expenses	86,434,148	98,340,343	7,380,510	(3,634,399)	188,520,602
Assets	2,585,990,585	3,411,128,794	649,597,859	(559,092,857)	6,087,624,381
Non-current assets excluding the acquisition amount of financial instruments, deferred income tax assets, retirement benefit assets, and rights arising from insurance contracts:	1,493,926,365	1,435,726,425	104,359,977	(3,310,465)	3,030,702,302

Previous period

(Unit: KRW 1,000)

	Total for the entire company				Total sum of company-wide totals
	Sales Division			Significant adjustments	
				Amount eliminated between segments	
	Divisions			Segments total	
	Reporting segments		Other segments		
	Green Chemicals Biz.	Life Science Biz.			
Description of the types of products and services through which each reporting	PET resin, DMT, highly functional PETG resin, polyester adhesive, utilities, etc.	Pharmaceuticals, medical devices, etc.			

segment generates revenue					
Revenue (Sales)	1,473,610,421	624,775,140	12,625,482	(374,232,141)	1,736,778,902
Operating profit (loss)	87,094,981	(119,278,528)	5,773,421	(18,765,442)	(45,175,568)
Depreciation and amortization expenses	73,864,274	56,355,883	7,963,735	(2,635,042)	135,548,850
Assets	2,138,614,528	3,097,998,596	730,282,478	(599,846,975)	5,367,048,627
Non-current assets excluding the acquisition amount of financial instruments, deferred income tax assets, retirement benefit assets, and rights arising from insurance contracts:	1,377,224,617	1,210,223,146	112,537,832	(8,546,448)	2,691,439,147

(Note 1) Depreciation and amortization expenses: It is the sum of the depreciation for tangible assets, depreciation for investment real estate properties, depreciation for right-of-use assets, and the amortization cost for intangible assets.

(Note 2) Non-current assets excluding the acquisition amount of financial instruments, deferred income tax assets, retirement benefit assets, and rights arising from insurance contracts: Included are the tangible assets, intangible assets, right-of-use assets, and the investment real estate properties.

Most of the liabilities are not managed by reporting segment, so liabilities by reporting segment are not disclosed.

28. Revenue from Contracts with Customers (Consolidated)

28 Revenue arising from contracts with customers by type of goods or services

Current period

(Unit: KRW 1,000)

	Total for the entire company				Total sum of company-wide totals
	Sales Division			Significant adjustments	
				Amount eliminated between segments	
	Divisions			Segments total	
	Reporting segments		Other segments		
	Green Chemicals Biz	Life Science Biz			
Product revenue	1,485,059,368	342,591,582	0	(312,228,702)	1,515,422,248
Merchandise revenue	32,134,952	322,570,742	0	(8,497,488)	346,208,206
Service revenue	29,997,981	454,634,940	6,519,221	(14,503,103)	476,649,039
Other income (revenue)	4,228,297	20,017,961	5,840,787	(3,202,096)	26,884,949
Revenue from contracts with customers	1,551,420,598	1,139,815,225	12,360,008	(338,431,389)	2,365,164,442

Previous period

(Unit: KRW 1,000)

	Total for the entire company				Total sum of company-wide totals
	Sales Division			Significant adjustments	
				Amount eliminated between segments	
	Divisions			Segments total	
	Reporting segments		Other segments		
	Green Chemicals Biz	Life Science Biz			
Product revenue	1,385,990,291	302,286,063	0	(327,051,239)	1,361,225,115
Merchandise revenue	30,153,643	199,125,442	0	(18,928,195)	210,350,890
Service revenue	51,851,612	112,852,892	6,929,511	(25,242,174)	146,391,841
Other income (revenue)	5,614,875	10,510,743	5,695,971	(3,010,533)	18,811,056

Revenue from contracts with customers	1,473,610,421	624,775,140	12,625,482	(374,232,141)	1,736,778,902

28 Revenue arising from contracts with customers by geographic markets

Current period
1,000

(Unit: KRW)

	Total for the entire company																														
	Sales Division																														
	Divisions																														
	Reporting segments															Other segments															
	Green Chemicals Biz							Life Science Biz																							
	Region							Region																Region							
		Foreign country						Total by region		Foreign country														Total by region		Foreign country					
	Country of headquarter's location	China	Japan	Asia (Excluding China and Japan)	Americas	Europe	Other countries		Country of headquarter's location	China	Japan	Asia (Excluding China and Japan)	Americas	Europe	Other countries	Country of headquarter's location	China	Japan	Asia (Excluding China and Japan)	Americas	Europe	Other countries									
Revenue from	503,412,86	335,463,77	119,679,18		165,778,53	293,275,22		1,551,420	590,226,83																						
	2	4	3	96,806,692	3	6	37,004,328	598	6	6,742,454	27,383	12,314,198		102,017,27	425,240,77	3,246,308	1,139,815	12,295,612	64,396	0	0	0	0								
contracts with customers													1	5		225							12,360,008								

Previous period
1,000

(Unit: KRW)

	Total for the entire company																													
	Sales Division																													
	Divisions																													
	Reporting segments																Other segments													
	Green Chemicals Biz							Life Science Biz																						
	Region							Region																Region						
		Foreign country					Total by region		Foreign country					Total by region		Foreign country								Total by region						
	Country of headquarter's location	China	Japan	Asia (Excluding China and Japan)	Americas	Europe		Other countries	Country of headquarter's location	China	Japan	Asia (Excluding China and Japan)	Americas		Europe	Other countries	Country of headquarter's location	China	Japan	Asia (Excluding China and Japan)	Americas	Europe	Other countries							
Revenue from	400,715,52	284,442,86	122,210,49	131,760,51	205,304,11	299,293,38		1,473,610	452,624,56								624,775,14													
	1	2	2	8	4	4	421	6	7,764,984	0	3,929,340	27,528,707	131,627,32	1,300,215	0	11,765,882	859,600	0	0	0	0	0								
contracts with customers													8									12,625,482								

28 Revenue arising from contracts with customers by geographic markets (consolidation adjustments)

Current period

(Unit: KRW 1,000)

	Total for the entire company	
	Significant adjustments	
	Amount eliminated between segments	
	Region	

	Country of headquarters location	Foreign country						Total by region
		China	Japan	Asia (excluding China and Japan)	Americas	Europe	Other countries	
Revenue from contracts with customers	(146,991,708)	(27,894,724)	0	0	(64,423,534)	(99,121,423)	0	(338,431,389)

Previous period

(Unit: KRW 1,000)

	Total for the entire company							
	Significant adjustments							
	Amount eliminated between segments							
	Region							Total by region

	Country of headquarters location	Foreign country						
		China	Japan	Asia (excluding China and Japan)	Americas	Europe	Other countries	
Revenue from contracts with customers	(141,373,853)	(29,539,721)	0	0	(97,236,009)	(106,184,457)	101,899	(374,232,141)

28 Revenue arising from contracts with customers by geographic markets (totals)

Current period

(Unit: KRW 1,000)

	Region							Total by region
	Country of headquarters location	Foreign country						
		China	Japan	Asia (excluding China and Japan)	Americas	Europe	Other countries	
Revenue from contracts with customers	958,943,602	314,375,900	119,706,566	109,120,890	203,372,270	619,394,578	40,250,636	2,365,164,442

Previous period

(Unit: KRW 1,000)

	Region							Total by region
	Country of headquarters location	Foreign country						
		China	Japan	Asia (excluding China and Japan)	Americas	Europe	Other countries	
Revenue from contracts with customers	723,732,116	263,527,725	122,210,492	135,689,858	135,596,812	324,736,255	31,285,644	1,736,778,902

28 Revenue from contracts with customers by timing of revenue recognition (operating segments)

Current period
1,000)

(Unit: KRW

	Total for the entire company								
	Sales Division								
	Divisions								
	Reporting segments						Other segments		
	Green Chemicals Biz			Life Science Biz					
	Timing of transfer of goods or services		Total timing of transfer of goods or services	Timing of transfer of goods or services		Total timing of transfer of goods or services	Timing of transfer of goods or services		Total timing of transfer of goods or services
	Goods or services transferred at a point in time	Goods or services transferred over time		Goods or services transferred at a point in time	Goods or services transferred over time		Goods or services transferred at a point in time	Goods or services transferred over time	

Revenue from contracts with customers	1,521,422,617	29,997,981	1,551,420,598	656,928,786	482,886,439	1,139,815,225	0	12,360,008	12,360,008

Previous period

(Unit: KRW 1,000)

	Total for the entire company								
	Sales Division								
	Divisions								
	Reporting segments						Other segments		
	Green Chemicals Biz			Life Science Biz					
	Timing of transfer of goods or services		Total timing of transfer of goods or services	Timing of transfer of goods or services		Total timing of transfer of goods or services	Timing of transfer of goods or services		Total timing of transfer of goods or services
	Goods or services transferred at a point in time	Goods or services transferred over time		Goods or services transferred at a point in time	Goods or services transferred over time		Goods or services transferred at a point in time	Goods or services transferred over time	
Revenue from contracts with customers	1,422,680,876	50,929,545	1,473,610,421	508,993,685	115,781,455	624,775,140	5,695,971	6,929,511	12,625,482

28 Revenue from contracts with customers by timing of revenue recognition (consolidation adjustments)

Current period

(Unit: KRW 1,000)

	Total for the entire company		
	Significant adjustments		
	Amount eliminated between segments		
	Timing of transfer of goods or services		Total timing of transfer of goods or services
	Goods or services transferred at a point in time	Goods or services transferred over time	
Revenue from the contracts with customers	(320,726,190)	(17,705,199)	(338,431,389)

Previous period

(Unit: KRW 1,000)

	Total for the entire company	
	Significant adjustments	
	Amount eliminated between segments	
	Timing of transfer of goods or services	

	Goods or services transferred at a point in time	Goods or services transferred over time	transfer of goods or services
Revenue from the contracts with customers	(355,607,099)	(18,625,042)	(374,232,141)

28 Revenue from contracts with customers by timing of revenue recognition (totals)

Current period

(Unit: KRW 1,000)

	Goods or services transferred at a point in time	Goods or services transferred over time	Total timing of transfer of goods or services
Revenue from the contracts with customers	1,857,625,213	507,539,229	2,365,164,442

Previous period

(Unit: KRW 1,000)

	Goods or services transferred at a point in time	Goods or services transferred over time	Total timing of transfer of goods or services
Revenue from the contracts with customers	1,581,763,433	155,015,469	1,736,778,902

There are no customers accounting for more than 10% of sales during the current period.

29. Operating Expenses – Expenses by Nature (Consolidated)

29-1 Details of classification of expenses by nature

Current period

(Unit: KRW 1,000)

	Disclosure amount
Decrease (increase) in finished goods and work in progress	(45,296,318)
Usage of raw materials and consumables	680,247,204
Cost of merchandise sold	277,991,213
Depreciation and amortization expenses	188,520,602
Labor costs	492,438,228
Logistics cost	75,551,112

Fees and expenses	96,840,575
Selling and marketing expenses	28,768,950
Other expenses	570,310,239
Total expenses by nature	2,365,371,805

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Decrease (increase) in finished goods and work in progress	(22,456,147)
Usage of raw materials and consumables	762,137,402
Cost of merchandise sold	134,469,646
Depreciation and amortization expenses	135,548,850
Labor costs	346,287,391
Logistics cost	60,050,399
Fees and expenses	116,443,820
Selling and marketing expenses	21,568,643
Other expenses	227,904,466
Total expenses by nature	1,781,954,470

(Note 1) Depreciation and amortization expenses: It is the sum of the depreciation for tangible assets, depreciation for investment real estate properties, depreciation for right-of-use assets, and the amortization cost for intangible assets.

29. Operating Expenses – Selling and Administrative Expenses (Consolidated)

29-2 Details of selling and administrative expenses

Current period

(Unit: KRW 1,000)

		Disclosure amount
Selling and administrative expenses		499,319,017
Selling and administrative expenses	Salaries, selling and administrative expenses	129,427,190
	Retirement benefits and selling, general, and administrative expenses	16,912,134
	Welfare expenses, selling and administrative expenses	29,228,458
	Travel and transportation	11,082,635

	expenses, selling and administrative expenses	
	Communication expenses, selling and administrative expenses	1,381,816
	Utilities expenses, selling and administrative expenses	1,101,100
	Taxes and dues, selling and administrative expenses	2,792,538
	Rental expenses, selling and administrative expenses	1,393,064
	Share based compensation expenses (reversal), selling and administrative expenses	670,094
	Depreciation expenses, selling and administrative expenses	8,676,347
	Repair expenses, selling and administrative expenses	837,420
	Insurance premiums, selling and administrative expenses	5,815,324
	Entertainment expenses, selling and administrative expenses	2,265,984
	Transportation expenses, selling and administrative expenses	34,506,097
	Supplies expenses, selling and administrative expenses	1,007,933
	Vehicle maintenance expenses, selling and administrative expenses	1,596,215
	Training expenses, selling and administrative expenses	6,576,164
	Printing and publication expenses, selling and administrative expenses	164,657
	Commissions, selling and administrative expenses	66,411,543
	Research expenses, selling and	118,953,169

	administrative expenses	
	Advertising and promotion expenses, selling and administrative expenses	26,088,489
	Sales commission expenses, selling and administrative expenses	8,106,286
	Sales promotion expenses, selling and administrative expenses	1,986,846
	Sample expenses, selling and administrative expenses	705,583
	Packaging expenses, selling and administrative expenses	4,861,526
	Bad debt expense (reversal of allowance for doubtful accounts), selling and administrative expenses	(400,292)
	Meeting expenses, selling and administrative expenses	833,552
	Amortization of intangible assets, selling and administrative expenses	15,772,710
	Other selling and administrative expenses	564,435

Previous period

(Unit: KRW 1,000)

		Disclosure amount
	Selling and administrative expenses	441,160,553
	Salaries, selling and administrative expenses	114,044,902
	Retirement benefits and selling, general, and administrative expenses	11,027,661
	Welfare expenses, selling and administrative expenses	21,390,569
Selling and administrative	Travel and transportation expenses, selling and	10,285,160

expenses	administrative expenses	
	Communication expenses, selling and administrative expenses	970,331
	Utilities expenses, selling and administrative expenses	973,074
	Taxes and dues, selling and administrative expenses	2,581,726
	Rental expenses, selling and administrative expenses	1,895,077
	Share based compensation expenses (reversal), selling and administrative expenses	0
	Depreciation expenses, selling and administrative expenses	7,759,652
	Repair expenses, selling and administrative expenses	763,142
	Insurance premiums, selling and administrative expenses	3,862,308
	Entertainment expenses, selling and administrative expenses	2,037,283
	Transportation expenses, selling and administrative expenses	29,581,698
	Supplies expenses, selling and administrative expenses	1,539,849
	Vehicle maintenance expenses, selling and administrative expenses	1,301,131
	Training expenses, selling and administrative expenses	6,146,345
	Printing and publication expenses, selling and administrative expenses	143,146
	Commissions, selling and administrative expenses	62,677,158
	Research expenses, selling and administrative expenses	117,124,805

Advertising and promotion expenses, selling and administrative expenses	19,320,846
Sales commission expenses, selling and administrative expenses	8,640,273
Sales promotion expenses, selling and administrative expenses	1,366,847
Sample expenses, selling and administrative expenses	833,630
Packaging expenses, selling and administrative expenses	4,681,500
Bad debt expense (reversal of allowance for doubtful accounts), selling and administrative expenses	(779,339)
Meeting expenses, selling and administrative expenses	867,541
Amortization of intangible assets, selling and administrative expenses	8,739,804
Other selling and administrative expenses	1,384,434

30. Non-operating Income and Expenses – Other Income and Other Expenses (Consolidated)

30-1 Details of other income and other expenses

Current period

(Unit: KRW 1,000)

		Disclosure amount
Other revenue		61,330,154
Other revenue	Gain on disposal of tangible assets	50,690,168
	Gain on disposal of right-of-use assets	97,533
	Gain on disposal of intangible assets	338,960

	Reversal of allowance for other bad debts	487,404
	Gains on disposal of assets held for sale	0
	Bargain purchase gain recognized in a bargain purchase transaction	0
	Miscellaneous gains	9,716,089
Other losses		19,130,122
Other losses	Losses on disposal of tangible assets	6,840,516
	Losses on disposal of right-of-use assets	225,087
	Losses on disposal of intangible assets	409,516
	Impairment losses on tangible assets	0
	Loss on disposal of trade receivables	745,166
	Contributions	4,801,651
	Associates and joint ventures investments	0
	Other bad debt expenses	232,344
	Miscellaneous loss	5,875,842

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Other revenue		42,810,608
Other revenue	Gain on disposal of tangible assets	14,937,574
	Gain on disposal of right-of-use assets	12,475
	Gain on disposal of intangible assets	0
	Reversal of allowance for other bad debts	405,814

	Gains on disposal of assets held for sale	5,313,431
	Bargain purchase gain recognized in a bargain purchase transaction	15,410,998
	Miscellaneous gains	6,730,316
Other losses		30,308,599
Other losses	Losses on disposal of tangible assets	2,373,896
	Losses on disposal of right-of-use assets	0
	Losses on disposal of intangible assets	41,085
	Impairment losses on tangible assets	3,873,692
	Loss on disposal of trade receivables	485,111
	Contributions	5,559,927
	Associates and joint ventures investments	218,342
	Other bad debt expenses	0
	Miscellaneous loss	17,756,546

30. Non-operating Income and Expenses – Finance Income and Finance Costs (Consolidated)

30-2 Details of finance income and finance costs

Current period

(Unit: KRW 1,000)

		Disclosure amount
Financial income		99,279,296
Financial income	Interest revenue (financial income)	25,090,623
	Gains on disposal of financial assets recognized in profit or loss (financial income)	19,564,436
	Gains on fair value measurement of financial assets recognized in	9,561,348

	profit or loss (financial income)	
	Dividend income (financial income)	1,190,000
	Foreign exchange gains (financial income)	25,635,132
	Foreign currency translation gains (financial income)	4,977,555
	Gains on derivative transactions (financial income)	12,982,124
	Gains on derivative valuation (financial income)	278,078
Financial cost		125,367,982
Financial cost	Interest expense (financial cost)	50,427,913
	Losses on disposal of financial assets recognized in profit or loss (financial cost)	9,840,455
	Losses on fair value measurement of financial assets recognized in profit or loss (financial cost)	2,100,934
	Foreign exchange losses (financial cost)	26,452,334
	Financial service fees	3,312,911
	Foreign currency translation losses (financial cost)	19,359,504
	Losses on derivative transactions (financial cost)	11,786,013
	Losses on derivative valuation (financial cost)	2,087,918

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Financial income		97,754,824
	Interest revenue (financial income)	17,938,686

Financial income	Gains on disposal of financial assets recognized in profit or loss (financial income)	16,759,687
	Gains on fair value measurement of financial assets recognized in profit or loss (financial income)	16,530,391
	Dividend income (financial income)	1,190,000
	Foreign exchange gains (financial income)	21,699,358
	Foreign currency translation gains (financial income)	14,886,965
	Gains on derivative transactions (financial income)	5,020,322
	Gains on derivative valuation (financial income)	3,729,415
Financial cost		91,735,492
Financial cost	Interest expense (financial cost)	41,439,574
	Losses on disposal of financial assets recognized in profit or loss (financial cost)	2,085,160
	Losses on fair value measurement of financial assets recognized in profit or loss (financial cost)	5,731,034
	Foreign exchange losses (financial cost)	13,893,924
	Financial service fees	0
	Foreign currency translation losses (financial cost)	10,603,690
	Losses on derivative transactions (financial cost)	12,361,256
	Losses on derivative valuation (financial cost)	5,620,854

31. Income Tax Expense (Consolidated)

31-1 Details of key components of income tax expense

Current period

(Unit: KRW 1,000)

	Disclosure amount
Current income tax expense	38,492,611
Adjustment of current income tax for prior periods	(19,013,203)
Deferred income tax expense due to the origination and reversal of temporary differences	(31,562,465)
Current and deferred income taxes related to items directly charged or credited to equity	1,300,118
Other adjustments to income tax expense	158,418
Income tax expense	(10,624,521)

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Current income tax expense	29,063,154
Adjustment of current income tax for prior periods	(3,178,311)
Deferred income tax expense due to the origination and reversal of temporary differences	(34,538,540)
Current and deferred income taxes related to items directly charged or credited to equity	(14,422,642)
Other adjustments to income tax expense	0
Income tax expense	(23,076,339)

31-2 Details of income tax expense directly reflected in equity

Current period

(Unit: KRW 1,000)

	Disclosure amount
Income tax relating to investments in equity instruments included in other comprehensive income	491,144
Income tax related to remeasurements of defined benefit plans included in other	(268,738)

comprehensive income	
Income tax related to gains or losses on disposal of treasury shares included in other comprehensive income	350,900
Income tax included in equity	0
Income tax related to share-based payment arrangements included in other comprehensive income	726,812
Total current income tax and deferred income tax related to items directly added to or deducted from equity	1,300,118

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Income tax relating to investments in equity instruments included in other comprehensive income	(14,695,845)
Income tax related to remeasurements of defined benefit plans included in other comprehensive income	254,990
Income tax related to gains or losses on disposal of treasury shares included in other comprehensive income	0
Income tax included in equity	18,213
Income tax related to share-based payment arrangements included in other comprehensive income	0
Total current income tax and deferred income tax related to items directly added to or deducted from equity	(14,422,642)

31-3 Relationship between net profit before income tax and income tax expense

Current period

(Unit: KRW 1,000)

	Disclosure amount

Accounting profit	16,672,803
Income tax expense based on the applicable tax rate	3,067,317
Income tax effect of non-taxable income	(2,078,406)
Income tax effect of expenses that are not deductible in the determination of taxable income (taxable loss for tax purposes)	1,592,308
Benefits arising from previously unrecognized tax losses, tax credits, or temporary differences from prior periods used to reduce current income tax expense	6,749,978
Adjustments recognized for the current period for the current income tax for the previous periods	(19,013,203)
Other income tax effects relating to the reconciliation between accounting profit and income tax expense	(942,515)
Total income tax expense	(10,624,521)
Effective tax rate	

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Accounting profit	(27,441,073)
Income tax expense based on the applicable tax rate	(2,903,158)
Income tax effect of non-taxable income	(388,961)
Income tax effect of expenses that are not deductible in the determination of taxable income (taxable loss for tax purposes)	5,381,303
Benefits arising from previously unrecognized tax losses, tax credits, or temporary differences from prior periods used to reduce current income tax expense	(25,764,734)
Adjustments recognized for the current period for the current income tax for the previous periods	(5,535,740)

Other income tax effects relating to the reconciliation between accounting profit and income tax expense	6,134,951
Total income tax expense	(23,076,339)
Effective tax rate	

(Note 1) Other income tax effects on the reconciliation between accounting profit and income tax expense (benefit): It includes adjustments arising from business combinations and the effects of changes in tax rates.

(Note 2) Average effective tax rate: Since a income tax benefit was recognized, the effective tax rate was not calculated.

31-4 Movements in deferred income tax assets (liabilities)

Current period

(Unit: KRW 1,000)

	Government subsidies	Accumulated impairment losses	Tangible assets	Right-of-use assets	Lease liabilities	Intangible assets and goodwill	Inventory valuation allowance	Accrued revenue	Accrued expenses	Derivatives	Securities	Advanced depreciation provision	Provisioning liabilities	Contract liabilities	Net defined benefit obligations (assets)	Share-based payment agreements	Loans	Contributions	Unused tax losses	Unused tax credits	Other temporary differences	Temporary differences, unused tax losses, and unused tax credits (total)
Deferred income tax liabilities (assets) at the beginning of the reporting period	(2,112,747)	(1,034,794)	74,595,979	2,021,381	(2,256,362)	7,495,730	(19,265,961)	636,985	(9,993,431)	2,099,942	(1,331,916)	5,833,847	(2,434,988)	(233,581)	1,376,698	(351,493)	(1,899,610)	(4,346)	(51,159,370)	(47,485,981)	(5,739,971)	(51,243,989)
Income tax expense (benefit) recognized in profit or loss, equity, or other comprehensive income	(119,939)	(109,159)	(7,132,660)	(1,204,332)	1,053,453	636,768	175,696	56,866	(2,285,732)	(1,097,363)	(952,686)	603,301	49,244	(181,457)	2,651,142	141,975	(42,519)	(131,906)	(19,929,170)	8,887,177	2,299,561	(16,631,740)
Current and deferred income taxes related to items directly charged or credited to equity	0	0	0	0	0	0	0	0	0	0	(491,144)	0	0	0	268,738	0	0	0	0	0	(350,900)	(573,306)

Increase (decrease) in deferred income tax liabilities (assets) arising from business combinations																						
Increase (decrease) in deferred income tax liabilities (assets) due to changes in tax rates	0	0	(8,637,042)	27,809	(37,232)	(1,391,890)	(490,582)	19,584	(181,746)	0	(89,007)	0	(23,242)	(2,943)	13,143	(2,511)	0	0	(3,524,596)	0	(37,225)	(14,357,420)
Increase (decrease) arising from other changes, deferred income tax liabilities (assets)	0	0	5,914,700	(4,076)	0	894,855	(246,531)	0	0	17,429	0	0	0	0	(25,801)	0	(197,147)	0	(1,709,778)	0	(113,912)	4,529,739
Deferred income tax liabilities (assets) at the end of the reporting period	(2,232,686)	(1,143,953)	64,740,977	840,782	(1,240,141)	7,635,463	(19,827,378)	713,435	(12,460,909)	1,020,008	(2,864,753)	6,437,148	(2,408,986)	(417,981)	4,283,920	(212,029)	(2,139,276)	(136,252)	(76,322,854)	(38,598,804)	(3,942,447)	(78,276,716)
Deferred income tax assets																						142,313,090

Deferred income tax liabilities																				64,036,374

Previous period

(Unit: KRW 1,000)

	Government subsidies	Accumulated impairment losses	Tangible assets	Right-of-use assets	Lease liabilities	Intangible assets and goodwill	Inventory valuation allowance	Accrued revenue	Accrued expenses	Derivatives	Securities	Advanced depreciation provision	Provisioning liabilities	Contract liabilities	Net defined benefit obligations (assets)	Share-based payment agreements	Loans	Contributions	Unused tax losses	Unused tax credits	Other temporary differences	Temporary differences, unused tax losses, and unused tax credits (total)
Deferred income tax liabilities (assets) at the beginning of the reporting period	(2,286,037)	(1,954,361)	15,144,831	6,952,414	(7,272,219)	(5,253,220)	(26,536,462)	1,443,068	(10,328,321)	1,167,884	(16,733,030)	5,836,265	(4,687,187)	(535,962)	1,590,051	(440,237)	0	(131,973)	0	(23,191,394)	(1,539,969)	(68,755,859)
Income tax expense (benefit) recognized in profit or loss, equity, or other comprehensive income	173,290	952,308	(5,418,486)	(4,879,367)	4,961,000	2,999,011	10,159,066	(788,600)	239,634	1,010,026	729,798	(2,418)	2,222,987	300,396	224,775	0	(153,800)	127,627	(33,697,711)	(24,289,074)	(3,971,947)	(49,101,535)
Current and deferred income taxes related to items directly charged or credited to equity	0	0	0	0	0	0	0	0	0	0	14,695,845	0	0	0	(254,990)	0	0	0	0	0	(18,215)	14,422,642
Increase (decrease) in deferred income tax liabilities (assets) arising from business combinations	0	0	62,821,113	(836)	0	9,332,861	(2,792,602)	0	0	(81,536)	0	0	0	0	(195,474)	0	(1,679,427)	0	(16,909,408)	0	(471,470)	50,023,221
Increase (decrease) in deferred income tax liabilities (assets) due to changes in tax rates	0	0	(241,405)	(50,704)	54,857	48,665	233,476	(17,483)	76,028	0	(24,529)	0	29,232	2,015	6,506	2,503	0	0	0	0	21,045	140,206

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Tax effects arising from temporary differences, unused tax losses, unused tax credits, etc., that have not been recognized as deferred income tax assets	48,962,820

31-6 International tax reform - Pillar 2 model rules

The consolidated companies are applying the temporary exemption provision for deferred income tax under K-IFRS No. 1012 and are not recognizing deferred income tax assets and liabilities related to Pillar 2 legislation. Furthermore, they do not disclose information related to deferred income tax.

Under the global minimum tax legislation, the consolidated companies are required to pay additional taxes to South Korea on the profits of subsidiaries taxed at an effective tax rate of less than 15%. Based on the current financial statements, the Company reviewed whether the transition period exemption requirements under Article 80 of the Adjustment of International Taxes Act are met in each country where the Company's subsidiaries are located. All countries meet these requirements. In the case of countries that meet the transitional exemption requirements, the additional global minimum tax for the current period in that country can be considered as nonexistent. Therefore, the consolidated companies' current income tax expense does not include any current income tax expense related to Pillar 2 tax. The estimated annual effective tax rate may change due to various factors, including tax benefits received by subsidiaries, adjustments to accounting net income for calculating global minimum tax income as required by subsequent interim period laws, and other related factors. As a result, the current income tax expense related to Pillar 2 is exposed to estimated uncertainty.

32. Earnings per Share (Consolidated)

31-1, 4 Details of earnings per share calculation

Current period

(Unit: KRW 1,000)

	Common shares	Preferred stocks	Total number of shares
Net income (loss)			27,297,324

Net income (loss) attributable to the owners of the parent company			44,645,811
Net income (loss) attributable to non-controlling interests			(17,348,488)
Adjustment of profit (loss) for preferred share dividends		(2,533,276)	
Portion reverted for preferred stocks among additional profits available for dividend		(2,382,447)	
Net profit (loss) attributable to the common shares of the parent	39,730,088		
Loss (profit) attributable to participatory equity instruments other than common shares used in the calculation of basic earnings (loss) per share		4,915,723	
Weighted average number of common shares outstanding (unit: shares)	17,232,069		
Weighted average number of preferred stocks outstanding (unit: shares)		2,064,191	
Earnings (loss) per common share (unit: KRW, shares)	2,306		2,306

Earnings (loss) per preferred stock (unit: KRW, shares)		2,381	2,381
Increase (decrease) in earnings (loss) reflecting the dilutive effect of potential common share conversions	0		
Net profit (loss) attributable to the common shares of the parent company, including the dilutive effect	39,730,088		
Potential effect of stock options on the number of common shares outstanding (unit: shares)	5,522		
Adjusted weighted average number of common stocks outstanding (unit: shares)	17,237,591		
Diluted earnings (loss) per share for common shares (unit: KRW, shares)	2,305		2,305

Previous period

(Unit: KRW 1,000)

	Common shares	Preferred stocks	Total number of shares
Net income (loss)			(4,364,734)
Net income (loss) attributable to the owners of the parent company			8,838,745

Net income (loss) attributable to non-controlling interests			(13,203,479)
Adjustment of profit (loss) for preferred share dividends		(2,360,755)	
Portion reverted for preferred stocks among additional profits available for dividend		0	
Net profit (loss) attributable to the common shares of the parent	6,477,990		
Loss (profit) attributable to participatory equity instruments other than common shares used in the calculation of basic earnings (loss) per share		2,360,755	
Weighted average number of common shares outstanding (unit: shares)	17,222,926		
Weighted average number of preferred stocks outstanding (unit: shares)		1,967,296	
Earnings (loss) per common share KRW, shares)	376		376
Earnings (loss) per preferred stock KRW, shares)		1,200	1,200

Increase (decrease) in earnings (loss) reflecting the dilutive effect of potential common share conversions	0		
Net profit (loss) attributable to the common shares of the parent company, including the dilutive effect	6,477,990		
Potential effect of stock options on the number of common shares outstanding (unit: shares)	4,986		
Adjusted weighted average number of common stocks outstanding (unit: shares)	17,227,912		
Diluted earnings (loss) per share for common shares (unit: KRW, shares)	375		375

(Note 1) Earnings (loss) per preferred share: The preferred stocks issued in accordance with the old Commercial Act before its revision in 1997 have the same order of payment as the general common shares when dividends are paid out or the residual assets are distributed.

32-4 Diluted earnings per share

The diluted earnings per share were calculated by applying the number of weighted average common shares outstanding adjusted under the assumption that all dilutive potential common shares will be converted into common shares. The dilutive potential common shares held by the consolidated companies include stock options. The number of stocks resulting from stock options is calculated by calculating the number of stocks to be acquired at fair value based on the monetary value of the exercise of the right added to the stock options, and by comparing this

number of stocks with the number of stocks to be issued if the stock options are assumed to have been exercised.

32-2 Details of the calculation of weighted average number of common shares outstanding current period

	Share			
	Common shares			
	Details of the calculation of the number of shares			Details of the calculation of the number of shares: total
	Outstanding shares at beginning of period	Disposal of treasury shares	Exercise of stock option	
Commencement date, weighted average number of common shares outstanding	2025-01-01	2025-04-30	2025-10-24	
Settlement date, weighted average number of common shares outstanding	2025-04-29	2025-10-23	2025-12-31	
Number of days, weighted average number of common shares outstanding	119	177	69	
Number of shares, weighted average number of common shares outstanding (unit: shares)	17,222,926	17,223,874	17,268,857	

Weighted average number of common shares outstanding (unit: shares)	5,615,146	8,352,399	3,264,524	17,232,069

Previous period

	Share			
	Common shares			
	Details of the calculation of the number of shares			Details of the calculation of the number of shares: total
	Outstanding shares at beginning of period	Disposal of treasury shares	Exercise of stock option	
Commencement date, weighted average number of common shares outstanding	2024-01-01			
Settlement date, weighted average number of common shares outstanding	2024-12-31			
Number of days, weighted average number of common shares outstanding	366			
Number of shares, weighted average number of common shares outstanding	17,222,926			

(unit: shares)				
Weighted average number of common shares outstanding (unit: shares)	17,222,926			17,222,926

32-3 Details of the calculation of weighted average number of preferred shares outstanding current period

	Share		
	Preferred stocks		
	Details of the calculation of the number of shares		Details of the calculation of the number of shares: total
	Outstanding shares at beginning of period	Disposal of treasury shares	
Commencement date, weighted average number of preferred shares outstanding	2025-01-01	2025-04-30	
Settlement date, weighted average number of preferred shares outstanding	2025-04-29	2025-12-31	
Number of days, weighted average number of preferred shares outstanding	119	246	
Number of shares, weighted average number of preferred shares outstanding (unit: shares)	1,967,296	2,111,063	
Weighted average number of preferred stocks outstanding (unit: shares)	641,392	1,422,799	2,064,191

Previous period

	Share		
	Preferred stocks		
	Details of the calculation of the number of shares		Details of the calculation of the number of shares: total
	Outstanding shares at beginning of period	Disposal of treasury shares	
Commencement date, weighted average number of preferred shares outstanding	2024-01-01		
Settlement date, weighted average number of preferred shares outstanding	2024-12-31		
Number of days, weighted average number of preferred shares outstanding	366		
Number of shares, weighted average number of preferred shares outstanding (unit: shares)	1,967,296		
Weighted average number of preferred stocks outstanding (unit: shares)	1,967,296		1,967,296

33. Consolidated Statement of Cash Flows (Consolidated)

33-1,2 Cash flows from operating activities

Current period

(Unit: KRW 1,000)

		Disclosure amount
Adjustments for net income reconciliation		198,540,386
	Adjustment of income tax expense	(10,624,521)

Adjustments for net income reconciliation	Adjustment for interest income	(25,090,623)
	Adjustment for interest expense	50,427,913
	Adjustment for inventory valuation loss	14,094,365
	Adjustment for reversal of inventory valuation loss	0
	Adjustment for loss on disposal of trade receivables	745,166
	Adjustment for retirement benefits	22,138,297
	Reversal of bad debt expense	(400,292)
	Reversal of other bad debt expense	(255,060)
	Adjustment for depreciation expense	162,053,151
	Adjustment for amortization of intangible assets	26,467,451
	Adjustment for gain on disposal of tangible assets	(50,690,168)

	Adjustment for gain on disposal of right-of-use assets	(97,533)
	Adjustment for gain on disposal of intangible assets	(338,960)
	Adjustment for loss on disposal of tangible assets	6,840,516
	Adjustment for financial costs	3,136,500
	Adjustment on losses on disposal of right-of-use assets	225,087
	Adjustment for loss on disposal of intangible assets	409,516
	Adjustment for impairment loss on tangible assets	0
	Adjustment for foreign currency translation gains	(4,977,555)
	Adjustment for foreign currency translation losses	19,359,504
	Adjustment of derivative financial asset valuation gains	(278,078)
	Adjustment for losses on derivative valuation	2,087,918
	Adjustment for dividend income	(1,190,000)
	Adjustment of equity method gains	(768,821)
	Adjustment of equity method losses	0
	Adjustment for gains on disposal of financial assets recognized in profit or loss	(19,564,436)
	Adjustment for losses on disposal of financial assets recognized in profit or loss	9,840,455
	Adjustment for gains on valuation of financial assets recognized in profit or loss	(9,561,348)
	Adjustment for losses on valuation of financial assets recognized in profit or loss	2,100,934

	Gains on disposal of assets held for sale and related non-current assets	0
	Reversal of provision for liabilities	(1,063,997)
	Adjustment of bargain purchase gain	(63,778)
	Impairment loss on investments in subsidiaries, associates, and joint ventures	0
	Adjustment for share based compensation expenses (reversal)	670,094
	Adjustment for welfare expenses	2,984,907
	Other adjustments for the reconciliation of net income	(76,218)
Changes in assets and liabilities due to operating activities		65,634,746
Changes in assets and liabilities due to operating activities	Adjustment for decrease (increase) in trade receivables and other receivables	36,713,792
	Decrease (increase) in inventory	(54,666,602)
	Decrease (increase) in other current non-financial assets	(1,373,883)
	Decrease (increase) in other non-current non-financial assets	2,580,011
	Decrease (increase) in trade and other payables	92,604,995
	Increase (decrease) in other current liabilities	9,812,556
	Increase (decrease) in other non-current liabilities	1,731,558
	Increase (decrease) in retirement benefit obligations	3,244,609
	Decrease (increase) in the fair value of plan assets	(9,438,919)
	Increase (decrease) in contract liabilities	(8,558,940)

	Increase (decrease) in current provisions	(1,822,834)
	Decrease (increase) in derivatives assets	(5,191,597)

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Adjustments for net income reconciliation		23,382,306
Adjustments for net income reconciliation	Adjustment of income tax expense	(23,076,339)
	Adjustment for interest income	(17,938,686)
	Adjustment for interest expense	41,439,574
	Adjustment for inventory valuation loss	0
	Adjustment for reversal of inventory valuation loss	(73,579,316)
	Adjustment for loss on disposal of trade receivables	485,111
	Adjustment for retirement benefits	23,840,022
	Reversal of bad debt expense	(779,339)
	Reversal of other bad debt expense	(405,814)
	Adjustment for depreciation expense	118,644,564
	Adjustment for amortization of intangible assets	16,904,286
	Adjustment for gain on disposal of tangible assets	(14,937,574)
	Adjustment for gain on disposal of right-of-use assets	(12,475)
	Adjustment for gain on disposal of intangible assets	0
	Adjustment for loss on disposal of tangible assets	2,373,896
	Adjustment for financial costs	0
	Adjustment on losses on	0

	disposal of right-of-use assets	
	Adjustment for loss on disposal of intangible assets	41,085
	Adjustment for impairment loss on tangible assets	3,873,692
	Adjustment for foreign currency translation gains	(14,886,965)
	Adjustment for foreign currency translation losses	10,603,690
	Adjustment of derivative financial asset valuation gains	(3,729,415)
	Adjustment for losses on derivative valuation	5,620,854
	Adjustment for dividend income	(1,190,000)
	Adjustment of equity method gains	0
	Adjustment of equity method losses	786,846
	Adjustment for gains on disposal of financial assets recognized in profit or loss	(16,759,687)
	Adjustment for losses on disposal of financial assets recognized in profit or loss	2,085,160
	Adjustment for gains on valuation of financial assets recognized in profit or loss	(16,530,391)
	Adjustment for losses on valuation of financial assets recognized in profit or loss	5,731,034
	Gains on disposal of assets held for sale and related non-current assets	(5,313,431)
	Reversal of provision for liabilities	(6,460,141)
	Adjustment of bargain purchase gain	(15,410,998)

	Impairment loss on investments in subsidiaries, associates, and joint ventures	218,342
	Adjustment for share based compensation expenses (reversal)	0
	Adjustment for welfare expenses	0
	Other adjustments for the reconciliation of net income	1,744,721
Changes in assets and liabilities due to operating activities		(70,350,630)
Changes in assets and liabilities due to operating activities	Adjustment for decrease (increase) in trade receivables and other receivables	(142,601,385)
	Decrease (increase) in inventory	84,457,023
	Decrease (increase) in other current non-financial assets	(5,910,635)
	Decrease (increase) in other non-current non-financial assets	(9,809,566)
	Decrease (increase) in trade and other payables	(16,481,336)
	Increase (decrease) in other current liabilities	(3,516,475)
	Increase (decrease) in other non-current liabilities	71,025
	Increase (decrease) in retirement benefit obligations	1,240,983
	Decrease (increase) in the fair value of plan assets	(23,344,745)
	Increase (decrease) in contract liabilities	57,374,964
	Increase (decrease) in current provisions	(12,154,878)
	Decrease (increase) in derivatives assets	324,395

(Note 1) Adjustment for depreciation expense: This is the depreciation for tangible assets, investment real estate properties, and the right-of-use assets.

33-3 Significant transactions that do not involve cash inflows or outflows

Current period

(Unit: KRW 1,000)

	Disclosure amount
Other account reclassifications for construction in progress and machinery in transit	758,946,379
Acquisition of accounts payable for construction in progress, etc.	28,472,824
Increase in receivables from disposal of tangible assets	727,142
Transfer from long-term liabilities to current liabilities	117,466,721
Transfer from lease liabilities to current liabilities	8,380,397
Recognition of right-of-use assets and lease liabilities	8,963,879
Write-off of trade and other receivables	17,115
Accrued retirement benefits	7,088,619
Increase in derivative liabilities arising from the issuance of exchangeable bonds	23,590,129
Disposal of treasury shares and contribution to the employee welfare fund (in-house labor welfare fund)	(2,984,907)

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Other account reclassifications for construction in progress and machinery in transit	91,341,024
Acquisition of accounts payable for construction in progress, etc.	1,174,640
Increase in receivables from disposal of tangible assets	0
Transfer from long-term liabilities to current liabilities	145,657,529
Transfer from lease liabilities to current liabilities	8,534,748
Recognition of right-of-use assets and lease liabilities	19,474,620
Write-off of trade and other receivables	3,904,096

Accrued retirement benefits	4,608,858
Increase in derivative liabilities arising from the issuance of exchangeable bonds	0
Disposal of treasury shares and contribution to the employee welfare fund (in-house labor welfare fund)	0

33-4 Changes in liabilities arising from financing activities

Current period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories								Total classification of asset and liability changes into current and non-current categories
	Assets and liabilities classified as current				Assets and liabilities classified as non-current				
	Liabilities arising from financing activities								
	Short-term borrowings	Long-term borrowings	Debenture	Lease liabilities	Short-term borrowings	Long-term borrowings	Debenture	Lease liabilities	
Beginning liabilities arising from financing activities	303,095,328	32,427,424	94,970,000	7,804,298		983,815,255	219,404,969	16,684,703	1,658,201,977
Cash flows from financing activities, increase (decrease) in liabilities arising from financing activities	21,426,679	(39,106,880)	(95,000,000)	(9,848,908)		215,763,381	388,885,319	0	482,119,591
Reclassification of liquidity, increase (decrease) in liabilities arising from financing activities	0	38,690,322	78,776,399	8,380,397		(38,690,322)	(78,776,399)	(8,380,397)	0

Changes arising from obtaining or losing control over subsidiaries or other businesses, increase (decrease) in liabilities arising from financing activities									
Other changes, increase (decrease) in liabilities arising from financing activities	1,939,540	(521,724)	41,186,126	926,506		34,748,303	(63,367,571)	7,212,493	22,123,673
Ending liabilities arising from financing activities	326,461,547	31,489,142	119,932,525	7,262,293		1,195,636,617	466,146,318	15,516,799	2,162,445,241

Previous period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories								Total classification of asset and liability changes into current and non-current categories
	Assets and liabilities classified as current				Assets and liabilities classified as non-current				
	Liabilities arising from financing activities								
	Short-term borrowings	Long-term borrowings	Debenture	Lease liabilities	Short-term borrowings	Long-term borrowings	Debenture	Lease liabilities	
Beginning liabilities arising from financing activities	263,707,890	2,550,000	189,855,128	7,677,175		472,518,337	164,557,091	9,022,894	1,109,888,515
Cash flows from financing activities, increase (decrease) in liabilities arising	34,981,558	(20,046,014)	(190,000,000)	(10,755,542)		358,405,606	149,347,607	0	321,933,215

from financing activities									
Reclassification of liquidity, increase (decrease) in liabilities arising from financing activities	0	50,883,297	94,774,232	8,534,748		(50,883,297)	(94,774,232)	(8,534,748)	0
Changes arising from obtaining or losing control over subsidiaries or other businesses, increase (decrease) in liabilities arising from financing activities	0	0	0	1,964,890		181,309,380	0	1,113,236	184,387,506
Other changes, increase (decrease) in liabilities arising from financing activities	4,405,880	(959,859)	340,640	383,027		22,465,229	274,503	15,083,321	41,992,741
Ending liabilities arising from financing activities	303,095,328	32,427,424	94,970,000	7,804,298		983,815,255	219,404,969	16,684,703	1,658,201,977

(Note 1) Other changes, increase (decrease) in liabilities arising from financing activities: Accrued interest on interest-bearing borrowings, foreign exchange adjustments, and effects of foreign operations translation are included. The consolidated companies classify interest payments as cash flows from operating activities.

24- Objectives and Policies of Financial Risk Management (Consolidated)

The consolidated companies' major financial liabilities, excluding derivatives, consist of trade and other payables, borrowings and bonds. The main purpose of these financial liabilities is to raise

funds for the operation of the consolidated companies. The main financial assets of the consolidated companies include trade receivables, cash, and short-term deposits directly derived from operating activities. The consolidated companies also hold investments in debt and equity instruments and engage in derivative transactions

The consolidated companies are exposed to market risk, credit risk, and liquidity risk. The consolidated companies' senior management supervise the management of such risks. All derivative activities for the purpose of risk management are carried out by a team of professionals equipped with the appropriate skills, experiences, and oversight. It is the policy of the consolidated companies to avoid conducting any trading of derivatives for speculative purposes.

34-1 Market risk

Market risk is the risk related to the fair value or future cash flows of financial instruments fluctuating due to changes in the market prices. Market risk consists of the following three types of risk: interest rate risk, foreign currency risk, and other price risk. The financial instruments affected by the market risk include borrowings and bonds, deposits, debt, equity investments and derivatives.

Sensitivity analysis is related to the statement of financial position as of the end of the current and previous periods.

The sensitivity analysis has been prepared based on the designation of a hedging interest rate while the net amount of liabilities, fixed interest rate of liabilities and derivatives, variable interest rate and the ratio of foreign currency financial instruments were all constant as of the end of the current period.

This analysis excludes the effect of movements of the market variables on the carrying amounts of retirement pensions and other post-retirement liabilities and provisions.

The following assumptions are required when calculating for the sensitivity analysis. The sensitivity of the relevant income statement is the effect of an assumed change in each market risk. This is based on the financial assets and financial liabilities held as of the end of the current and previous periods, including the effect of hedge accounting.

34 Financial Risk Management Objectives and Policies

	Risk				
	Market risk			Credit risk	Liquidity risk
	Interest rate risk	Exchange risk	Equity price risk		
Description of the degree of exposure to risk	Interest rate risk is the risk related to the fluctuation of the fair value of financial instruments or future cash flows due to the fluctuations in the market interest rates. The consolidated companies' changes in the market interest rate risk relate primarily to the consolidated companies'	Exchange risk is the risk where the fair value of financial instruments or future cash flows will fluctuate due to the fluctuations in the exchange rates.	Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices other than interest rate risk or currency risk. Among financial assets at fair value through other comprehensive income held by the consolidated companies,	Credit risk is the risk of financial loss against the consolidated companies due to the transaction counterparty's failure to perform its obligations. (1) Trade and other receivables: The maximum exposure to credit risk as at the end of the reporting period	Liquidity risk is the risk of being unable to secure funds to meet all contractual obligations on financial agreements by their maturity.

	long-term liabilities subject to the variable interest rates.		listed equity instruments are exposed to price fluctuation risk.	is the carrying amount of financial assets as described in Note 6. (2) Other assets: The credit risk arising from the consolidated companies' other assets consisting of cash equivalents, long-term and short-term deposits, long-term and short-term loans arises from the default of the transaction counterparty, etc. In such cases, the consolidated companies' exposure to credit risk will be equal to the carrying amount of the respective financial instruments.	

Description of the objectives, policies, and procedures of risk management	The consolidated companies internally measure the interest rate risk based on a 1% change in the interest rate, and the rate of change above is reflective of the senior management's assessment of the reasonably possible interest rate change risk. The consolidated companies' senior management manages the risk of fluctuations in the future cash	The consolidated companies internally measure the foreign exchange risk for the exchange rate fluctuations on a regular basis, and effectively manage the foreign exchange risk via currency futures trading, and thus, the effect on the profit and loss is restricted.		(1) Trade and other receivables: The consolidated companies in principle conduct creditworthiness verification procedures for all transaction counterparties seeking to trade on credit, and only execute transactions with counterparties of sound creditworthiness. Furthermore, the consolidated companies continuously manage the balance of trade receivables, other receivables and contract assets, such as by continuously reassessing credit ratings to ensure that the consolidated companies' exposure to bad debt risk is	The consolidated companies manage the risks arising from a lack of funds through the liquidity strategies and plans, and match the maturities of financial assets and liabilities by considering the maturities of financial instruments and estimates of the operating cash

	flows of financial instruments related to fluctuations in the market interest rates by executing currency swap and interest-rate swap contracts.			maintained at an insignificant level. As of the end of the reporting period, the consolidated companies individually recognize whether major customers' receivables and contract assets are impaired. In addition, for multiple receivables of small amounts, they review their impairment by including them in the group of financial assets having similar credit risk related characteristics. (2) Other assets: The consolidated companies deposit the cash equivalents and short-term financial instruments with financial institutions including Woori Bank, and trade with financial	flows.

				institutions having excellent credit ratings, and thus, the credit risk from the financial institutions is limited.	

34-1-1-1 Carrying amount of financial instruments exposed to variable interest rate risk

Current period

(Unit: KRW 1,000)

	Risk		
	Interest rate risk		
	Interest rate types		
	Variable interest rate		
	Financial liabilities, classification		Financial liabilities, classification total
	Short-term borrowings	Long-term borrowings	
Borrowings (including bonds)	213,054,977	877,394,516	1,090,449,493

Previous period
1,000)

(Unit: KRW

	Risk		
	Interest rate risk		
	Interest rate types		
	Variable interest rate		
	Financial liabilities, classification		Financial liabilities, classification total
	Short-term borrowings	Long-term borrowings	
Borrowings (including bonds)	210,688,743	797,166,232	1,007,854,975

34-1-1-2 Effect of a 1 percentage point change in interest rates on profit or loss before income tax

Current period

(Unit: KRW 1,000)

	Risk		
	Interest rate risk		
	Financial liabilities, classification		Financial liabilities, classification total
	Short-term borrowings	Long-term borrowings	

Disclosure of sensitivity analysis for each type of market risk	The impact on profit or loss before income tax, assuming all other variables remain constant, with a 1% point change in interest rates	The impact on profit or loss before income tax, assuming all other variables remain constant, with a 1% point change in interest rates	
Decrease in profit or loss when market variables rise	(2,130,550)	(8,773,945)	(10,904,495)
Increase in profit or loss when market variables fall	2,130,550	8,773,945	10,904,495

Previous period

(Unit: KRW 1,000)

	Risk		
	Interest rate risk		
	Financial liabilities, classification		Financial liabilities, classification total

	Short-term borrowings	Long-term borrowings	
Disclosure of sensitivity analysis for each type of market risk	The impact on profit or loss before income tax, assuming all other variables remain constant, with a 1% point change in interest rates	The impact on profit or loss before income tax, assuming all other variables remain constant, with a 1% point change in interest rates	
Decrease in profit or loss when market variables rise	(2,106,887)	(7,971,662)	(10,078,549)
Increase in profit or loss when market variables fall	2,106,887	7,971,662	10,078,549

34-1-2-1 Carrying amounts of monetary assets and liabilities denominated in foreign currencies - Assets

Current period

(Unit: KRW 1,000)

	Risk						Total risk
	Exchange risk						
	Functional currency or reporting currency						
	USD	CNY	EUR	GBP	JPY	Other currencies	
Foreign currency financial assets, KRW equivalent	65,507,902	2,799,687	70,236,897	624,594	1,471,353	484,199	141,124,632

Previous period

(Unit: KRW 1,000)

	Risk						Total risk
	Exchange risk						
	Functional currency or reporting currency						
	USD	CNY	EUR	GBP	JPY	Other currencies	
Foreign currency financial assets, KRW equivalent	196,775,227	17,862,458	197,158,050	2,678	4,036,668	666,270	416,501,351

34-1-2-1 Carrying amounts of monetary assets and liabilities denominated in foreign currencies - Liabilities

Current period

(Unit: KRW 1,000)

	Risk	

	Exchange risk						Total risk
	Functional currency or reporting currency						
	USD	CNY	EUR	GBP	JPY	Other currencies	
Foreign currency financial liabilities, KRW equivalent	104,990,779	1,325,065	178,794,502	0	192,235	3,733	285,306,314

Previous period

(Unit: KRW 1,000)

	Risk						Total risk
	Exchange risk						
	Functional currency or reporting currency						
	USD	CNY	EUR	GBP	JPY	Other currencies	
Foreign currency financial liabilities, KRW equivalent	126,302,582	6,731,967	124,106,723	36,420	0	0	257,177,692

34-1-2-2 Effect on profit or loss before income tax for the current and prior periods if the functional currency exchange rate changes by 5%

Current period

(Unit: KRW 1,000)

	Risk						
	Exchange risk						
	Functional currency or reporting currency						Functional currency or reporting currency : total
	USD	CNY	EUR	GBP	JPY	Other currencies	
Disclosure of sensitivity analysis for each type of market risk	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	
Increase in profit or loss when market		73,731		31,230	63,956	24,023	192,940

variables rise							
Decrease in profit or loss when market variables rise	(1,974,144)		(5,427,880)				(7,402,024)
Increase in profit or loss when market variables fall	1,974,144		5,427,880				7,402,024
Decrease in profit or loss when market variables fall		(73,731)		(31,230)	(63,956)	(24,023)	(192,940)

Previous period

(Unit: KRW 1,000)

	Risk						
	Exchange risk						
	Functional currency or reporting currency						Functional currency or reporting currency : total
	USD	CNY	EUR	GBP	JPY	Other currencies	
Disclosure of sensitivity analysis for each type of market risk	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	The impact on profit or loss before corporate tax for the current and prior periods, assuming a 5% change in the functional currency exchange rate for each foreign currency	
Increase in profit or loss when market variables rise	16,153,890	1,229,721	16,063,239	1,955	201,833	33,314	33,683,952
Decrease in profit or loss when market variables rise							
Increase in profit or loss							

when market variables fall							
Decrease in profit or loss	(16,153,890)	(1,229,721)	(16,063,239)	(1,955)	(201,833)	(33,314)	(33,683,952)
when market variables fall							

34-1-3 Impact of a 5% change in stock price on other comprehensive income of changes in the price of listed equity instruments

(Unit: KRW 1,000)

	Equity price risk

Disclosure of sensitivity analysis for each type of market risk	The impact on other comprehensive income from price fluctuations of listed equity instruments if the stock price changes by 5%
Increase in pre-tax other comprehensive income when market variables rise	482,126
Income tax effect when market variables rise	(105,611)
Increase in other comprehensive income when market variables rise	376,515
Decrease in pre-tax other comprehensive income when market variables fall	(482,126)
Income tax effect when market variables fall	105,611
Decrease in other comprehensive income when market variables fall	(376,515)

34-3 Repayment schedule of financial liabilities based on contractual undiscounted amounts (non-derivative)

Current period

(Unit: KRW 1,000)

		If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Non-derivative financial liabilities, undiscounted cash flows		926,814,161	286,816,200	1,006,432,994	764,940,669	2,985,004,024
Non-derivative financial liabilities, undiscounted cash flows	Trade and other payables, undiscounted cash flows	369,971,976	0	0	0	369,971,976
	Bank borrowings, undiscounted cash flows	415,347,813	108,305,110	681,137,212	747,826,351	1,952,616,486
	Total lease liabilities	7,490,510	3,703,709	5,014,914	17,114,318	33,323,451
	Other financial liabilities, undiscounted cash flows	3,203,465	0	0	0	3,203,465
	Bonds, undiscounted cash flows	130,800,397	174,807,381	320,280,868	0	625,888,646

Previous period

(Unit: KRW 1,000)

		If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Non-derivative financial liabilities, undiscounted cash flows		818,896,432	253,021,190	755,764,647	549,119,349	2,376,801,618
Non-derivative financial liabilities, undiscounted cash flows	Trade and other payables, undiscounted cash flows	307,560,156	0	0	0	307,560,156
	Bank borrowings, undiscounted cash flows	395,301,472	123,129,392	648,944,288	530,759,530	1,698,134,682
	Total lease liabilities	7,999,427	4,504,214	5,430,026	18,359,819	36,293,486
	Other financial liabilities, undiscounted cash flows	2,877,252	0	0	0	2,877,252
	Bonds, undiscounted cash flows	105,158,125	125,387,584	101,390,333	0	331,936,042

(Note 1) Current period - Trade and other payables, undiscounted cash flows: Accrued expenses related to employee benefit plans and taxes and dues are excluded, as they are not subject to financial instruments disclosure.

(Note 2) Bank borrowings, undiscounted cash flows/Bonds, undiscounted cash flows: Included are the interest expenses.

(Note 3) Current period - Total lease liabilities: Lease liabilities correspond to the liabilities recognized in accordance with K-IFRS No. 1116.

(Note 4) Other financial liabilities, undiscounted cash flows: They are the deposits received and unpaid dividends.

34-3 Repayment schedule of financial liabilities based on contractual undiscounted amounts (derivative)

Current period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Derivatives held for trading purposes, undiscounted cash flows	1,431,734	0	0	0	1,431,734

Previous period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Derivatives held for trading purposes, undiscounted cash flows	5,620,854	0	0	0	5,620,854

34-4 Capital management

Current period

(Unit: KRW 1,000)

	Disclosure amount
Non-financial information related to the Company's objectives, policies, and procedures for capital management	The primary purpose of capital management is to maintain a high credit rating and sound capital ratios with a view to maintaining the consolidated companies' operating activities and maximizing shareholder value . The consolidated companies adjust their capital structure in response to changes in economic conditions and, for this purpose, considers revising its dividend policy, reducing capital, or issuing new shares. During the current period, there were no changes to the objectives, policies, or procedures for capital management.
Liabilities	2,947,185,328
Cash and cash equivalents	(567,556,000)
Adjusted liabilities	2,379,629,328
Equity	3,140,439,053
Debt ratio	0.7577

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Non-financial information related to the Company's objectives, policies, and procedures for capital management	The primary purpose of capital management is to maintain a high credit rating and sound capital ratios with a view to maintaining the consolidated companies' operating activities and maximizing shareholder value . The consolidated companies adjust their capital structure in response to changes in economic conditions and, for this purpose, considers revising its dividend policy, reducing capital, or issuing new shares. During the current period, there were no changes to the objectives, policies, or procedures for capital management.
Liabilities	2,334,082,397
Cash and cash equivalents	(542,302,081)
Adjusted liabilities	1,791,780,316
Equity	3,032,966,230
Debt ratio	0.5908

35. Fair Value (Consolidated)

35-1 Fair value hierarchy

	Total measurement			
	Fair value			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
	The (unadjusted) quoted price in an active market that the entity can access the same			

Description of the levels within the fair value hierarchy for fair value measurement classification	asset or liability at the measurement date, where the quoted price reflects the market's assumptions regarding changes in the economic environment, such as interest rate increases, inflation, and ESG-related risks.	Input variables that are directly or indirectly observable for an asset or liability, other than the Level 1 quoted prices	Unobservable input variables for assets or liabilities, such as unlisted equity securities and financial instruments that reflect significant unobservable adjustments due to ESG-related risks	The consolidated companies classify the fair value measurements according to the fair value hierarchy which reflects the significance of the input variables used for the fair value measurements.

35-2 Fair value of financial assets by level

Current period

(Unit: KRW 1,000)

	Total measurement												
	Fair value												
	Financial assets, category												
	Derivatives assets				Financial assets measured at fair value through profit or loss				Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income				
	All levels of the fair value hierarchy				Total of all levels of the fair value hierarchy	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy	Fair value hierarchy	Fair value hierarchy	Fair value hierarchy		Fair value hierarchy	Fair value hierarchy	Fair value hierarchy		Fair value hierarchy	Fair value hierarchy	Fair value hierarchy	
	Level 1	Level 2	Level 3	Level 1		Level 2	Level 3	Level 1		Level 2	Level 3		
Financial assets	0	278,078	7,699,750	7,977,828	0	419,900,411	189,309,197	609,209,608	9,642,528	0	7,416,852	17,059,380	

Previous period

(Unit: KRW 1,000)

	Total measurement												
	Fair value												
	Financial assets, category												
	Derivatives assets				Financial assets measured at fair value through profit or loss				Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income				
	All levels of the fair value hierarchy				Total of all levels of the fair value hierarchy	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy	Fair value hierarchy	Fair value hierarchy	Fair value hierarchy		Fair value hierarchy	Fair value hierarchy	Fair value hierarchy		Fair value hierarchy	Fair value hierarchy	Fair value hierarchy	
	Level 1	Level 2	Level 3	Level 1		Level 2	Level 3	Level 1		Level 2	Level 3		
Financial assets	0	195	8,784,996	8,785,191	0	611,864,246	66,428,462	678,292,708	11,818,800	0	7,588,007	19,406,807	

35-2 Fair value of financial assets by level: totals

Current period

(Unit: KRW 1,000)

	Total measurement			
	Fair value			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Financial assets	9,642,528	420,178,489	204,425,799	634,246,816

Previous period

(Unit: KRW 1,000)

	Total measurement			
	Fair value			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Financial assets	11,818,800	611,864,441	82,801,465	706,484,706

(Note 1) The fair value hierarchy Level 3: Except as otherwise provided, they consist of unlisted stocks, etc., whose cost can be an appropriate estimate of their fair value (refer to Note 35-3).

35-2 Fair value of financial liabilities by level

Current period

(Unit: KRW 1,000)

	Total measurement			
	Fair value			
	Financial liabilities, category			
	Derivative financial liabilities			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Financial liabilities	0	416,992	1,014,742	1,431,734

Previous period

(Unit: KRW 1,000)

	Total measurement			
	Fair value			
	Financial liabilities, category			
	Derivative financial liabilities			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy	Fair value hierarchy	Fair value hierarchy	
	Level 1	Level 2	Level 3	
Financial liabilities	0	5,191,791	429,063	5,620,854

(Note 1) The fair value hierarchy Level 3: Except as otherwise provided, they consist of unlisted stocks, etc., whose cost can be an appropriate estimate of their fair value (refer to Note 35-3).

The fair values of cash and cash equivalents, other assets, interest-bearing borrowings, and bonds payable have been excluded from the fair value disclosure as the effects of discounting are not significant and are considered to be similar to their carrying amounts.

As of the end of the current period, among the assets and liabilities measured at fair value in the statement of financial position, those classified under Level 2 of the fair value hierarchy were valued using the market approach, with the fair value of the underlying assets as the input variable.

35-3 Disclosure of valuation techniques used in fair value measurements classified within Level 3 of the fair value hierarchy for assets measured at fair value.

(Unit: KRW 1,000)

	Total measurement						
	Fair value						
	Assets						
	Derivatives		Unlisted shares		Debt securities		
	Put option for SK chemicals Daejeong Co., Ltd.	Put option for HDC Polyall Co., Ltd.	Eastman Fiber Korea Ltd.'s preferred stocks	CTCELLS Co., Ltd.	Sante Health Ventures IV LP	Korea Investment Bio Global Fund	Convertible preferred shares of Tiumbio Co., Ltd.
	All levels of the fair value hierarchy						
	Fair value hierarchy Level 3						
Assets	0	7,699,750	28,451,197	112,114	16,114,656	1,914,066	19,842,721

Description of the valuation techniques used in fair value measurement, assets	Discounted cash flow method	Discounted cash flow method, binomial model	Expected price considering the value of call options and put options	Net asset value method	Net asset value method, etc.	Net asset value method, etc.	Binomial model
Description of the input variables used in fair value measurement, assets	Liquidation cash flow, weighted average cost of capital	Estimated cash flows, weighted average cost of capital	Estimated cash flows, exchange rate	Fair value of net assets	Fair value of net assets	Fair value of net assets	Conversion price and expected stock volatility

(Note 1) Net asset value method: The fair value was determined based on the ownership interest of the parent company in the net assets of the entity, as the carrying amount of the assets within the portfolio was deemed to be close to their fair value.

35-3 Disclosure of valuation techniques used in fair value measurements classified within Level 3 of the fair value hierarchy for liabilities measured at fair value.

(Unit: KRW 1,000)

	Total measurement
	Fair value
	Liabilities
	Derivatives
	Call option on convertible preferred stocks of Tiumbio Co., Ltd.
	All levels of the fair value hierarchy
	Fair value hierarchy Level 3
Liabilities	1,014,742
Description of the valuation techniques used in fair value measurement, liabilities	Binomial model
Description of the input variables used in fair value measurement, Liabilities	Expected stock price volatility

The consolidated companies, as of the reporting date, determine that the carrying amount of

financial instruments not subsequently measured at fair value in the consolidated statement of financial position does not materially differ from their fair value.

35-3 The carrying amounts of financial instruments that are not subsequently measured at fair value

(Unit: KRW 1,000)

	Total measurement																
	Fair value																
	Financial instruments that are not subsequently measured at fair value																
	Financial assets, category																
	Financial assets measured at fair value through profit or loss												Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income				Financial assets, category total
	Yongyeon Industrial District 4	SML Biopharma Co., Ltd.	K-Bio Vaccine Fund	KIMCO Fund	Standigm Inc.	Sunflower	Private Equity Investment Trust	Private Equity Investment Trust	Private Equity Investment Trust	FRN (JB Woori Capital)	IMA (Mirae Asset)	IMA (Korea Investment & Securities)	J2H Biotech Co., Ltd.	Oncobio Co., Ltd.	CLIPS BNC Co., Ltd.	Fina	
	Industrial Water Management					Therapeutics	(Kiwocom Kiwocomdream	Mirae Asset Premier	(VI Power							Biosolutions	
	Association					PBC	General No. 42)	General	Plus General No. 45)							LLC	
Financial assets	419,199	1,000,001	3,123,750	100,000	3,000,007	2,869,800	9,998,500	20,687,800	30,675,000	15,105,930	999,570	35,007,000	1,500,052	999,980	500,007	4,304,700	130,291,296

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

35-4 Changes in financial assets classified as Level 3

(Unit: KRW
1,000)

	Total measurement	
	Fair value	
	Classification of asset and liability changes into current and non-current categories	
	Assets and liabilities classified as non-current	
	Financial assets, classification	
	Long-Term Investment Assets	Derivatives assets
	All levels of the fair value hierarchy	
	Fair value hierarchy Level 3	
Beginning financial assets	74,016,469	8,784,996
Increase due to issuance or purchase, financial assets	116,275,675	0
Decrease due to transfer, financial assets	(65,000)	0
Increase (decrease) due to fair value changes, financial assets	6,674,405	(1,085,246)
Total increase (decrease) due to foreign currency translation and other changes, financial assets	(175,500)	0

Ending financial assets	196,726,049	7,699,750

35-4 Changes in financial liabilities classified as Level 3

(Unit: KRW
1,000)

	Total measurement
	Fair value
	Liabilities
	Derivatives
	All levels of the fair value hierarchy
	Fair value hierarchy Level 3
Beginning liabilities	429,063
Purchase, fair value measurement, liabilities	0
Disposal, fair value measurement, liabilities	0
Gains (losses) recognized in profit or loss (excluding foreign exchange differences), fair value measurement, liabilities	585,679
Other changes, fair value measurement, liabilities	0
Ending liabilities	1,014,742

36. Business Combinations (Consolidated)

36 Business combination

(Unit: KRW
1,000)

		Total business combination				Total sum of business combination totals
		Business combination				
		IDT Biologika GmbH		Technik-Energie-Wasser Servicegesellschaft mbH		
		Adjustment of provisional amounts				
		Fixed amount	Adjustment amount	Fixed amount	Adjustment amount	

Additional information on the nature and financial effects of business combinations		For facts and circumstances that existed as of the acquisition date, the provisional amounts recognized in the business combination have been adjusted to final amounts in the accounting for the business combination based on new information obtained as of the end of the reporting period.		For facts and circumstances that existed as of the acquisition date, the provisional amounts recognized in the business combination have been adjusted to final amounts in the accounting for the business combination based on new information obtained as of the end of the reporting period.	The subsidiary, SK bioscience Germany GmbH, acquired the shares of IDT Biologika GmbH and new shares through a third-party allocated capital increase, as well as the shares of Technik-Energie-Wasser Servicegesellschaft mbH, in October 2024, with the aim of enhancing corporate value through securing management control. The consolidated companies have decided to measure the non-controlling interest in the acquired company based on
					the proportion of its share in the identifiable net assets of the acquired company.

Assets recognized as of the acquisition date		906,576,011		82,046,719		
Assets recognized as of the acquisition date	Cash and cash equivalents recognized as of the acquisition date	150,431,851		9,616,829		
	Financial assets recognized as of the acquisition date	484,559				
	Trade receivables and other receivables recognized as of the acquisition date	77,279,581		10,210,386		
	Inventory recognized as of the acquisition date	130,112,209		7,834,866		
	Other assets recognized as of the acquisition date	7,698,818		116,794		
	Tangible assets recognized as of the acquisition date	469,083,633		53,974,547		
	Intangible assets recognized as of the acquisition date	42,316,588		17,917		

	Investment properties recognized as of the acquisition date	6,433,388				
	Right-of-use assets recognized as of the acquisition date	1,721,320		243,570		
	Deferred income tax assets recognized as of the acquisition date	21,014,064		31,810		
Liabilities recognized as of the acquisition date		(419,528,825)		(19,836,969)		
Liabilities recognized as of the acquisition date	Trade and other payables recognized as of the acquisition date	(62,523,319)		(5,016,192)		
	Liabilities recognized as of the acquisition date	(1,721,320)		(243,570)		
	Unpaid income taxes recognized as of the acquisition date	(75,902)		(1,547,405)		
	Other liabilities recognized as of the acquisition date	(66,567,979)		(3,287,985)		
	Provisions recognized as of the acquisition date	(42,908,103)		(3,386,641)		

	Borrowings recognized as of the acquisition date	(181,309,380)				
	Deferred income tax liabilities recognized as of the acquisition date	(64,422,822)		(6,355,176)		
Fair value of net assets recognized as of the acquisition date		487,047,186	10,115,734	62,209,750		
Non-controlling interest in the acquiree recognized as of the acquisition date		(191,665,411)	(3,992,884)	(24,883,900)		
Non-controlling interests measured at the proportionate share of net assets at fair value		0.3935		0.4000		
Identifiable net assets acquired		295,381,775	6,122,850	37,325,850		
Goodwill recognized as of the acquisition date		48,315,306	(7,036,036)			
Bargain purchase gain recognized in a bargain purchase transaction				(15,313,831)	58,485	
Total consideration transferred, fair value as of the acquisition date		343,697,081	(913,186)	22,012,019	(58,485)	

36 Disclosure of detailed information regarding the business combination, cash flows

(Unit: KRW
1,000)

	Total business combination	
	Business combination	
	IDT Biologika GmbH	Technik-Energie-Wasser Servicegesellschaft mbH
Cash held by the acquired subsidiary	140,306,420	9,616,829
Transferred cash	(343,697,081)	(22,012,019)
Cash flows related to the business combination	(203,390,661)	(12,395,190)

36 Revenue and profit or loss of the acquiree since the acquisition date

(Unit: KRW
million)

	Total business combination	
	Business combination	
	IDT Biologika GmbH	Technik-Energie-Wasser Servicegesellschaft mbH
Revenue (loss) of the acquiree since the acquisition date	388,186	2,421
Profit (loss) of the acquiree since the acquisition date	(77,556)	11,580
Revenue of the combined entity assuming the business combination occurred at the beginning	544,473	212,141
Profit or loss of the combined entity assuming the business combination occurred at the beginning	(146,941)	(51,099)

4. Financial Statements

4-1. Statement of Financial Position

Statement of Financial Position

The 9th Periodas of December
31, 2025

The 8th Periodas of December
31, 2024

The 7th Periodas of December
31, 2023

(Unit: KRW)

	The 9th Period	The 8th Period	The 7th Period
Assets			
Current assets	994,599,022,267	687,110,222,333	673,098,061,775
Cash and cash equivalents	308,144,761,285	177,060,265,702	245,211,541,679
Trade receivables and other current receivables	176,008,297,755	229,892,300,638	178,457,587,999
Short-term financial instruments	150,000,000,000	0	0
Current derivative financial assets	166,095,063	0	215,848,836
Current inventories	349,387,353,694	275,552,320,347	232,088,238,896
Other current assets	10,892,514,470	4,605,335,646	5,705,093,360
Non-current assets or disposal groups classified as held for sale or distribution to owners	0	0	11,419,751,005
Non-current assets	1,328,652,531,166	1,295,195,206,262	1,282,620,098,546
Long-term financial products	27,500,000	27,500,000	27,500,000
Non-current derivative assets	7,699,750,000	8,784,996,485	5,055,776,136
Long-Term Investment Assets	72,241,878,199	63,477,943,702	60,037,005,604
Investments in subsidiaries, joint ventures, and associates	500,476,806,543	441,376,806,543	444,401,884,323
Tangible assets	643,851,691,007	696,520,615,207	693,308,754,458
Right-of-use assets	1,759,756,748	1,949,033,867	1,790,310,080
Intangible assets other than goodwill	32,595,011,177	37,335,223,125	30,267,026,107
Investment properties	46,512,599,590	17,255,302,782	17,297,334,222
Other non-current assets	2,435,735,589	2,307,455,589	1,991,164,589
Non-current net defined benefit assets	18,328,300,501	23,549,909,941	23,877,527,090
Deferred income tax assets	2,723,501,812	2,610,419,021	4,565,815,937
Total assets	2,323,251,553,433	1,982,305,428,595	1,955,718,160,321
Liabilities			
Current liabilities	815,930,532,356	570,288,738,549	652,684,624,167
Trade payables and other current liabilities	191,949,610,981	178,799,913,495	188,916,425,124
Current borrowings (including bonds)	255,326,971,640	255,350,258,489	238,989,048,940
The portion of non-current borrowings (including bonds) that is replaced by liquidity	275,827,193,314	101,636,680,087	192,405,128,296
Current derivative financial liabilities	68,291,584,302	3,960,791,997	81,934,323
Current lease liabilities	1,213,939,245	1,053,864,669	844,576,287
Current contract liabilities	9,394,511,604	9,977,358,888	4,812,601,259
Current provisions for liabilities	1,666,301,369	321,882,893	12,476,761,297
Current income tax liabilities	7,895,375,047	15,416,017,883	7,249,206,994
Other current liabilities	4,365,044,854	3,771,970,148	6,908,941,647
Non-current liabilities	277,552,604,106	234,634,350,580	179,146,772,609
The non-current portion of non-current bonds	269,388,242,164	219,404,968,938	164,557,090,565
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	0	8,333,310,000	7,650,000,000
Non-current lease liabilities	591,994,742	938,923,147	982,533,549
Non-current portion of provisioning liabilities	5,957,148,495	5,957,148,495	5,957,148,495
Other non-current liabilities	1,615,218,705	0	0
Total liabilities	1,093,483,136,462	804,923,089,129	831,831,396,776
Equity			
Capital	99,018,420,000	98,793,505,000	98,793,505,000
Capital surplus	160,301,831,389	157,915,326,106	157,915,326,106
Components of other equity	(9,021,461,862)	(12,644,103,915)	(12,644,103,915)

Retained earnings (losses)	979,469,627,444	933,317,612,275	879,822,036,354
Total equity	1,229,768,416,971	1,177,382,339,466	1,123,886,763,545
Total liabilities and stockholders' equity	2,323,251,553,433	1,982,305,428,595	1,955,718,160,321

4-2. Comprehensive Income Statement

Comprehensive Income Statement

The 9th Period from 2025-01-01 to 2025-12-31

The 8th Period from 2024-01-01 to 2024-12-31

The 7th Period from 2023-01-01 to 2023-12-31

(Unit: KRW)

	The 9th Period	The 8th Period	The 7th Period
Revenue (Sales)	1,440,380,625,560	1,340,527,392,476	1,232,925,641,365
Cost of sales	1,087,490,093,391	1,007,720,252,924	947,103,926,906
Gross profit	352,890,532,169	332,807,139,552	285,821,714,459
Selling and administrative expenses	257,177,364,221	221,714,892,424	200,386,437,771
Operating profit (loss)	95,713,167,948	111,092,247,128	85,435,276,688
Non-operating income	(9,121,442,048)	(22,510,083,032)	(29,414,821,782)
Other revenue	25,976,562,552	14,163,321,617	23,667,872,352
Other losses	15,471,309,575	23,352,412,780	41,680,756,525
Financial income	48,652,515,471	51,149,934,187	39,204,884,498
Financial cost	68,279,210,496	64,470,926,056	50,606,822,107
Net profit (loss) before income tax expense	86,591,725,900	88,582,164,096	56,020,454,906
Income tax expense	17,615,802,802	18,414,894,294	14,266,718,520
Net income (loss)	68,975,923,098	70,167,269,802	41,753,736,386
Other comprehensive income	(598,901,829)	(4,099,684,781)	(8,581,321,440)
After-tax other comprehensive income that are not reclassified to profit or loss	(598,901,829)	(4,099,684,781)	(8,581,321,440)
After-tax other comprehensive income, remeasurement gains and losses of defined benefit plans	(598,901,829)	(4,099,684,781)	(8,581,321,440)
Total comprehensive income	68,377,021,269	66,067,585,021	33,172,414,946
Earnings per Share (EPS)			
Earnings (Loss) per common share (unit: KRW)	3,566	3,651	2,171
Diluted earnings (loss) per share for common shares KRW)	3,565	3,650	2,169
Basic EPS for preferred stock (loss) (Unit: KRW)	3,642	3,701	2,221

4-3. Statement of Changes in Equity

Statement of Changes in Equity

The 9th Period from 2025-01-01 to 2025-
12-31

The 8th Period from 2024-01-01 to 2024-
12-31

(Unit: KRW)

The 7th Period from 2023-01-01 to 2023-
12-31

	Equity				
	Capital	Capital surplus	Components of other equity	Retained earnings	Total equity
2023-01-01 (capital at beginning of period)	98,793,505,000	157,915,326,106	(12,644,103,915)	875,533,319,208	1,119,598,046,399
Net income (loss)	0	0	0	41,753,736,386	41,753,736,386
After-tax other comprehensive income, remeasurement gains and losses of defined benefit plans	0	0	0	(8,581,321,440)	(8,581,321,440)
Dividends recognized as distributions to owners	0	0	0	(28,883,697,800)	(28,883,697,800)
Increase (decrease) due to share-based payment transactions, equity	0	0	0	0	0
Increase (decrease) due to transactions of treasury shares	0	0	0	0	0
2023-12-31 (capital at end of period)	98,793,505,000	157,915,326,106	(12,644,103,915)	879,822,036,354	1,123,886,763,545
2024-01-01 (capital at beginning of period)	98,793,505,000	157,915,326,106	(12,644,103,915)	879,822,036,354	1,123,886,763,545
Net income (loss)	0	0	0	70,167,269,802	70,167,269,802
After-tax other comprehensive income, remeasurement gains and losses of defined benefit plans	0	0	0	(4,099,684,781)	(4,099,684,781)
Dividends recognized as distributions to owners	0	0	0	(12,572,009,100)	(12,572,009,100)
Increase (decrease) due to share-based payment transactions, equity	0	0	0	0	0
Increase (decrease) due to transactions of treasury shares	0	0	0	0	0
2024-12-31 (capital at end of period)	98,793,505,000	157,915,326,106	(12,644,103,915)	933,317,612,275	1,177,382,339,466
2025-01-01 (capital at beginning of period)	98,793,505,000	157,915,326,106	(12,644,103,915)	933,317,612,275	1,177,382,339,466
Net income (loss)	0	0	0	68,975,923,098	68,975,923,098
After-tax other comprehensive income, remeasurement gains and losses of defined benefit plans	0	0	0	(598,901,829)	(598,901,829)
Dividends recognized as distributions to owners	0	0	0	(22,225,006,100)	(22,225,006,100)
Increase (decrease) due to share-based payment transactions, equity	224,915,000	2,386,505,283	286,835,720	0	2,898,256,003
Increase (decrease) due to transactions of treasury shares	0	0	3,335,806,333	0	3,335,806,333
2025-12-31 (capital at end of period)	99,018,420,000	160,301,831,389	(9,021,461,862)	979,469,627,444	1,229,768,416,971

4-4. Statement of Cash Flows

Statement of Cash Flows

The 9th Period from 2025-01-01 to 2025-12-31

The 8th Period from 2024-01-01 to 2024-12-31

The 7th Period from 2023-01-01 to 2023-12-31

(Unit: KRW)

	The 9th Period	The 8th Period	The 7th Period
Cash flows from operating activities	103,232,209,297	21,805,050,994	141,767,040,414
Net income (loss)	68,975,923,098	70,167,269,802	41,753,736,386
Adjustments for net income reconciliation	109,861,374,642	106,039,636,981	84,769,885,745
Changes in assets and liabilities due to operating activities	(31,554,536,056)	(129,191,440,736)	55,609,214,568
Interest received	7,764,960,296	10,721,217,215	4,617,858,210
Interest paid	(28,339,642,794)	(30,660,450,570)	(25,337,121,945)
Dividends received	1,490,000,000	1,790,000,000	2,190,000,000
Income taxes paid, operating activities	(24,965,869,889)	(7,061,181,698)	(21,836,532,550)
Cash flows from investment activities	(229,201,849,174)	(53,018,710,857)	(95,310,672,516)
Disposal of short-term financial instruments	0	0	62,314,943,170
Decrease in loans receivable	500,000,000	600,000,000	360,000,000
Decrease in lease deposits	60,164,000	14,440,000	55,165,666
Decrease in long-term investment assets	65,000,000	549,000,000	410,558,210
Cash inflows from disposal of tangible assets	27,915,037,103	10,217,310	22,775,100
Disposal of intangible assets	1,007,200,000	1,060,000,000	520,000
Disposal of assets held for sale	0	20,774,468,068	0
Acquisition of short-term financial instruments	(150,000,000,000)	0	0
Increase in lease deposits	(150,000,000)	(89,180,000)	(110,000,000)
Acquisition of long-term investment assets	(2,088,674,314)	(2,678,207,933)	(2,079,993,210)
Acquisition of other investment assets	(38,444,000)	0	0
Acquisition of tangible assets	(43,595,738,478)	(62,968,084,392)	(86,641,315,293)
Acquisition of intangible assets	(3,776,393,485)	(10,291,363,910)	(3,549,326,159)

Acquisition of investments in subsidiaries	(59,100,000,000)	0	(66,094,000,000)
Cash flows from financing activities	257,261,457,366	(33,528,908,252)	79,722,242,679
Cash inflows from the exercise of stock options	2,228,162,333	0	0
Increase in short-term borrowings	135,644,744,992	150,000,000,000	70,000,000,000
Increase in long-term borrowings	0	9,800,000,000	10,200,000,000
Increase in bonds payable	388,885,319,251	149,347,606,800	199,140,850,000
Repayment of short-term borrowings	(147,666,690,000)	(139,203,147,472)	(103,823,280,699)
Repayment of bonds payable	(95,000,000,000)	(190,000,000,000)	(66,000,000,000)
Repayment of lease liabilities classified as financing activities	(1,271,646,090)	(902,180,280)	(913,515,092)
Repayment of long-term borrowings	(3,333,300,000)	0	0
Payment of dividends	(22,225,133,120)	(12,571,187,300)	(28,881,811,530)
Increase (decrease) in cash and cash equivalents before the effect of exchange rate fluctuations	131,291,817,489	(64,742,568,115)	126,178,610,577
Cash and cash equivalents at the beginning of period	177,060,265,702	245,211,541,679	119,021,281,023
Effect of exchange rate fluctuations on cash and cash equivalents	(207,321,906)	(3,408,707,862)	11,650,079
Cash and cash equivalents at end of period	308,144,761,285	177,060,265,702	245,211,541,679

5. Notes to the Financial Statements

1. Overview of the Company

For the purpose of manufacturing and selling synthetic resins and related products, as well as development, production and sales of pharmaceuticals and vaccines, SK chemicals Co., Ltd. (hereinafter, "the Company") was established on December 1, 2017 via a split-off from SK discovery Co., Ltd. The Company re-listed its stock certificates on the Korea Exchange on January 5, 2018, and operates its Ulsan and Cheongju Plants with its head office located in Seongnam-si, Gyeonggi-do.

On May 1, 2018, the Company merged with SK Petrochemical Co., Ltd., a subsidiary in which it holds 100% equity interest, and newly established SK bioscience Co., Ltd. for the development and production of vaccines through a physical split-off on July 1, 2018, the date of split-off. Furthermore, the Company newly established SK Multi-Utility Co., Ltd., for the purposes of supplying utilities through a physical split-off on December 1, 2021, the date of split-off.

As of the end of the current period, the status of major shareholders (including preferred stocks) of the Company is as follows:

Name of shareholder	Common shares		Preferred stocks	
	Number of shares held (stocks)	Equity interest (%)	Number of shares held (stocks)	Equity interest (%)
SK discovery Co., Ltd.	7,056,899	40.79	-	-
SK chemicals Co., Ltd. (Treasury shares)	29,909	0.17	4,366	0.21
Other	10,211,958	59.04	2,111,063	99.79
Total	17,298,766	100.00	2,115,429	100.00

The financial statements of the Company were approved by the board of directors on February 6, 2026, and the final approval is expected to be made at the general meeting of shareholders on March 24, 2026.

2. Significant Accounting Policies and Standards for the Preparation of Financial Statements

2-1 Preparation standards for the financial statements

The financial statements of the Company have been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS) enacted in accordance with the Act on External Audit of Stock Companies, Etc.

The financial statements are prepared on a historical cost basis, excluding the liabilities and equity interest's financial assets valued at fair value. The carrying amounts of the assets and liabilities designated as hedging targets for fair value hedging are not recorded at amortized cost, but are recorded by reflecting the changes in the fair value corresponding to the risks hedged within an effective hedging relationship. These financial statements are presented in Korean won (KRW) and, unless otherwise stated, are expressed in units of KRW 1,000.

2-2 Subsidiaries, associates, and joint ventures

The Company's financial statements are separate financial statements prepared in accordance with K-IFRS No. 1027, and the investment assets of subsidiaries, associates and joint ventures are presented as accounting practiced based on direct equity investment rather than based on the

reported performance and net assets of the investee. The Company has accounted for its investments in subsidiaries, associates, and joint ventures by selecting the cost method in accordance with K-IFRS No. 1027. However, as for all investments in subsidiaries, associates and joint ventures, K-IFRS No. 1101 (first adoption of the K-IFRS) was applied and the carrying amount according to the previous accounting standards on the date of transition to the K-IFRS was used for the deemed cost, and the cost method was applied. Meanwhile, the dividends received from subsidiaries, associates and joint ventures are recognized as profit or loss when the right to receive dividends is confirmed.

2-3 Foreign currency translation

The Company presents its financial statements in KRW, the Company's functional currency.

(1) Transactions and balance

In preparing the financial statements of the Company, the transactions conducted in a currency other than the functional currency are recorded using the exchange rate on the date of transaction, and the monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate of the functional currency as of the end of the reporting period. The translation differences arising therefrom are reflected in the profit or loss.

Meanwhile, the foreign currency denominated non-monetary items measured at the historical cost are recognized by applying the exchange rate on the date of the initial transaction, and the foreign currency denominated non-monetary items measured at fair value are recognized by applying the exchange rate on the date of fair value measurement. Profits or losses arising from the translation of non-monetary items are recognized as other comprehensive income or profit or loss in the same manner as the profits or losses arising from the changes in the fair value of the items.

The date of the transaction intended for determining the exchange rate to use for the initial recognition of the related assets, expenses or income (or any portion thereof) is the date on which the Company first recognizes the non-monetary assets or non-monetary liabilities based on the advance payment or receipt of consideration. In cases where advance payments or advance collections are made over multiple periods, the Company determines the transaction date for each advance payment or advance collection separately.

2-4 Revenue from Contracts with Customers

The Company operates the two business divisions of Green Chemicals and Life Science. The

Green Chemicals Business Division produces and sells the PET resins, highly functional PETG resins, industrial adhesives, etc., while the Life Science Business Division is engaged in the pharmaceutical business. In contracts with customers, the Company recognizes revenue as the amount it expects to receive as consideration for goods or services when the control of the goods or services is transferred to the customer.

The Company has reached the conclusion for itself since it controls each of the goods or services specified under the contracts with the customers before the goods or services are provided to the customers.

(1) Sales of goods

The sales profits of goods are generally recognized upon the delivery of the goods, where the control of the assets is transferred to the customers. The typical recovery period for receivables is 30 to 90 days after delivery. The Company considers whether other promises within the contract constitute separate performance obligations to which a portion of the transaction price should be allocated. In calculating the transaction price for the sales of goods, the Company considers variable consideration, significant financing factors, non-cash consideration and the consideration payable to the customers.

1) Variable consideration

As for the contract for supplying goods to its customers, the Company may have the consideration received or to be received from the customers changed since it provides discounts and incentives for the purpose of increasing the customers' sales or allows for returns of goods. If the contract includes variable consideration, the Company estimates the amount it will receive in consideration for transferring the promised goods to the customer. When the uncertainties associated with the variable consideration are later addressed, the variable consideration is estimated at the point of commencement of the contract and is included in the transaction price only to the extent that it is highly probable that a significant portion of the amount of accumulated profits recognized will not be returned. Some contracts provide the customers with the right to return goods and quantity rebates. The right to return goods and quantity rebates are equivalent to the variable consideration.

① Right of return

Certain contracts provide the customers with the right to return goods within a certain period. As a method of estimating goods which will not be returned, the Company uses the expected values which are expected to better predict the consideration to which it will be entitled. Among the requirements of K-IFRS No. 1115, the restrictions on the estimation of variable consideration are

also applied even when the amount of variable consideration included in the transaction price is determined. The Company recognizes the goods which are expected to be returned, not as profits, but as the refund liabilities. The right to the returned goods and the corresponding adjustment for the cost of goods sold are recognized.

② Quantity rebate

The Company provides quantity rebates retroactively to previous purchases if the purchase exceeds the specified limit in the contract for certain customers. The rebate is deducted from the amount payable by the customer. To estimate the variable consideration for the rebate expected in the future, the Company applies the most probable method for contracts with only one quantity criterion and the expected value method for the contracts with multiple quantity criteria. The Company considers the number of quantity criteria under the contract as a key factor in selecting the method which best predicts the variable consideration. The Company recognizes the refund liabilities for the anticipated future rebates by applying the requirements for the variable consideration's constraints.

2) Significant financial elements

By applying the practical expedient method of K-IFRS No. 1115, the Company, when commencing the contract, does not reflect the effect of a significant financing component on the promised consideration (amount) if the period between the point of transferring the promised goods or services to the customer and the point of paying the consideration thereto is expected to be 1 year or less.

(2) Contract balance

1) Contract assets

A contract asset is the right to receive consideration for the goods or services transferred to a customer. If the Company transfers goods or services to a customer before the customer pays the consideration or before the date on which payment is due, the asset which is the company's right to take consideration and whose right is subject to conditions other than the lapse of time is a contract asset. The contract assets are assessed for impairment.

2) Trade receivables

A receivable is recognized when an amount of unconditional consideration is due for payment by and from the customer (that is, where only the lapse of time is required before the consideration is paid upon maturity). For the financial assets-related accounting policies, refer to Note 2-8.

3) Contract liabilities

A contract liability is a company's obligation to transfer goods or services to a customer equivalent to the consideration which the Company has already taken from the customer (or the consideration for which the payment is due). If the customer pays the consideration before the Company transfers goods or services to the customer, the contract liabilities are recognized when it is paid or when it is due, whichever is earlier. The contract liabilities are recognized as profits when the Company carries out its performance obligations pursuant to the contract.

(3) Assets and liabilities arising from the right to return

1) Right to recover the returned product

The right to recover the returned product is the Company's right to recover a product which the customer is expected to return. The assets are measured at the existing carrying amount of inventories minus the expected cost of recovering the products and any potential reduction in the value of the products returned.

2) Refund liabilities

A refund liability is an obligation to return a portion or all of the consideration received or receivable from the customer. It is measured as the amount the Company expects to ultimately refund to the customer. The Company updates the estimates of refund liabilities and changes in the transaction price accordingly at the end of each fiscal period. The above accounting policy refers to variable consideration.

2-5 Government subsidies

Government subsidies are recognized if and when there is a reasonable assurance of the receipt of the subsidies and the fulfillment of ancillary conditions therefor. Profit-related subsidies are recognized as profits in line with a systematic standard over the period needed to match the costs associated with the subsidies intended to cover, while the assets related subsidies are recognized as deferred revenue, and the same amount is recognized as the revenue each year over the useful life of the related assets.

When non-monetary assets are received as the subsidies, the Company records the assets and

subsidies in nominal amounts and recognizes them as revenue in the statement of income on a straight-line basis over the estimated useful lives of the related assets. When a loan or similar aid is provided and received at an interest rate lower than the market rate, the benefit from the lower interest rate is recognized as an additional government grant.

2-6 Income tax

(1) Current income tax

The current income tax liabilities (assets) for the current and previous periods are measured at the amount expected to be paid to (refunded by and from) the tax authorities using the tax rates and tax laws enacted or substantively enacted by the end of the current period.

The current income tax related to the items directly reflected in equity are reflected in equity, and are not reflected in the statements of income. The senior management regularly assesses the recoverability of the amount of income tax refund in connection with the interpretation of relevant tax laws and establishes provisioning liabilities as needed.

(2) Deferred income tax

For the purpose of financial reporting of the assets and liabilities, the Company recognizes the deferred income tax assets and deferred income tax liabilities for temporary differences, which are the differences between the carrying amount and the tax reference amount.

The Company recognizes the deferred income tax liabilities for all taxable temporary differences, except under the following circumstances:

- Where deferred income tax liabilities arise when the goodwill is initially recognized
- Where deferred income tax liabilities arise from transactions which do not affect the accounting profits or taxable income at the time of the transaction, not a business combination transaction in which assets or liabilities are initially recognized
- Where it is highly probable that the temporary differences will not be extinct in the foreseeable future as they are taxable temporary differences in connection with the investment interest in subsidiaries, associates and joint ventures, and where the point in time of the extinction of the temporary difference may be controlled

Furthermore, deferred income tax assets are recognized when it is highly probable that the taxable income can be used for deductible temporary differences and unused tax credits and tax losses, except in the following cases:

- Where deferred income tax assets arise from transactions which do not affect the accounting profits or taxable income at the time of the transaction, not a business combination transaction in which assets or liabilities are initially recognized
- Where deductible temporary differences exist in connection with the investment interest in subsidiaries, associates, and joint ventures, and where it is not highly probable that the temporary differences will be extinguished in the foreseeable future, or where it is not probable that the taxable income for which the temporary difference can be used will arise

The carrying amount of the deferred income tax assets is reviewed at the end of each reporting period, and if it is no longer probable that a sufficient taxable income will be available to use the benefits of some or all of the deferred income tax assets, the carrying amount of the deferred income tax assets is reduced. Meanwhile, the reduced amount is reversed to the extent that it is highly likely that a sufficient taxable income will be generated for use. Furthermore, at the end of each reporting period, the unrecognized deferred income tax assets are reviewed, and the previously unrecognized deferred income tax assets are recognized to the extent that it is highly probable that the deferred income tax assets will be recovered based on the future taxable income.

The deferred income tax assets and liabilities are measured using the tax rates expected to be applied for the fiscal period in which the assets are realized or liabilities are settled based on the tax rates (and the tax laws) enacted or substantively enacted by the end of the reporting period.

The current and deferred income tax related to the items recognized other than the profit or loss are recognized as items other than profit or loss. The deferred income tax items are recognized as other comprehensive income or reflected directly in equity depending on the relevant transaction.

If the tax benefits acquired as a part of a business combination did not satisfy the separate recognition criteria at the relevant point in time, yet were recognized during the measurement period as a result of new information on the facts and circumstances existing on the date of acquisition, the relevant deferred income tax benefits are recognized. The recognized acquired deferred income tax benefits are applied to reduce the carrying amount of the goodwill related to the acquisition, and if the carrying amount of the goodwill is zero, the remaining deferred income tax benefits are recognized as profit or loss.

The Company is entitled to legally enforce the offset of the current tax assets and current tax liabilities, and if the taxable companies are the same, or if the taxable companies are different yet there is an intention to settle the current tax liabilities and assets in a net amount, or if there is an intention to settle the liabilities at the same time as realizing the assets for each fiscal period in the future where the deferred income tax liabilities are settled or the deferred income tax assets are recovered in a significant amount, the deferred income tax assets and deferred income tax liabilities are appropriated and presented only if and when the deferred income tax assets and deferred income tax liabilities are related to the same tax authority.

(3) Sales tax

Revenue, expenses and assets are recognized as the net amount minus applicable sales tax. However, if the sales tax related to the purchase of an asset or service cannot be refunded by and from the tax authorities, it is recognized as part of the acquisition cost or part of the expense item, and the relevant receivables and liabilities are presented as the amount including the sales tax.

The net amount of the sales tax to be refunded by or payable to the tax authority is included in the receivables or liabilities in the statement of financial position.

2-7 Retirement benefits

The Company operates a defined benefit retirement pension plan, and the benefit cost of the defined benefit plan is determined using the projected unit credit method. The actuarial profits and losses, revenue from the plan assets excluding the amount included in the net interest, and the remeasurement elements consisting of changes in the effect of the ceiling on asset recognition excluding the amount included in the net interest are recognized as other comprehensive income immediately when incurred and are not subsequently reclassified as profit or loss.

The past service cost is recognized as an expense based on whichever is the earlier of the following:

- When the plan is revised or reduced
- When the relevant restructuring costs or termination benefits are recognized

The net interest is determined by multiplying the net defined benefit obligations (assets) by the discount rate. The Company recognizes the service cost and the net interest on the net defined benefit obligations as profit or loss for the items of the cost of goods sold and the selling,

general and administrative expenses.

Meanwhile, the Company operates a defined contribution plan for some of the executives and employees, and the contribution is recognized as an expense when the executives and employees provide service at work. The expense recognized in profit or loss related to the defined contribution plan during the period is KRW 774,573,000 (previous year: KRW 445,456,000).

2-7.1 Financial instruments: initial recognition and subsequent measurement

A financial instrument is any contract which creates a financial asset for one of the parties to a transaction and a financial liability or equity instrument for the other party to the transaction.

(1) Financial assets

1) Initial recognition and measurement

Financial assets are classified into financial assets measured at amortized cost upon initial recognition, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

The classification of financial assets upon initial recognition varies depending on the contractual cash flows' characteristics of the financial assets and the business model of the Company for managing the financial assets.

Excluding the trade and other receivables which do not contain a significant financial element or for which the practical expedient method is applied, the Company initially measures the financial assets at fair value, and unless they are not the financial assets at fair value through profit or loss, they add or subtract the transaction cost. Trade and other receivables, which do not include a significant financing element or for which the practical expedient method is not applied, are measured at the transaction cost determined in accordance with K-IFRS No. 1115. Please refer to Note 2-4 on the accounting policy for revenue.

To measure the financial assets at amortized cost or fair value through other comprehensive income, the cash flows must consist of solely payments of principal and interest (SPPI). This assessment is called the SPPI test and is performed at the level of the individual instrument.

The Company's business model for the management of financial assets relates to the management of financial assets intended to generate cash flows. The business model determines whether the source of cash flows is the receipt or sale of the contractual cash flows of the financial assets, or whether it is both.

The purchase or sale of financial assets (standardized transaction) in which the financial assets are required to be transferred within a time frame established by market agreement or regulation is recognized on the date of transaction. That is, it is recognized on the date on which the Company agrees to purchase or sell the financial assets.

2) Subsequent measurements

For the subsequent measurements, the financial assets are classified into the following four categories: • Financial assets measured at amortized cost (debt instruments)

• Financial assets at fair value through other comprehensive income (debt instruments), with accumulated gains or losses recycled to profit or loss • Financial assets at fair value through other comprehensive income (equity instruments), with accumulated gains or losses not recycled to profit or loss • Financial assets at fair value through profit or loss

① Financial assets measured at amortized cost (debt instruments)

The Company measures the financial assets at amortized cost if and when all of the following terms and conditions are satisfied.

• Under a business model whose objective is to hold financial assets to collect contractual cash flows, • The financial asset generates cash flows consisting solely of payments of principal and interest on the principal amount outstanding, in accordance with the terms of the financial asset.

The financial assets measured at amortized cost are subsequently measured using the effective interest rate (EIR) method, and the impairment is recognized. The profits and losses arising from the derecognition, change or impairment of assets are recognized as profit or loss.

② Financial assets at fair value through other comprehensive income (debt instruments)

The Company measures the debt instruments which satisfy all of the following terms and conditions as financial assets at fair value through other comprehensive income. • Financial assets are held under a business model which achieves purposes through both the receipt of contractual cash flows and the sale of financial assets, and

- According to the contractual terms and conditions of financial assets, cash flows consist only of principal and interest payments which are generated on a specific date.

For the debt instruments at fair value through other comprehensive income, the interest income, foreign currency translation profits and losses, and impairment or reversal are calculated in the same manner as financial assets measured at amortized cost and are recognized as profit or loss. The rest of the changes in fair value are recognized as other comprehensive income. When the financial assets are derecognized, the accumulated change in fair value recognized as other comprehensive income is recirculated as profit or loss.

③ Financial assets at fair value through other comprehensive income (equity instruments)

Upon the initial recognition, the Company can make an irrevocable selection to measure the equity instruments which satisfy the definition of equity under K-IFRS No. 1032 "Presentation of Financial Instruments" and which are not held for investment purposes at fair value through other comprehensive income.

The profits and losses arising from such financial assets are not recirculated as profit or loss. Dividends are recognized in the statement of income as other income and accounted for as other comprehensive income when the entitlement is confirmed, except when the Company gains profits by recovering a portion of the cost of the financial assets. Other comprehensive income - equity instruments at fair value are not subject to impairment recognition.

The Company can also make irrevocable selections for the unlisted equity instruments.

④ Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include trading items, financial assets designated for measurement at fair value through profit or loss upon initial recognition, or financial assets required to be measured at fair value. Financial assets acquired for the purpose of sale or repurchase within a short period are classified as the trading items. Derivatives, including separated embedded derivatives, are classified as the trading items unless they are designated as effective hedging instruments. The financial assets whose cash flow do not consist only of the payment of principal and interest are classified and measured as financial assets measured at fair value through profit or loss, regardless of the business model. As described in the above paragraph, although debt instruments are classified as amortized cost or other comprehensive income - fair value measured financial assets, if the accounting mismatch can be eliminated or significantly reduced, the debt instruments can be designated to be measured at fair value through profit or loss.

The financial assets at fair value through profit or loss are presented at fair value in the statement of financial position, and the net changes in fair value are recognized as profit or loss in the statement of income.

This category includes the derivatives and the traded equity instruments for which no irrevocable selection was made to account for the changes in fair value as other comprehensive income. The dividends for the traded equity instruments are recognized as profit or loss when the rights are confirmed.

As for the derivatives embedded in hybrid contracts, the economic characteristics and risks are not closely related to the main contract, and the separate instruments with the same conditions as the embedded derivative satisfy the definition of derivative, and if the hybrid contract is not measured at fair value through profit or loss, it is accounted for as derivative as a separate derivative from the main contract. The embedded derivatives are measured at fair value, and the changes in fair value are recognized as profit or loss. A reevaluation occurs only when and if there is a change in the terms and conditions of the contract which significantly changes the cash flows, or if it becomes not applicable for the category of fair value measurement through profit or loss.

In hybrid contracts for which the main contract is a financial asset, embedded derivatives are not accounted for separately. The financial assets and embedded derivatives, which are the main contracts, are classified as financial assets at fair value through profit or loss.

3) Derecognition

A financial asset (or a portion of a financial asset or of a group of similar financial assets) is derecognized with priority under the following circumstances:

- The right to receive cash flows from financial assets is extinct, or
- The Company transfers the right to receive cash flows from financial assets or is obligated to pass through the entire cash flows received under a pass-through agreement to a third party without significant delay. In such an event, the consolidated companies neither transfer substantially most of the risks and rewards of holding the financial assets, nor transfer or hold most of the risks and rewards of holding the financial assets, yet transfer the control over the assets.

When the Company transfers the right to receive cash flows from a financial asset or executes a pass-through contract, they assess whether they maintain the risks and rewards of owning the

assets. If the Company has neither held nor transferred most of the risks and rewards of a financial asset, it would continue to recognize the financial asset to the extent that it continues to be involved with it. In such an event, the Company recognizes the relevant liabilities. The liabilities related to the transferred assets are measured by reflecting the rights and obligations of the Company.

The continuous involvement, which takes the form of providing guarantees, is measured either as the carrying amount of the assets transferred or the largest amount which may be required for repayment among the considerations received, whichever is the lesser.

4) Impairment of financial assets

The detailed disclosures made in connection with the impairment of financial assets are provided in the notes below. • Disclosures on the significant assumptions- Note 3

- Trade receivables including contract assets - Note 6

The Company recognizes the allowance for expected credit loss (ECL) for all debt instruments, except for the items measured at fair value through profit or loss. The expected credit loss is estimated by discounting the differences between the cash flows agreed to be received under contract and all cash flows expected to be received by the Company, discounted at the initial effective interest rate. The expected cash flows include the cash flows from the disposal of collateral held or from other credit enhancements which are among the essential terms and conditions of the contract.

The expected credit loss is recognized in two stages. For credit exposures with no significant increase in the credit risk since the initial recognition, the expected credit loss reflects the credit losses (expected credit loss for 12 months) arising from any events of default likely to occur within the next 12 months. For credit exposures with a significant increase in the credit risk after the initial recognition, the loss allowance is required to measure the expected credit loss over the remainder of the surviving period for the exposure regardless of when an event of default occurs (expected credit loss over the entire period).

For the trade and other receivables and contract assets, the Company may apply the simplified method for the calculation of the expected credit loss. Thus, in lieu of tracking changes in the credit risk, the Company recognizes the loss allowance on each date of settlement as an amount equivalent to the expected credit loss over the entire period. The Company places a provisioning rate table based on the past credit loss experiences adjusted to reflect the future prospects for

specific debtors and economic environments.

For the debt instruments at fair value through other comprehensive income, the Company applies the low credit risk expedient method. On each date of settlement, the Company assesses whether a debt instrument is considered to have a low credit risk using all reasonable and supportable information available without undue cost or effort. For such assessment, the Company re-evaluates the internal credit ratings of the relevant debt instrument. Furthermore, the Company considers whether there is a significant increase in the credit risk when the contractual payment exceeds 30 days.

If the Company's debt instruments at fair value through other comprehensive income consist only of the traded bonds with the highest investment rating, they are considered to be low-credit risk investment assets. The Company's policy is to measure such instruments at the 12-month expected credit loss. However, if there is a significant increase in the credit risk after the initial recognition, the loss allowance is calculated based on the expected credit loss over the entire period. The Company uses the ratings of credit rating agencies to determine whether the credit risk of debt instruments has significantly increased and measure the expected credit loss.

The Company considers it a default if any contractual payment is overdue for over 90 days. However, under certain circumstances, the Company may consider that an event of default has occurred against financial assets if and when internal or external information indicates that the Company will not be able to receive the principal in full under contract until all credit enhancements by the Company are considered. A financial asset is derecognized if and when there is no reasonable expectation of recovering the cash flows under contract.

(2) Financial liabilities

1) Initial recognition and measurement

Upon the initial recognition, financial liabilities are appropriately classified as financial liabilities at fair value through profit or loss, loans and borrowings, and the accounts payable or derivative instruments are designated as effective hedging instruments.

All financial liabilities are initially recognized at fair value, and the directly related transaction costs are deducted for loans, borrowings and payables.

The Company's financial liabilities include the trade payables and other accounts payable, loans and borrowings including overdrafts and the derivatives liabilities.

The Company classifies financial liabilities arising from supplier financing agreements as trade payables and other payables in the balance sheet if they are similar in nature and function to trade payables. This applies when the supplier financing agreement of the Company is part of working capital used within the normal operating cycle, the level of collateral provided is similar to trade payables, and the terms of the liability arising from the supplier financing agreement are not substantially different from the terms of trade payables that are not related to supplier financing agreements. When liabilities arising from supplier financing agreements are classified as trade payables and other payables in the balance sheet, the related cash flows are included in the operating activities section of the statement of cash flows.

2) Subsequent measurements

The measurement of financial liabilities is governed by the classifications mentioned below.

① Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include the trading financial liabilities and the financial liabilities designated to be measured at fair value through profit or loss upon the initial recognition.

The financial liabilities are classified as trading items if they are repurchased within a short period. This category also includes the derivatives which are not designated as hedging instruments in a hedging relationship as defined in K-IFRS No. 1109. Furthermore, the separated embedded derivatives are classified as trading items unless they are designated as effective hedging instruments.

Profits or losses on financial liabilities, which are trading items, are recognized as profit or loss.

The financial liabilities designated as items measured at fair value through profit or loss are designated only upon the initial recognition if the criteria provided under K-IFRS No.1109 are satisfied. The Company has not designated any financial liabilities interest bearing loans fair value through profit or loss.

② Financial liabilities measured at amortized cost (loans and borrowings)

After the initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Any profits or losses arising from the derecognition of a liability or from the effective interest rate amortization procedures is recognized as net profit or loss.

The amortized cost is calculated by taking into account any discounts or premiums for the fees or costs which form an essential part of the effective interest rate.

This category is generally applied for interest-bearing loans or borrowings.

3) Derecognition of financial liabilities

Financial liabilities are derecognized if and when the payment obligations are fulfilled, canceled or expired. If and where an existing financial liability is exchanged for a financial liability with the same borrower yet under substantially different terms and conditions, or where the terms and conditions of the existing liability are materially changed, such exchange or change causes the derecognition of the initial liability and the recognition of the new liability. Each difference between the carrying amounts is recognized as profit or loss.

(3) Offset of financial assets and financial liabilities

Financial assets and financial liabilities are appropriated and presented as the net amount in the statement of financial position if and when one currently has a legally enforceable right to offset against the recognized assets and liabilities, or has the intent to settle the difference or realize the assets while settling the liabilities.

2-9 Measurement of fair value

The Company assesses the financial instruments such as derivatives at fair value as of the end of the reporting period. Disclosures made on the fair value of financial instruments measured at fair value or for which fair value is disclosed are provided under Note 35.

Fair value is the price which would be received in selling an asset or paid to transfer a liability in a normal transaction by and between the market participants on the date of measurement. The fair value measurement assumes that a transaction of selling an asset or transferring a liability takes place in one of the following markets:

- The primary market for assets or liabilities
- The most advantageous market only when there is no

primary market for the assets or liabilities

The Company must be able to access the primary (or the most

advantageous) market.

The fair value of an asset or liability is measured based on the assumptions which the market participants use when determining the price for the asset or liability under the assumption that the market participants act to the best of their ability and in their economic interest.

When measuring the fair value of a non-financial asset, the ability of the market participant who sells the asset to another market participant who has best used or who will best use the asset to create economic benefits is considered.

The Company uses the valuation techniques which are appropriate for the given circumstances and for which adequate data are available to measure the fair value while maximizing the use of relevant observable input variables and minimizing the use of unobservable input variables.

All assets and liabilities measured or disclosed at fair value in the financial statements are classified into the following fair value hierarchy based on the lowest level of input variables which are significant for fair value measurement.

- Level 1 – The (unadjusted) quoted price in an active market that the entity can access the same asset or liability at the measurement date. The quoted price reflects the market's assumptions regarding changes in the economic environment, such as interest rate increases, inflation, and ESG-related risks.
- Level 2 – Input variables that are observable for the asset or liability, either directly or indirectly, other than the quoted price in Level 1
- Level 3 – Unobservable input variables for assets or liabilities, such as those reflecting significant adjustments

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ue to non-publicly traded equity securities and ESG-related risks, as seen in financial instruments

Regarding the assets and liabilities which are repeatedly measured at fair value in the financial statements, at the end of each reporting period, the Company determines whether there is any movement between the levels of the hierarchy by undertaking a reevaluation of the classification based on the input variable of the lowest level significant for the fair value measurement.

For the fair value's disclosure purposes, the Company determines the classification of assets and liabilities and the levels of the fair value hierarchy based on their nature, characteristics, and their risks.

2-10 Derivatives and hedge accounting

(1) Initial recognition and subsequent measurement

The Company uses the derivatives such as currency futures contracts and commodity forward contracts to hedge the foreign exchange risk, interest rate risk, and the commodity price risk, and such derivatives are initially recognized at fair value on the date of contract execution, and thereafter, are subsequently remeasured at fair value. Derivatives are appropriated as financial assets if their fair value is positive, and as financial liabilities if their fair value is negative, and they are subsequently remeasured. Meanwhile, any changes in the fair value of derivatives are directly reflected in the statement of comprehensive income, and the effective portion of the cash flow hedging is reflected in other comprehensive income.

For hedge accounting, hedging is classified as follows:

- Fair value hedging: hedging against changes in the fair value of recognized assets and liabilities and unrecognized firm contracts
- Cash flow hedge: hedging against changes in the cash flows arising from the foreign currency risk of recognized assets and liabilities, highly probable expected transactions, or unrecognized firm contracts

Upon the commencement of the hedging relationship, the Company formally designates and documents the hedging relationship for which it seeks to apply hedging accounting, the risk management objectives and hedging strategies.

The documentation includes the hedging instruments, the hedged items, the nature of the hedged risks, and the method of assessing whether the hedging relationship satisfies the provisions for hedging effectiveness (including the analysis of the cause of hedging ineffectiveness and the method of determining the hedging ratio). The hedging relationship shall satisfy all of the following provisions related to hedging effectiveness.

- There is an "economic relationship" between the hedged items and the hedging instruments.
- The effect of credit risk does not account for "most of the changes in value" resulting from the economic relationship between the hedged items and the hedging instruments.
- The hedging ratio for a hedging relationship is the ratio of the number of hedged items which

a company actually hedges and the number of hedging instruments the company actually uses to hedge the risk of the number of the hedged items.

The hedging practices satisfying all of the criteria for hedge accounting are accounted

for as follows: • Fair value hedging

Changes in the fair value of the hedging instruments are recognized as profit or loss. The changes in the fair value of the hedged item due to the hedged risk are included in the carrying amount of the hedged item and recognized in profit or loss for the period.

The carrying amounts' adjustments for fair value hedging of the items measured at amortized cost are amortized using the effective interest method over the surviving period of the hedging. Amortization at the effective interest rate can begin immediately after the adjustment is made, and at the latest, must begin before the adjustment of the hedged items for hedging profits or losses is discontinued.

When the hedged items are derecognized, the unamortized fair value is immediately derecognized and recognized as profit or loss.

If an unrecognized firm contract is designated as a hedged item, the cumulative change in the fair value of the firm contract attributable to the hedged risk is recognized as an asset or liability, and the corresponding profit or loss thereto is recognized as profit or loss. • Cash flow hedging

The effective portion of profit or loss from hedging instruments is recognized as other comprehensive income within the cash flow hedge reserves, and the ineffective portion is recognized immediately as profit or loss. The cash flow hedge reserves are adjusted to the accumulated profit or loss of the hedging instruments and the accumulated fair value change of the hedged items, whichever is the smaller.

The Company may hedge based on currency forward contracts against exposure to foreign currency risks in future prospective transactions or firm contracts, and the forward contracts against the commodity prices' volatility. The ineffective portion related to the currency forward contracts is recognized as other income or other expenses, and the ineffective portion related to the forward commodity contracts is recognized as other operating income or other operating expenses. For more details, please refer to Note 23.

The amount accumulated for other comprehensive income (cash flow hedge reserves) is accounted for in line with the characteristics of the hedging transactions. If the hedged transactions subsequently recognize a non-financial item, the cash flow hedge reserves are derecognized and included for the amount of the relevant asset or liability initially recognized. This is not a reclassification adjustment and does not affect other comprehensive income. This is also applied if and when the hedged transaction for a non-financial asset or non-financial liability becomes a firm contract for which fair value hedge accounting is subsequently applied.

With regard to the cash flow hedging, the cash flow hedge reserves are reclassified as profit or loss during the period in which the hedged cash flows affect the profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserves are retained as other comprehensive income if and when the hedged expected cash flows are still expected to be generated. Otherwise, the cash flow hedge reserves are accounted for immediately as profit or loss based on the reclassification adjustment. If the hedged expected cash flows are generated following the discontinuation, the cash flow hedge reserves ought to be accounted for in line with the nature of the underlying transactions as explained in the above.

2-11 Cash and cash equivalents

The cash and cash equivalents in the statement of financial position consist of savings accounts, small amounts of cash, and short-term deposits with maturities of 3 months or less at the time of acquisition.

2-12 Inventories

The Company assesses the inventories at the acquisition cost or the net realizable value, whichever is the less of the two, and the acquisition cost for each inventory asset includes the purchase cost, conversion cost, and the other costs incurred in bringing the inventory asset to its present location and condition. The unit cost of inventories is determined using the weighted average method, except for goods in transit, for which the specific identification method is applied.

2-13 Tangible assets

Construction in progress is the balance of acquisition cost minus the accumulated impairment losses, and the tangible assets are presented as the balance of acquisition cost minus the accumulated depreciation and accumulated impairment losses. Such costs include the

replacement costs satisfying the recognition criteria of assets and the borrowing costs for the long-term construction projects. Where a major part of tangible assets needs to be replaced regularly, the Company recognizes the relevant part as an individual asset and depreciates it over the relevant useful life. Furthermore, if an asset satisfies the recognition criteria such as the comprehensive testing cost, it is included among the carrying amount for tangible assets, and all repair and maintenance costs are reflected in the profit or loss when incurred. In the cost estimated as required to remove, dismantle, or restore the site for the restoration of tangible assets to their original condition after their economic use has expired, the present value of the relevant expenditures is included in the acquisition cost of the tangible assets.

Meanwhile, the depreciation for tangible assets is appropriated using the straight-line method in line with the economic useful lives of each asset below.

Classification	Useful Life
Buildings	40 years
Structures	40 years
Mechanical equipment	10 - 15 years
Vehicles and transport equipment	5 years
Other tangible assets	5 years

The tangible assets are derecognized upon disposal or when no future economic benefits are expected through their use or disposal, and the resulting difference between the net sales amount and the carrying amount is reflected in the profit or loss at the time of derecognition. At the end of each reporting period, the Company reviews the adequacy of the estimated residual value, estimated useful life, and the depreciation method for tangible assets, and where any changes are needed, applies them in a forward-looking manner, and at this time, the impacts of health, safety and environmental laws and regulations are reviewed.

2-14 Borrowing cost

Borrowing costs directly related to the acquisition, construction or production of an asset which requires a significant period to be used for the intended use or ready for sale are capitalized as part of the cost of the relevant asset. Other borrowing costs are appropriated as expenses when incurred. The borrowing costs consist of the interests incurred in connection with the borrowing of funds and the other costs.

2-15 Investment properties

Investment real estate properties are measured at acquisition cost plus the relevant transaction costs, and include the replacement cost that meets the recognition criteria for the assets when incurred. However, costs incurred in day-to-day management activities are recognized as expenses when they are incurred. Following the initial recognition, the investment real estate properties are presented as the balance of the acquisition cost minus the accumulated depreciation and the accumulated impairment losses.

When it is expected that the future economic benefits can no longer be profited from the disposal or use of investment real estate properties, the Company derecognizes them from the consolidated financial statements, and the resulting difference between the net amount of disposal and the carrying amount is reflected in the profit or loss when derecognized. The consideration (amount) to be included in the profit or loss arising from the derecognition of investment real estate properties is calculated in accordance with the requirements on the calculation of transaction price as provided under K-IFRS No. 1115.

In addition, if and only if the purpose of use of the relevant asset is changed, it is transferred from the investment real estate properties to another account or from another account to the investment real estate properties. When it is transferred from the investment real estate properties to tangible assets, the fair value at the point where the purposes of use are changed is applied as the deemed cost. Furthermore, when the tangible assets are replaced with investment real estate properties, the relevant real estate properties are accounted for in the same manner as the tangible assets until the purposes of use are changed.

2-16 Lease

The Company determines at the inception of the contract whether the contract is a lease or contains a lease by considering whether the contract transfers control of the use of an identified asset for a period of time in exchange for consideration.

(1) Accounting treatment as a lessee

The Company applies the single recognition and measurement approach for all leases, with the exception of short-term leases and leases for the underlying assets of small amounts. The Company recognizes a lease liability presenting an obligation to make lease payments and the right-of-use assets presenting the right to use the underlying assets.

1) Right-of-use assets

The Company recognizes the right-of-use assets on the date of commencement of the lease (that is, when the underlying assets are available for use). The right-of-use assets are measured at cost, and a cost model was applied for the subsequent measurements made. To apply the cost model, the accumulated depreciation and accumulated impairment losses are deducted, and the adjustments following the remeasurement of lease liabilities are reflected. The cost of the right-of-use asset includes the amount of the recognized lease liability, initial direct cost, and the lease payments made on or before the date of commencement of the lease minus any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful lives of the assets, whichever is the shorter.

If the ownership to the underlying assets transfers to the Company at the end of the lease term, or if the cost of the right-of-use assets reflects the fact that the Company will exercise the purchase option, the depreciation is calculated using the estimated useful lives of the assets' underlying assets.

The right-of-use assets are also subject to impairment, and are explained under Note 2-20 concerning the accounting policy on the impairment of non-financial assets.

2) Lease liabilities

On the date of commencement of the lease, the Company measures the lease liability at the present value of the lease payments to be paid over the lease term. Lease payments consist of fixed lease payments (including the substantive fixed lease payments minus the lease incentives to be received), variable lease payments that depend on an index or rate, and the amount expected to be paid under the residual value guarantee.

Lease payments also include the exercise price of the purchase option if it is reasonably certain that the Company will exercise the purchase option and the amount they would pay to terminate the lease if the lease term reflects the Company's exercise of the termination option.

Variable lease payments other than those that depend on an index or rate are recognized as expenses for the period in which the event or condition giving rise to the lease payment occurs (unless it is incurred to produce inventories).

When calculating the present value of lease payments, the Company uses the incremental borrowing rate on the date of commencement of the lease since the implied interest rate of the lease cannot be calculated with ease. After the date of commencement of the lease, the amount

of the lease liability increases by reflecting the interest and decreases by reflecting the lease payments made. Furthermore, the carrying amount of the lease liability is remeasured if there is any change in the lease term, change in the lease payments (for example, changes in future lease payments resulting from changes in the index or rate used to calculate the lease payments) or change in the assessment of options to purchase the underlying assets.

3) Short-term leases and the asset leases of small amount

The Company applies the provisions on recognition exemption for short-term leases of machinery and equipment (that is, such leases operate on a lease term of 12 months or less from the date of commencement and do not include a purchase option). Furthermore, the Company applies the recognition exemption for the leases of assets of small amounts for the leases of office supplies that are considered the assets of small amounts. Lease payments for the short-term leases and leases of assets of small amounts are recognized as expenses on a straight-line basis over the lease term.

(2) Accounting as lessor

The Company classifies the leases which do not substantially transfer all of the risks and rewards of ownership of the underlying asset as the operating leases. The revenue from lease payments is recognized on a straight-line basis over the lease term and is included in the sales in the income statement depending on the nature of the business. The direct cost of establishing an operating lease is added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease payment income. Conditional rent payments are recognized as sales when the rent payment is received.

2-17 Classification of liquidity and illiquidity

The Company presents assets and liabilities separately in the statement of financial position as current and non-current.

Assets are classified as current assets where any of the following apply.

- Where the asset is expected to be realized within the normal operating cycle, or intended to be sold or consumed within the normal operating cycle
- Where the asset is primarily held for trading purposes
- Where the asset is expected to be realized within 12 months after the reporting period
- Where, as cash or cash equivalents, the period of restriction on the use of the asset for exchange or debt repayment purposes is not more than 12 months after the reporting period

Any and all other assets are classified as the non-current assets.

Liabilities are classified as current liabilities where any of the following apply.

- Where it is expected that payment will be made within the normal operating cycle
- Where the asset is primarily held for trading purposes
- Where the payment is due within 12 months after the reporting period
- Where the unconditional right to defer the settlement of liabilities for more than 12 months after the reporting period is not granted

Any and all other liabilities are classified as the non-current liabilities.

The deferred income tax assets (liabilities) are classified as the non-current assets (liabilities).

2-18 Cash dividend

The Company recognizes liabilities when the distribution is authorized to pay the dividends out and the Company no longer has discretion.

Distribution for the shareholders requires approval by the shareholders. The corresponding amount is reflected directly in equity.

2-19 Intangible assets

The Company recognizes individually acquired intangible assets at cost, while intangible assets acquired through business combinations are recognized at fair value at the acquisition date. After initial acquisition, accumulated amortization and impairment losses are directly deducted and presented. Meanwhile, the internally created intangible assets, excluding the development costs, are reflected in profit or loss as expense items when created.

Intangible assets are classified into those with finite useful lives and those with indefinite useful lives.

Intangible assets with finite useful lives are amortized over their useful lives, and the impairment is reviewed if there are indications of impairment. Furthermore, the adequacy of the useful lives and amortization method is reviewed at the end of each reporting period, and if any changes are needed due to changes in the expected period of use or changes in the consumption patterns of economic benefits, they are accounted for through changes in estimates. Amortization of intangible assets is reflected in the profit or loss as an expense item consistent with the function of the relevant intangible asset

Meanwhile, the intangible assets with indefinite useful lives are not amortized, yet are each tested for impairment individually or included for the cash-generating units each year.

Furthermore, each year, whether it is appropriate to apply an indefinite useful life for the intangible asset is reviewed, and if not appropriate, it is changed to a finite useful life in a forward-looking manner.

The intangible assets are derecognized upon disposal (that is, the date on which the acquirer gains the control over the relevant assets) or when no future economic benefits are expected from their use or disposal. Upon the derecognition of intangible assets, the Company reflects the profit or loss arising from the differences between the net sale amount and the carrying amount on the profit or loss.

- Research and development (R&D) expenses

The Company recognizes the research expenses as an expense when incurred. However, for development costs related to individual projects, they are appropriated as intangible assets if and where i) it is possible to demonstrate the technical feasibility of completing the intangible asset for use or sale; ii) there is the intention and ability to complete and use or sell the intangible assets; iii) adequate resources are secured towards that end; iv) it is possible to demonstrate how the intangible assets can generate future economic benefits; and v) the expenditures related to the intangible assets incurred during the development phase can be reliably measured.

- Patents

Patents are licensed by the government for a period of 10 years, with the right to renew granted at the end of the term. The amortization expenses for the Company's intangible assets are appropriated using the straight-line method in line with the economic useful lives of each asset below.

Classification	Useful Life
Industrial property rights	5 - 10 years
Software	5 years
Memberships	Indefinite

2-20 Impairment of non-financial assets

At the end of each reporting period, the Company reviews whether there are any signs of the impairment of assets. Where such signs exist or when an annual impairment test is required for the assets, the Company estimates the assets' recoverable amount. The recoverable amount of the assets is net fair value of the assets or the cash-generating unit or the value in use, whichever is the larger, and it is determined for each individual asset; however, if the cash inflow of the individual asset is not generated almost independently of the cash inflow of the other assets or groups of assets, it is determined by the cash-generating unit to which the individual

asset belongs

. If the asset's carrying amount exceeds its recoverable amount, the asset is deemed to be impaired and its carrying amount is reduced to its recoverable amount.

The value in use is determined by discounting the estimated future cash flows of the asset at a pre-tax discount rate reflective of the market's assessment of the time value of money and the risk of the asset. As for the net fair value, a most recent transaction price is considered. If no such transaction is identified, it is determined using an appropriate valuation model. Valuation multiples, market prices of listed stocks, or other fair value indicators are used for such calculations.

The Company calculates the impairment amount based on the specific financial budgets and forecasts prepared for each cash-generating unit for which the individual assets are allocated. The financial budgeting and forecasting generally cover a period of 5 years, while for longer periods, the long-term growth rates are calculated and applied for the period over 5 years.

Impairment loss is reflected in the profit or loss as an expense item consistent with the function of the impaired asset. However, if there is a previously recognized reevaluation surplus as an asset for which the reevaluation model is applied, it is offset against the reevaluation surplus with the previous reevaluation amount as the ceiling.

For assets other than goodwill, at the end of each reporting period, an assessment is made as to whether there are any signs that an impairment loss on any previously recognized assets is no longer present or has decreased, and if such signs exist, the recoverable amount is estimated. The impairment loss on an asset, other than the goodwill recognized in the past, increases the carrying amount to the recoverable amount for the amortized balance of the asset's carrying amount if no recognition of the impairment loss is made; however, this is limited to cases in which there is any change in the estimates used to determine the recoverable amount of the relevant asset after the point of recognition of the immediately previous impairment loss.

However, for the assets for which the reevaluation model is applied, the relevant reversal amount is accounted for an increase in the reevaluation surplus

.

For other intangible assets, the following criteria are additionally applied in impairment testing.

As for the other intangible assets with indefinite useful lives, the Company conducts the

impairment testing for each individual asset or cash-generating unit on December 31 of each year and whenever any signs of impairment are present.

The Company assesses the areas where climate related issues may have a significant impact, such as the introduction of legislation to regulate the greenhouse gas emissions which may increase the manufacturing costs. Such issues related to climate changes are included as the key assumptions if they have a material impact on the measurement of recoverable amounts.

2-21 Provisioning Liabilities

The Company recognizes the provisioning liabilities if and where a present obligation (legal or constructive obligation) exists as a result of any past event, and it is probable that an outflow of resources embodying economic benefits will be released to settle the obligation, and where it is possible to reliably estimate the amount required to fulfill the obligation. Where it is expected that a third party will pay for some or all of the expenses needed to settle for the provisioning liabilities, and limited to the cases in which it is almost certain that the Company will receive reimbursement if the Company fulfills the obligations, they are accounted for as separate assets. The expenses recognized in the statements of income in connection with the provisioning liabilities are presented by offsetting the amount recognized in connection with the reimbursement by a third party.

Where the time value effect of money is material, the provisioning liabilities are discounted at the current pre-tax interest rate reflective of the risk specific to the liabilities. Where the provisioning liabilities are assessed at the present value, any increase in the carrying amount over time is recognized as a financial cost.

1) Onerous contracts

If the Company has executed onerous contracts, the related present obligations are recognized and measured as provisioning liabilities. Before recognizing the provisioning liabilities for the onerous contracts, the impairment loss on the assets used to perform the onerous contracts is recognized first.

An onerous contract is a contract in which the unavoidable costs required to perform the contractual obligations exceed the economic benefits expected to be received therefrom. The unavoidable cost is the lesser of the cost required to perform the contract at the minimum net cost which exists under the contract and the compensation or penalty payable in the event of its non-performance.

2-22 Greenhouse gas emission rights and emission liabilities

The Company received free emission rights as a result of the greenhouse gas emission trading system. These emission rights are paid for each year, and the same number of emission rights must be used in response to the actual emissions. The Company accounts for the emission rights received using the net debt approach, and accordingly, they are recognized as the provisioning liabilities if and only when the actual amount of carbon emitted exceeds the given emission rights, and the emission costs are recognized as the operating costs. Where the emission rights are purchased from a third party, they are appropriated at acquisition cost, and thereafter, remeasured at fair value in line with the emission liabilities, as they are considered as the right of repayment, and the changes in fair value are appropriated in the consolidated statements of comprehensive income.

2-23 Treasury shares

The Company accounts for the treasury shares as a deduction from the equity. The profit or loss on the acquisition, sale, issuance, or cancellation of treasury shares is not reflected in the consolidated statements of comprehensive income, and the differences between the carrying amount and the consideration for disposal is accounted for as other capital surplus.

2-24 Share-based payment transaction

The Company operates a system (the share-settled share-based payment transaction) by which stock options are granted for the executives' and employees' labor and services.

The share-settled, share-based payment costs are measured at fair value of the date of granting using an appropriate valuation model

.

The share-based payment costs are recognized as employee benefits over the period in which the service provision related terms and conditions (or performance condition) are satisfied (hereinafter, "vesting period"), and the corresponding increase in equity is recognized. At the end of each reporting period, the measurement of the cumulative cost of compensation reflects an estimate of whether the vesting period is completed and the final number of equity instruments to be granted. Changes in the accumulated compensation costs at the beginning of the reporting period and at the end of the reporting period are added or subtracted for the statement of income.

The service provision terms and conditions and the non-market conditions are not considered if and when estimating the fair value of share options as of the date of grant, yet are reflected in

the estimation of the number of equity instruments which ultimately are vested, and the market conditions are reflected when measuring the fair value as of the date of granting. The other conditions granted for the share-based payments (unless there are relevant service conditions) are considered to be non-vesting conditions. Non-vesting conditions are reflected when the fair value of share-based payment costs is measured, and if there are no service provision terms and conditions (or performance conditions), they are recognized as expenses immediately thereby.

No expense is recognized for share-based payments which ultimately are not vested. However, the stock-settled transactions with market conditions or non-vesting conditions are accounted for as vested regardless of whether the market conditions or non-vesting conditions are satisfied if and where all other performance and service conditions are satisfied.

Changes in the conditions of the share-settled share-based payment are recognized at the minimum cost which would have been recognized if and where the conditions were not changed, except where the equity instruments are not vested as the specified vesting conditions are not met. An additional effect of the change is recognized when it increases the total fair value of the share-based payment agreement or changes the terms to the benefit of employees. When the share-settled compensation is canceled, it is deemed as vested on the date of cancellation and the unrecognized compensation costs are recognized immediately thereby.

The dilutive effect of the issued options is reflected as the diluted shares when

calculating the diluted earnings per share. 2-25 Business combination and goodwill

The business combinations are accounted for using the acquisition method. The acquisition cost is measured as the sum of the transfer price measured at fair value on the date of acquisition, and the amount of non-controlling interest for the acquiree. For each business combination, the acquirer measures its non-controlling interest in the acquiree at fair value or pro rata interest of the acquiree's identifiable net assets, and the acquisition related costs are recognized as the expenses as incurred.

The Company determines that a business has been acquired when the group of activities and assets acquired includes input variables and substantive processes which contribute significantly to its ability to create outputs. It is considered substantive if (1) the acquired process (or set of processes) is crucial for the ability to continue to create outputs, and the acquired input variables include an organized labor with skills, knowledge or experience needed to carry out the relevant process (or set of processes), or (2) if the acquired process is deemed to significantly contribute to its ability to continue to produce an output or is considered unique or scarce, or to substitute,

if any significant cost or effort is required, or if the ability to continue to produce outputs is delayed.

The Company classifies or designates the acquired assets and assumed liabilities identifiable on the date of acquisition based on the contractual terms, economic conditions, the acquirer's operating and accounting policies, and any other relevant conditions available on the date of acquisition. Included in such classification is the separation of the embedded derivatives from the acquiree's main contract.

If the acquirer provides contingent consideration for the acquiree, the relevant consideration is measured at fair value on the date of acquisition and included in the transfer price, and any subsequent changes in the fair value of contingent consideration classified as assets or liabilities are recognized as profit or loss or other comprehensive income in accordance with K-IFRS No. 1109. Also, contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity. If the contingent consideration is not applicable within the scope of K-IFRS No. 1109, it is measured in accordance with the appropriate K-IFRS.

The goodwill is measured as the sum of the transfer price and the amount of non-controlling interest and the previously held interest which exceeds the net identifiable assets acquired and liabilities assumed.

If the fair value of the acquired net assets should exceed the total amount of transfer price, the consolidated companies review as to whether all assets acquired and liabilities assumed are accurately identified and the procedures used to measure the amount recognized on the date of acquisition. If, after such a re-review, the total amount of transfer price, etc., is still lower than the fair value of the net assets acquired, the relevant difference is recognized as profit or loss.

Following the initial recognition, the goodwill is appropriated at cost minus the accumulated impairment losses. For impairment testing purposes, the goodwill acquired from a business combination is allocated for each cash-generating unit or group of units expected to benefit from the synergies of the business combination on the date of acquisition, which is allocated for the cash-generating unit or group of units irrespective of whether other assets or liabilities of the acquiree are allocated.

In the case of disposing of an operation within the cash-generating unit for which the goodwill has been allocated, the goodwill related to the operation to be disposed of is included in the

carrying amount of the operation when determining the profit or loss on disposal, and is also measured based on the relative value of the portion remaining within the cash-generating unit and the portion being disposed of.

2-26 Assets held for sale and discontinued operations

The Company classifies the non-current assets (or groups of assets for disposal) as held for sale if their carrying amount will be recovered primarily through the sale transaction or distribution rather than the continued use. The non-current assets and disposal groups classified as held for sale are measured at the lesser of the fair value and carrying amount, after the deduction of the costs to sell. The costs to sell are the incremental costs (excluding the financial cost and the income tax expenses) directly reverted to the disposal of assets (or disposal group).

The condition for classification as held for sale is deemed to be satisfied if and when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. The measures required to complete the sale ought to demonstrate the fact that the sale is unlikely to be significantly altered or withdrawn, and the sale must be expected to be completed within 1 year of the asset being classified as held for sale.

The tangible and intangible assets classified as held for sale are not depreciated or amortized. The assets and liabilities classified as held for sale or for distribution are presented as the separate current items in the statement of financial position.

The Company excludes the after-tax income from discontinued operations from the results of continuing operations, and presents it as a single amount in the statement of income.

2-27 Subsequent events

If the Company obtains information about conditions that existed at the end of the reporting period after the reporting period but before the date the financial statements are authorized for issuance, it evaluates whether that information affects the amounts recognized in the financial statements. The Company adjusts the amounts recognized in the financial statements to reflect subsequent events that require modification and revises the disclosures related to the situation by incorporating new information. For subsequent events that do not require adjustment, the Company does not change the amounts recognized in the financial statements but discloses the nature of the event and its estimated financial impact. If such estimates cannot be changed, an explanation is provided in the disclosures.

2-28 Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the net income attributable to the Company's common shareholders by the weighted average number of common shares outstanding. Diluted earnings per share is calculated by dividing the net income attributable to the Company's common shareholders, after adjusting for preferred stock-related costs, by the sum of the weighted average number of common shares outstanding and the weighted average number of potential common shares that would be issued upon the conversion of dilutive potential common shares.

3. Significant accounting judgments, estimations and assumptions

When preparing the financial statements, the senior management of the consolidated companies is required to make and offer judgments, estimates and assumptions which may affect the reported amounts of income, expenses, assets and liabilities as of the end of the reporting period and the disclosures for the notes to the contingent liabilities. However, the uncertainties of such estimates and assumptions could cause material adjustments to the carrying amounts of the assets and liabilities that will be affected in the future.

- Important accounting judgments

In the process of applying the Company's accounting policies, the senior management's judgments which have had the most significant impact on the amounts recognized in the consolidated financial statements are as follows:

(1) Calculation of the lease term of contracts with options for extension and termination

The Company calculates the lease term inclusive of the non-cancellable period of the lease and the term of the option if and when it is reasonably certain to exercise the option to extend the lease, or the period over which the option to terminate the lease is reasonably certain not to be exercised.

The Company has the lease agreements which include the extension and termination options. The Company applies judgments when assessing whether it is reasonably certain whether to exercise the option to extend or terminate the lease. That is, they consider any and all relevant facts and circumstances which give rise to an economic incentive to exercise an extension option or not to exercise a termination option. After the date of commencement, the Company reassesses the lease term if any significant events or changes in circumstances under the Company's control affect the ability to exercise an extension or not to exercise an option to terminate.

The Company includes extended periods as part of the lease term for the leases of equipment and machinery with short non-cancellable periods. The Company generally exercises the option to extend the lease since there is a significant negative impact on the production if reclassification assets are not readily available. The extended periods for the long non-cancellable leases of equipment and machinery are not included as part of the lease term since it is not significantly certain that the extension option will be exercised.

. Furthermore, the Company generally leases vehicles for 5 years or less and does not exercise the option to extend the lease, and thus, the option to extend the vehicle lease is not included as part of the lease term.

Moreover, the period covered by the termination option is included as part of the lease term if and only if it is reasonably certain that it will not be exercised.

- Accounting estimates and changes

The other major sources of uncertainties for material assumptions and estimates on the future as of the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year are as follows:

Assumptions and estimates are based on the variables available at the time the financial statements are prepared. The current circumstances and assumptions about the future may change given the changes in the market or circumstances beyond the control of the Company. When such changes occur, they are reflected in the assumptions.

Meanwhile, the Company takes into account climate-related risks in its estimates and assumptions due to climate change and the establishment of global greenhouse gas reduction commitments in the future. Climate-related risks increase the uncertainty of estimates and assumptions considered in various items of the financial statements. Although they do not significantly impact current measurements, the Company closely monitors climate-related changes and developments, such as new climate laws.

(1) Impairment of non-financial assets

The Company assesses all non-financial assets for any signs of impairment at the end of each reporting period

. Goodwill and intangible assets with indefinite useful lives are tested for impairment each year or when there are signs of impairment, and the other non-financial assets are tested for impairment when there are signs that their carrying amount will not be recoverable. To calculate the value in

use, the senior management must estimate the expected future cash flows from the asset or the cash-generating unit, and select an appropriate discount rate to calculate the present value of the expected future cash flows.

(2) Retirement benefit plan

The present value of the defined benefit obligation is determined based on the actuarial valuation method. To apply the actuarial valuation method, it is necessary to establish various assumptions, and the establishment of such assumptions includes the discount rate, rate of future salary increase, and the mortality rate. Given the complexity of the valuation method, and the underlying assumptions and the long-term nature of the valuation method, the defined benefit obligation fluctuates sensitively according to these assumptions. All assumptions are reviewed at the end of each reporting period.

(3) Provisions for expected loss on trade and other receivables and contract assets

The Company uses the provision setting table to calculate the expected credit loss (ECL) for trade and other receivables and contract assets. The provision setting rate is based on the number of delinquent days in a bundle for different customer segments with similar loss patterns (i.e., geographic location, product type, customer type and credit rating, collateral or transactional credit insurance)

.

(4) Deferred income tax assets

Where it is highly likely that future taxable income for which the tax loss can be used will occur, the deferred income tax assets are recognized for the unused tax loss within the scope. The Company's senior management performs major judgments to determine the amount of deferred income tax assets that can be recognized based on the future tax strategies and the timing and extent of tax income. The relevant details are provided under Note 31.

(5) Fair value of financial instruments

The fair value of financial instruments without an active market was calculated by applying valuation techniques including the discounted cash flow method. When the observable market information is not available for the input factors used for such valuation techniques, the determination of fair value requires a considerable estimation. Such judgments include the consideration of input variables such as liquidity risk, credit risk and volatility. Changes in such factors may affect the fair value of financial instruments.

(6) Share-based compensation

The Company measures the compensation cost of the share-settled share-based payment transactions based on the fair value on the date of grant of equity instruments, and the fair value is estimated by applying an appropriate valuation model in consideration of the conditions for granting equity instruments.

Furthermore, it is necessary to determine the most appropriate pricing factors for the valuation model, including the expected lifetime of stock options, volatility, and dividend rate, and establish assumptions for these factors.

(7) Calculation of the incremental borrowing rate of a lease

The Company uses the incremental borrowing rate to measure the lease liability since the implicit interest rate of the lease cannot be easily determined. The incremental borrowing rate is the interest rate which the Company would be required to pay if the Company borrows the funds needed to acquire an asset of similar value to the right-of-use asset with similar collateral over a similar period in a similar economic environment.

Therefore, the incremental borrowing rate reflects what the Company is required to “pay” when no observable rates are available or when adjustments are needed to reflect lease conditions.

The Company measures the incremental borrowing rate using observable input variables whenever possible and must develop specific estimates for each company.

(8) Inventory valuation allowance

The Company must estimate the conversion cost and other costs incurred in bringing the inventory to its present location and condition for the net realizable value assessment of the inventories. The balance of the inventory valuation provision may change depending on the estimation of operational cost, cost of goods sold, etc.

(9) Provisioning Liabilities

If legal obligations and constructive obligations exist as a result of past events as of the end of the reporting period, the Company must estimate the likelihood and amount of resource outflow required to fulfill these obligations. For this estimation, all available evidence is taken into consideration and significant estimation and judgment are required.

(10) Useful life and residual value of tangible assets

The Company reviews the estimated residual value and expected useful life of tangible assets at least annually. In particular, when assessing expected useful lives and estimated residual values, the Company considers the impact of health, safety, and environmental legislation. Additionally,

climate-related factors, including physical risks and transition risks, are taken into consideration.

4. Changes to Accounting Policies and Disclosures

4-1 Application of issued or amended standards

The Company initially applied the following new and amended standards and interpretations for the annual reporting period beginning on January 1, 2025.

(1) K-IFRS No. 1021 "Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability
Assessment of the exchangeability of a currency is required and, if exchangeability with another currency does not exist, the spot exchange rate is estimated and the related information is disclosed. The amendments to the standards do not have a material impact on the financial statements.

4-2 Accounting standards announced but not yet enforced

As of the date of authorization for issuance of the consolidated financial statements of the Company, the following new or amended standards and interpretations have been issued or amended but are not yet effective and have not been applied.

(1) Amendments to K-IFRS No. 1109, "Financial Instruments," and No. 1107, "Financial Instruments: Disclosures"

K-IFRS No. 1109, "Financial Instruments" and 1107, "Financial Instruments: Disclosures," were amended to address questions raised in practice and to incorporate new requirements. This revision is applied from the fiscal year beginning on January 1, 2026, and early application is permitted. Main content of the amendments are as follows: The amendments to the standards do not have a material impact on the financial statements.

- Permits, when specified criteria are met, a financial liability to be regarded as settled (derecognized) before the settlement date when payment is made through an electronic payment system.
- Clarifies and adds supplementary guidance for assessing whether financial assets meet the criterion of consisting solely of payments of principal and interest.
- Provide disclosures by each class of financial instruments of the extent of the entity's exposure to, and the effect on the entity of, contractual terms that could change the timing or

amount of contractual cash flows.

- Provide additional disclosures for equity instruments designated at FVOCI

(2) K-IFRS Annual Improvements Volume 11

This revision is applied from the first fiscal year beginning on January 1, 2026, and early application is permitted. The Company does not anticipate significant effects on the financial statements due to this revision.

- K-IFRS No. 1107, "Financial Instruments: Disclosures" : Gains or losses on derecognition, application guidance
- K-IFRS No. 1109 "Financial Instruments": The accounting treatment for the removal of lease liabilities and the definition of transaction price
- K-IFRS No. 1110 "Consolidated Financial Statements": Determination of De Facto Agent
- K-IFRS No. 1007 "Statement of Cash Flows": Cost method

(3) Amendments to K-IFRS No. 1109 "Financial Instruments" and No. 1107 "Financial Instruments: Disclosures" - Contracts related to electricity that is dependent on natural conditions

Contracts related to nature-dependent electricity are defined as contracts involving electricity for which the source of power generation depends on uncontrollable natural conditions (e.g., weather), thereby exposing the entity to variability in the underlying volume of electricity. The amendments clarify that contracts to purchase or sell nature-dependent electricity are subject to assessment for the own-use exception. In addition, the hedge accounting requirements have been amended to permit the designation of the variable nominal amount of forecast electricity transactions involving nature-dependent electricity as a hedged item, and related disclosure requirements have been added. This revision is applied from the fiscal year beginning on January 1, 2026, and early application is permitted. The amendments to the standards do not have a material impact on the financial statements.

(4) K-IFRS No. 1118, "Presentation and Disclosure in Financial Statements"

K-IFRS No. 1118, "Presentation and Disclosure in Financial Statements," replaces No. 1001, "Presentation of Financial Statements," and includes new requirements intended to enhance comparability of financial performance among similar entities and provide users with more relevant information. The new standard is expected to have a pervasive impact on presentation and disclosures, including the statement of profit or loss and the disclosure of management-defined performance measures, although it is not expected to affect the recognition or measurement of items in the financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. In accordance with the retrospective application requirements of the standard, comparative information for the annual reporting period ending December 31, 2026 will be restated in accordance with K-IFRS No. 1118.

Management is currently assessing the impact of applying the new standard on the Company's consolidated financial statements and expects that, although adoption of the standard will not affect the Company's profit or loss, it will affect the calculation and presentation of operating profit by requiring income and expenses in the statement of profit or loss to be classified into new categories.

5. Financial Instruments

5-1 Disclosure by category of financial assets

Current period

(Unit: KRW 1,000)

		Financial assets at fair value through profit or loss	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income	Financial assets measured at amortized cost, category	Financial assets, total by category
Total current financial assets		166,095	0	627,133,824	627,299,919
Total current financial assets	Cash and cash equivalents	0	0	308,144,761	308,144,761
	Trade and other receivables	0	0	168,951,701	168,951,701
	Short-term financial instruments	0	0	150,000,000	150,000,000
	Current derivative financial assets	166,095	0	0	166,095
	Other current	0	0	37,362	37,362

	financial assets				
Total non-current financial assets		77,441,596	2,500,032	1,195,988	81,137,616
Total non-current financial assets	Long-term financial products	0	0	27,500	27,500
	Non-current derivative assets	7,699,750	0	0	7,699,750
	Long-Term Investment Assets	69,741,846	2,500,032	0	72,241,878
	Other non-current financial assets	0	0	1,168,488	1,168,488
Total financial assets		77,607,691	2,500,032	628,329,812	708,437,535

Previous period

(Unit: KRW 1,000)

		Financial assets at fair value through profit or loss	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income	Financial assets measured at amortized cost, category	Financial assets, total by category
Total current financial assets		0	0	406,989,928	406,989,928
Total current financial assets	Cash and cash equivalents	0	0	177,060,265	177,060,266
	Trade and other receivables	0	0	229,892,301	229,892,301
	Short-term financial instruments				0
	Current derivative financial assets				0
	Other current financial assets	0	0	37,362	37,362
Total non-current financial assets		69,762,907	2,500,032	1,106,152	73,369,091
	Long-term financial	0	0	27,500	27,500

Total non-current financial assets	products				
	Non-current derivative assets	8,784,996	0	0	8,784,996
	Long-Term Investment Assets	60,977,911	2,500,032	0	63,477,943
	Other non-current financial assets	0	0	1,078,652	1,078,652
Total financial assets		69,762,907	2,500,032	408,096,080	480,359,019

(Note 1) Trade and other current receivables for the current period: Amounts related to employee benefit plans and other receivables associated with taxes and dues are excluded, as they are not subject to financial instruments disclosure requirements.

(Note 2) Other current financial assets, Other non-current financial assets: they are short-term and long-term deposits.

5-2 Disclosure by category of financial liabilities

Current period

(Unit: KRW 1,000)

		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost, category	Financial liabilities, total by category
Total current financial liabilities		68,291,584	681,648,021	749,939,605
Total current financial liabilities	Trade payables and other current liabilities	0	148,986,501	148,986,501
	Current borrowings (including bonds)	0	255,326,972	255,326,972
	Current portion of non-current borrowings (including bonds)	0	275,827,193	275,827,193
	Current derivative financial liabilities	68,291,584	0	68,291,584

	Current lease liabilities	0	1,213,939	1,213,939
	Other current financial liabilities	0	293,416	293,416
Total non-current financial liabilities		0	269,980,237	269,980,237
Total non-current financial liabilities	Non-current portion of bonds payable	0	269,388,242	269,388,242
	The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity			0
	Non-current lease liabilities	0	591,995	591,995
Total financial liabilities		68,291,584	951,628,258	1,019,919,842

Previous period

(Unit: KRW 1,000)

		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost, category	Financial liabilities, total by category
Total current financial liabilities		3,960,792	536,950,567	540,911,359
Total current financial liabilities	Trade payables and other current liabilities	0	178,799,913	178,799,913
	Current borrowings (including bonds)	0	255,350,258	255,350,258

	Current portion of non-current borrowings (including bonds)	0	101,636,680	101,636,680
	Current derivative financial liabilities	3,960,792	0	3,960,792
	Current lease liabilities	0	1,053,865	1,053,865
	Other current financial liabilities	0	109,851	109,851
Total non-current financial liabilities		0	228,677,202	228,677,202
Total non-current financial liabilities	Non-current portion of bonds payable	0		219,404,969
	The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	0		8,333,310
	Non-current lease liabilities	0		938,923
Total financial liabilities		3,960,792	765,627,769	769,588,561

(Note 1) Current year – Trade payables and other current liabilities: Accrued expenses related to employee benefit plans and taxes and dues are excluded, as they are not subject to financial instruments disclosure.

(Note 2) Current lease liabilities and non-current lease liabilities: Lease liabilities correspond to the liabilities recognized in accordance with K-IFRS No. 1116.

(Note 3) Other current financial liabilities: They are the deposits received and unpaid dividends.

5-3 Profit and loss by the category of financial instruments

Current period

(Unit: KRW 1,000)

	Assets and liabilities				Total assets and liabilities
	Financial assets, category		Financial liabilities, category		
	Financial assets at fair value through profit or loss	Financial assets measured at amortized cost, category	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost, category	
Interest income (expense)	0	8,708,151	0	(32,158,495)	(23,450,344)
Fair value gains and losses of financial assets at fair value through profit or loss	6,740,260	0	0	0	6,740,260
Dividend income	1,190,000	0	0	0	1,190,000
Profit or loss on foreign currency translation	0	(382,406)	0	306,039	(76,367)
Net gains on foreign currency transactions	0	2,075,113	0	0	2,075,113
Net losses on foreign currency transactions	0	0	0	(3,552,259)	(3,552,259)
Profit or loss on the valuation of derivatives	(919,151)	0	(1,967,651)	0	(2,886,802)
Profit or loss on	(6,877,332)	0	6,911,036	0	33,704

the transaction of derivatives					
Bad debt expenses	0	(6,389)	0	0	(6,389)
Other bad debt expenses					
Reversal of allowance for other bad debts	0	1,308,649	0	0	1,308,649
Profit and loss by the category of financial instruments	133,777	11,703,118	4,943,385	(35,404,715)	(18,624,435)

Previous period

(Unit: KRW 1,000)

	Assets and liabilities				Total assets and liabilities
	Financial assets, category		Financial liabilities, category		
	Financial assets at fair value through profit or loss	Financial assets measured at amortized cost, category	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost, category	
Interest income (expense)	0	10,081,735	0	(32,276,441)	(22,194,706)
Fair value gains and losses of financial assets at fair value through profit or loss	1,311,731	0	0	0	1,311,731
Dividend income	1,790,000	0	0	0	1,790,000
Profit or loss on foreign currency translation	0	3,212,348	0	(1,307,118)	1,905,230
Net gains on foreign currency transactions	0	12,242,962	0	0	12,242,962
Net losses on foreign currency transactions	0	0	0	(5,902,935)	(5,902,935)
Profit or loss on	3,729,220	0	(3,960,792)	0	(231,572)

the valuation of derivatives					
Profit or loss on the transaction of derivatives	2,818,592	0	(5,060,294)	0	(2,241,702)
Bad debt expenses	0	(55,236)	0	0	(55,236)
Other bad debt expenses	0	(218,904)	0	0	(218,904)
Reversal of allowance for other bad debts					
Profit and loss by the category of financial instruments	9,649,543	25,262,905	(9,021,086)	(39,486,494)	(13,595,132)

(Note 1) Current period - Dividend income: Dividend income from subsidiaries has been excluded.

5. Financial Instruments – Cash and Cash Equivalents

5-4 Details of cash and cash equivalents

Current period

(Unit: KRW 1,000)

	Disclosure amount
Cash on hand	7,886
Deposit balance	308,136,875
Total cash and cash equivalents	308,144,761

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Cash on hand	8,616
Deposit balance	177,051,649
Total cash and cash equivalents	177,060,266

5. Financial Instruments – Restricted Deposits

5-5 Details of financial Instruments – restricted deposits, etc.

Current period

(Unit: KRW 1,000)

	Security deposit for opening current deposit account

Restricted financial assets	27,500
Description of restricted financial assets	Long-term financial assets

Previous period

(Unit: KRW 1,000)

	Security deposit for opening current deposit account
Restricted financial assets	27,500
Description of restricted financial assets	Long-term financial assets

6. Trade and Other Receivables

6-1 Details of trade and other receivables

Current period

(Unit: KRW 1,000)

		Gross carrying amount	Accumulated impairment losses	Total carrying amount
Trade receivables and other current receivables		178,038,153	(2,029,855)	176,008,298
Trade receivables and other current receivables	Current trade receivables	163,006,317	(47,998)	162,958,319
	Short-term receivables, net amount	11,785,122	(41,857)	11,743,265
	Short-term loans, net amount	1,940,000	(1,940,000)	0
	Short-term unearned revenue, net amount	1,306,714	0	1,306,714

Previous period

(Unit: KRW 1,000)

		Gross carrying amount	Accumulated impairment losses	Total carrying amount
Trade receivables and other current receivables		233,254,309	(3,362,008)	229,892,301
Trade receivables	Current trade receivables	221,024,671	(61,137)	220,963,534
	Short-term receivables, net	9,426,114	(860,871)	8,565,243

and other	amount			
current	Short-term loans,	2,440,000	(2,440,000)	0
receivables	net amount			
	Short-term	363,524	0	363,524
	unearned			
	revenue, net			
	amount			

6-2 Changes in allowance for bad debts for trade and other receivables

Current period

(Unit: KRW 1,000)

	Financial instruments
	Trade and other receivables
	Carrying amount
	Accumulated impairment losses
Beginning financial assets	(3,362,008)
Provision (or reversal) of expected credit loss allowance, financial assets	1,315,038
Decrease due to derecognition, financial assets	17,115
Ending financial assets	(2,029,855)

Previous period

(Unit: KRW 1,000)

	Financial instruments
	Trade and other receivables
	Carrying amount
	Accumulated impairment losses
Beginning financial assets	(6,991,964)
Provision (or reversal) of expected credit loss allowance, financial assets	(274,140)
Decrease due to derecognition, financial assets	3,904,096
Ending financial assets	(3,362,008)

(Note 1) Ending financial assets: As of the end of the current period, some trade receivables are secured by collateral, and trade receivables credit insurance has been obtained.

6-3 Trade and other receivables aging schedule by amount

Current period

(Unit: KRW 1,000)

	Financial assets, classification						
	Trade and other receivables						
	Carrying amount						Total carrying amount
	Gross carrying amount					Accumulated impairment losses	
	Past due status				Total past due status	Total past due status	
	Present	Within 3 months	Over 3 months, within 6 months	Over 6 months			
Financial assets	116,560,852	53,388,887	6,585,833	1,502,581	178,038,153	(2,029,855)	176,008,298

Previous period

(Unit: KRW 1,000)

	Financial assets, classification						
	Trade and other receivables						
	Carrying amount						Total carrying amount
	Gross carrying amount					Accumulated impairment losses	
	Past due status				Total past due status	Total past due status	
	Present	Within 3 months	Over 3 months, within 6 months	Over 6 months			
Financial assets	223,836,265	8,187,959	1,161,499	68,586	233,254,309	(3,362,008)	229,892,301

6. Trade and Other Receivables – Transfer of Financial Assets

If the transferred or discounted trade receivables do not satisfy the requirements for the derecognition of financial instruments, the Company continues to recognize them as trade and other receivables.

6-4 Transferred financial assets that are not fully derecognized

Current period

(Unit: KRW 1,000)

	Trade receivables
Assets continuously recognized by the company	49,326,972
Related liabilities continuously recognized by the company	49,326,972
Description of the nature of risks and rewards exposed due to ownership	Recourse obligation

Previous period

(Unit: KRW 1,000)

	Trade receivables

Assets continuously recognized by the company	15,350,258
Related liabilities continuously recognized by the company	15,350,258
Description of the nature of risks and rewards exposed due to ownership	Recourse obligation

(Note 1) Related liabilities continuously recognized by the company: The Company recognized the short-term borrowings as much as the nominal amount of the transferred or discounted trade receivables (refer to Note 17-2).

7. Inventories

7-1 Details of inventories

Current period

(Unit: KRW 1,000)

	Gross carrying amount	Inventory valuation allowance	Total carrying amount
Current goods	46,233,023	(942,620)	45,290,403
Current products	162,607,456	(10,464,484)	152,142,972
Current processed products	48,567,644	(1,792,771)	46,774,873
Current semi-finished goods	15,853,906	(19,436)	15,834,470
Current work-in-process	7,263,207	0	7,263,207
Current raw materials	65,998,255	(145,415)	65,852,840
Current supplies	2,065,721	(36,219)	2,029,502
Current in-transit inventory	13,490,661	0	13,490,661
Other inventories	708,426	0	708,426
Total current inventories	362,788,299	(13,400,945)	349,387,354

Previous period

(Unit: KRW 1,000)

	Gross carrying amount	Inventory valuation allowance	Total carrying amount
Current goods	43,143,247	(573,904)	42,569,343
Current products	128,245,132	(5,288,235)	122,956,897
Current processed products	35,156,707	(1,101,271)	34,055,436
Current semi-finished	15,215,643	(2,796)	15,212,847

goods			
Current work-in-process	5,949,231	0	5,949,231
Current raw materials	45,395,409	(22,798)	45,372,611
Current supplies	1,856,180	(23,212)	1,832,968
Current in-transit inventory	7,062,693	0	7,062,693
Other inventories	540,294	0	540,294
Total current inventories	282,564,536	(7,012,216)	275,552,320

7-2 Inventory valuation losses recognized in relation to inventories

Current period

(Unit: KRW 1,000)

	Cost of sales
Loss on the valuation of inventories	6,388,729

Previous period

(Unit: KRW 1,000)

	Cost of sales
Loss on the valuation of inventories	466,458

8. Other Assets

8 Details of other assets

Current period

(Unit: KRW 1,000)

		Disclosure amount
Other current assets		10,892,514
Other current assets	Current advances paid	6,748,229
	Current prepaid expenses	3,061,044
	Short-term deposits, net amount	37,362
	Current income tax assets	818,680
	Short-term other assets	227,199
Other non-current assets		2,435,736
Other non-current assets	Long-term deposits, net amount	1,168,488
	Long-term other assets	1,267,248

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Other current assets		4,605,336
Other current assets	Current advances paid	557,554
	Current prepaid expenses	3,427,991
	Short-term deposits, net amount	37,362
	Current income tax assets	355,230
	Short-term other assets	227,199
Other non-current assets		2,307,456
Other non-current assets	Long-term deposits, net amount	1,078,652
	Long-term other assets	1,228,804

9. Long-Term and Short-Term Financial Assets

9. Disclosures on Long-Term and Short-Term Financial Assets

Current period

(Unit: KRW 1,000)

	Time deposit	Security deposit for opening current deposit account
Short-term financial instruments	150,000,000	
Long-term financial products		27,500

Previous period

(Unit: KRW 1,000)

	Time deposit	Security deposit for opening current deposit account
Short-term financial instruments	0	
Long-term financial products		27,500

10. Long-Term Investment Assets

10-1 Details of long-term investment assets: Financial assets at fair value through profit or loss

Current period

(Unit: KRW 1,000)

Financial assets, category											
Financial assets measured at fair value through profit or loss											
Financial assets, classification											
Debt securities											
Standigm Inc.		Korea Investment Bio Global Fund		Sante Health Ventures IV, LP		Tumblo Co., Ltd.		Eastman Fiber Korea Ltd.		Yongyeon Industrial District 4 Industrial Water Management Association	
Total measurement		Total measurement		Total measurement		Total measurement		Total measurement		Total measurement	

	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement
Ownership interest, long-term investment assets			0.0135			0.0143			0.0530			0.0744			0.2000			0.3170
Long-Term Investment Assets	3,000,007	3,000,007		3,988,000	1,914,066		10,215,749	16,114,656		19,999,995	19,842,721		24,053,347	28,451,197		419,199	419,199	

Previous period

(Unit: KRW 1,000)

	Financial assets, category																	
	Financial assets measured at fair value through profit or loss																	
	Financial assets, classification																	
	Debt securities																	
	Standigm Inc.			Korea Investment Bio Global Fund			Sante Health Ventures IV, LP			Tumbio Co., Ltd.			Eastman Fiber Korea Ltd.			Yongyeon Industrial District 4 Industrial Water Management Association		
	Total measurement			Total measurement			Total measurement			Total measurement			Total measurement			Total measurement		
	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement
Ownership interest, long-term investment assets																		
Long-Term Investment Assets	3,000,007	3,000,007		4,053,000	1,602,470		8,127,074	12,540,114		19,999,995	14,268,961		24,053,347	29,147,160		419,199	419,199	

(Note 1) Tiumbio Co., Ltd.: Based on one director nomination right granted to the Company and the right to approve significant management decisions, the Company determined that it has significant influence over Tiumbio Co., Ltd. However, it has been determined that the Company cannot practically access the returns associated with the ownership interest in the associate through this investment. Therefore, it is measured at fair value through profit or loss in accordance with the K-IFRS No. 1109.

(Note 2) Eastman Fiber Korea Ltd. Based on the right to appoint one director, the Company has determined that it has significant influence over Eastman Fiber Korea Ltd. However, it has been determined that the consolidated companies cannot practically access the returns associated with the ownership interest in the associate through this investment. Therefore, it is measured at fair value through profit or loss in accordance with the K-IFRS No. 1109.

10-1 Details of long-term investment assets: Financial assets at fair value through other comprehensive income

Current period

(Unit: KRW 1,000)

	Financial assets, category					
	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income					
	Financial assets, classification					
	Unlisted shares					
	J2H Biotech Co., Ltd.			Oncobix Co., Ltd.		
	Total measurement			Total measurement		
	Acquisition cost	Fair value	Overall total measurement	Acquisition cost	Fair value	Overall total measurement
Ownership interest, long-term investment assets			0.0088			0.0220

Previous period

(Unit: KRW 1,000)

	Financial assets, category					
	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income					
	Financial assets, classification					
	Unlisted shares					
	J2H Biotech Co., Ltd.			Oncobix Co., Ltd.		
	Total measurement		Overall total measurement	Total measurement		Overall total measurement
	Acquisition cost	Fair value		Acquisition cost	Fair value	
Ownership interest, long-term investment assets						
Long-Term Investment Assets	1,500,052	1,500,052		999,980	999,980	

10-1 Details of long-term investment assets - Subtotal by category of financial assets

Current period

(Unit: KRW 1,000)

	Financial assets, category			
	Financial assets measured at fair value through profit or loss		Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income	
	Total measurement			
	Acquisition cost	Fair value	Acquisition cost	Fair value
Long-Term Investment Assets	61,676,297	69,741,846	2,500,032	2,500,032

Previous period

(Unit: KRW 1,000)

	Financial assets, category			
	Financial assets measured at fair value through profit or loss		Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income	
	Total measurement			
	Acquisition cost	Fair value	Acquisition cost	Fair value

Long-Term Investment Assets	59,652,622	60,977,911	2,500,032	2,500,032

10-1 Details of long-term investment assets: Total

Current period

(Unit: KRW 1,000)

	Acquisition cost	Fair value
Long-Term Investment Assets	64,176,329	72,241,878

Previous period

(Unit: KRW 1,000)

	Acquisition cost	Fair value
Long-Term Investment Assets	62,152,654	63,477,943

10-2 Details of changes in long-term investment assets: Financial assets at fair value through profit or loss

Current period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories						
	Assets and liabilities classified as non-current						
	Financial assets, category						
	Financial assets measured at fair value through profit or loss						
	Financial assets, classification					Financial assets, total classification	
	Long-Term Investment Assets						
	Debt securities						
	Standigm Inc.	Korea Investment Bio Global Fund	Sante Health Ventures IV, LP	Tiumbio Co., Ltd.	Eastman Fiber Korea Ltd.		Yongyeon Industrial District 4 Industrial Water Management Association
Beginning financial assets	3,000,007	1,602,470	12,540,114	14,268,961	29,147,160	419,199	60,977,911
Increase due to issuance or purchase, financial assets	0	0	2,088,674	0	0	0	2,088,674
Decrease due to transfer, financial assets	0	(65,000)	0	0	0	0	(65,000)
Increase (decrease) due	0	376,596	1,485,868	5,573,760	(695,963)	0	6,740,261

to fair value changes, financial assets							
Ending financial assets	3,000,007	1,914,066	16,114,656	19,842,721	28,451,197	419,199	69,741,846

Previous period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories						
	Assets and liabilities classified as non-current						
	Financial assets, category						
	Financial assets measured at fair value through profit or loss						
	Financial assets, classification						Financial assets, total classification
	Long-Term Investment Assets						
	Debt securities						
	Standigm Inc.	Korea Investment Bio Global Fund	Sante Health Ventures IV, LP	Tiumbio Co., Ltd.	Eastman Fiber Korea Ltd.	Yongyeon Industrial District 4 Industrial Water Management Association	
Beginning financial assets	3,000,007	1,953,614	6,597,934	19,999,995	25,566,223	419,199	57,536,972
Increase due to issuance or purchase, financial assets	0	0	2,678,208	0	0	0	2,678,208
Decrease due to transfer, financial assets	0	(549,000)	0	0	0	0	(549,000)
Increase (decrease) due to fair value changes, financial assets	0	197,856	3,263,972	(5,731,034)	3,580,937	0	1,311,731
Ending financial assets	3,000,007	1,602,470	12,540,114	14,268,961	29,147,160	419,199	60,977,911

(Note 1) Standigm Inc.: These are redeemable convertible preferred stocks (RCPS) with the right to convert to common shares for 10 years from the date of completion of the transaction, and the right to require redemption from the Company 3 years after the date of completion of the transaction.

(Note 2) Korea Investment Bio Global Fund: The Company has disposed of some of the debt securities in the Korea Investment Bio Global Fund.

(Note 3) Sante Health Ventures IV, LP: The Company made an additional investment in Sante Health Ventures IV, LP. (Note 4) Eastman Fiber Korea Ltd.: The Company holds a put option for the interest in the preferred stocks of Eastman Fiber Korea Ltd. and have granted a call option of the same amount for Eastman Chemical Korea B.V., the largest shareholder, and considering this option, the assessment of the investment assets was reflected at fair value.

10-2 Details of changes in long-term investment assets: financial assets at fair value through other comprehensive income

Current period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories		
	Assets and liabilities classified as non-current		
	Financial assets, category		
	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income		
	Financial assets, classification		Financial assets, total classification
	Long-Term Investment Assets		
	Unlisted shares		
	J2H Biotech Co., Ltd.	Oncobix Co., Ltd.	
Beginning financial assets	1,500,052	999,980	2,500,032
Increase due to issuance or purchase, financial assets	0	0	0
Decrease due to transfer, financial assets	0	0	0
Increase (decrease) due to fair value changes, financial assets	0	0	0
Ending financial assets	1,500,052	999,980	2,500,032

Previous period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories		
	Assets and liabilities classified as non-current		

	Financial assets, category		
	Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income		
	Financial assets, classification		Financial assets, total classification
	Long-Term Investment Assets		
	Unlisted shares		
	J2H Biotech Co., Ltd.	Oncobix Co., Ltd.	
Beginning financial assets	1,500,052	999,980	2,500,032
Increase due to issuance or purchase, financial assets	0	0	0
Decrease due to transfer, financial assets	0	0	0
Increase (decrease) due to fair value changes, financial assets	0	0	0
Ending financial assets	1,500,052	999,980	2,500,032

10-2 Details of changes in long-term investment assets

Current period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories
	Assets and liabilities classified as non-current
	Financial assets, classification
	Long-Term Investment Assets
Beginning financial assets	63,477,943
Increase due to issuance or purchase, financial assets	2,088,674
Decrease due to transfer, financial assets	(65,000)
Increase (decrease) due to fair value changes, financial assets	6,740,261
Ending financial assets	72,241,878

Previous period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories
	Assets and liabilities classified as non-current
	Financial assets, classification
	Long-Term Investment Assets
Beginning financial assets	60,037,004
Increase due to issuance or purchase, financial assets	2,678,208
Decrease due to transfer, financial assets	(549,000)
Increase (decrease) due to fair value changes, financial assets	1,311,731
Ending financial assets	63,477,943

11. Investments in Subsidiaries, Associates and Joint Ventures

11-1 The details of the subsidiaries' investments as of the end of the reporting period are as follows:

(Unit: KRW 1,000)

Company Name	Location	End of the Current Period		End of the Previous Period	
		Equity interest (%)	Carrying amount	Equity interest (%)	Carrying amount
Shuye-SK Chemicals(Shantou) Co., Ltd.	China	100.00	66,094,000	100.00	66,094,000
SK Chemicals (Yantai) Co., Ltd.	China	100.00	33,847,804	100.00	33,847,804
SK Chemicals (Shanghai) Co., Ltd.	China	100.00	101,938	100.00	101,938
SK bioscience Co., Ltd.	Republic of Korea	66.37	168,034,950	66.45	168,034,950
SK chemicals Daejeong Co., Ltd. (Note 1)	Republic of Korea	50.00	6,140,521	50.00	6,140,521
SK Multi-Utility Co., Ltd.	Republic of Korea	100.00	219,111,654	100.00	160,011,654
SK chemicals America	United States of America	100.00	1,448,304	100.00	1,448,304
SK chemicals GmbH	Germany	100.00	432,843	100.00	432,843

SK chemicals Malaysia	Malaysia	100.00	372,924	100.00	372,924
Total			495,584,938		436,484,938

(Note 1) The Company has a put option for all of its interest in SK chemicals Daejeong Co., Ltd.

11-2 Changes to investments in subsidiaries during the current period are as follows, and there were no changes to investments in subsidiaries during the previous period.

<Current period>

(Unit: KRW 1,000)

Classification	Beginning of Period	Increase (Note 1)	End of Period
Subsidiaries' investments	436,484,938	59,100,000	495,584,938

(Note 1) During the current period, the Company participated in a paid-in capital increase of SK Multi-Utility Co., Ltd. and made additional capital contributions.

11-3 The details of investments in associates and joint ventures as of the end of the reporting period are as follows:

(Unit: KRW 1,000)

Classification	Location	End of the Current Period		End of the Previous Period	
		Equity interest (%)	Carrying amount	Equity interest (%)	Carrying amount
Entis Co., Ltd.	Republic of Korea	50.00	4,891,868	50.00	4,891,868
JSI Co., Ltd.	Republic of Korea	40.00	-	40.00	-
HDC Polyall Co., Ltd. (Notes 1, 2, 3)	Republic of Korea	20.00	-	20.00	-
Total			4,891,868		4,891,868

(Note 1) The Company is determined to have influence over HDC Polyall Co., Ltd. based on the fact that the Company can appoint one of the five directors.

(Note 2) The Company has put options for all of its interest in HDC Polyall.

(Note 3) During the prior period, an impairment loss of KRW 3,025,078,000 was recognized for the excess of the carrying amount over the recoverable amount, which was estimated based on value in use.

Additionally, during the previous period, the Company determined that there were indications of asset impairment for its investment in HDC Polyall Co., Ltd. Consequently, an impairment test was performed, and the recoverable amount was assessed based on value in use. The future cash flows used to estimate the value in use were determined based on the Company's past operating performance and future business plans. The key assumptions used in the value in use calculation are as follows:

Discount rate	Permanent growth rate
11.87%	0%

Meanwhile, as of the reporting period end, there is no remaining recoverable amount for HDC Polyall Co., Ltd. Therefore, no changes in the estimated value in use have occurred due to variations in key assumptions such as the discount rate and perpetual growth rate.

11-3.1 There were no changes of investments in associates and joint ventures during the current period, and the changes of investments in associates and joint ventures during the previous period are as follows:

<Previous period>

(Unit: KRW 1,000)

Classification	Beginning of Period	Impairment	End of Period
Entis Co., Ltd.	4,891,868	-	4,891,868
JSI Co., Ltd.	-	-	-
HDC Polyall Co., Ltd.	3,025,078	(3,025,078)	-
Total	7,916,946	(3,025,078)	4,891,868

12. Tangible Assets

12-1 Breakdown of tangible assets

Current period
1,000)

(Unit: KRW

Tangible assets																																
	Land				Buildings				Structures				Mechanical equipment				Vehicles and transport equipment				Other tangible assets				Assets under construction				Machinery in transit			
	Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount			
	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount				
Tangible assets	132,384,698	0	0	132,384,698	263,908,044	(73,232,120)	(4,362,895)	186,311,309	140,538,636	(27,633,927)	(5,856,936)	107,047,775	737,731,181	(551,739,996)	(20,967,038)	165,034,846	1,041,791,937	(911,934,786)	(125,023,855)	80,734,686	(68,664,419)	(41,976,122)	12,028,367	36,763,644	0	0	36,763,644	4,159,242	0	0	4,159,242	

Previous period
1,000)

(Unit: KRW

Tangible assets																															
Land				Buildings				Structures				Mechanical equipment				Vehicles and transport equipment				Other tangible assets				Assets under construction				Machinery in transit			
Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount				Carrying amount			
Gross carrying amount	depreciation	Accumulated impairment	Total carrying amount	Gross carrying amount	depreciation	Accumulated impairment	Total carrying amount	Gross carrying amount	depreciation	Accumulated impairment	Total carrying amount	Gross carrying amount	depreciation	Accumulated impairment	Total carrying amount	Gross carrying amount	depreciation	Accumulated impairment	Total carrying amount	Gross carrying amount	depreciation	Accumulated impairment	Total carrying amount	Gross carrying amount	depreciation	Accumulated impairment	Total carrying amount				

12-1 Breakdown of tangible assets: Total

Current period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount
Tangible assets	1,397,268,052	(722,182,732)	(31,233,629)	643,851,691

Previous period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount
Tangible assets	1,419,178,368	(690,458,971)	(32,198,782)	696,520,615

12-2 Changes in the carrying amount of tangible assets

Current period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Mechanical equipment	Vehicles and transport equipment	Other tangible assets	Assets under construction	Machinery in transit	Total tangible assets
Beginning tangible assets	153,037,584	210,561,329	107,538,393	183,458,874	117,628	16,046,546	24,115,664	1,644,597	696,520,615
Increase other than through business combination acquisition, tangible assets	0	2,242,999	3,330,894	15,237,601	57,000	1,375,244	22,218,684	3,386,181	47,848,603
Disposal, tangible assets	(9,344,909)	(4,156,644)	(139,630)	(2,171,610)	0	(102,740)	0	0	(15,915,533)
Depreciation expense, tangible assets	0	(6,763,974)	(3,275,074)	(36,307,411)	(49,605)	(6,106,891)	0	0	(52,502,955)
Impairment loss recognized in profit or loss, Tangible assets									

Increase (decrease) due to exchanges and other changes, tangible assets	(11,307,977)	(15,570,681)	(406,808)	4,812,699	0	815,968	(9,570,704)	(871,536)	(32,099,039)
Ending tangible assets	132,384,698	186,313,029	107,047,775	165,030,153	125,023	12,028,127	36,763,644	4,159,242	643,851,691

Previous period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Mechanical equipment	Vehicles and transport equipment	Other tangible assets	Assets under construction	Machinery in transit	Total tangible assets
Beginning tangible assets	153,043,349	182,321,041	88,236,124	165,936,182	204,758	19,436,820	77,241,249	6,889,231	693,308,754
Increase other than through business combination acquisition, tangible assets	0	13,200,394	11,225,738	26,147,775	0	2,124,988	10,795,747	159,519	63,654,161
Disposal, tangible assets	(5,765)	(448,678)	(41,330)	(29,837)	0	(2,618)	0	0	(528,228)
Depreciation expense, tangible assets	0	(6,954,762)	(2,834,939)	(33,615,806)	(87,130)	(6,196,855)	0	0	(49,689,492)
Impairment loss recognized in profit or loss, tangible assets	0	(1,465,806)	(1,285,082)	(1,122,804)	0	0	0	0	(3,873,692)
Increase (decrease) due to exchanges and other changes, tangible assets	0	23,909,140	12,237,882	26,143,364	0	684,211	(63,921,332)	(5,404,153)	(6,350,888)
Ending tangible assets	153,037,584	210,561,329	107,538,393	183,458,874	117,628	16,046,546	24,115,664	1,644,597	696,520,615

(Note 1) Current period - Increase (decrease) due to reclassifications and other changes, tangible assets: It consists of transfers from construction in progress to the relevant asset accounts and reclassifications to investment property and intangible assets, among others.

(Note 2) Previous period - Increase (decrease) due to reclassifications and other changes, tangible assets: It consists of transfers from construction in progress to the relevant asset accounts and reclassifications to intangible assets, among others.

(Note 3) Previous period - Impairment loss recognized in profit or loss, tangible assets:
Impairment loss was recognized on idle assets at the Ulsan plant.

12-3 Capitalized borrowing costs

Current period

(Unit: KRW 1,000)

	Disclosure amount
Capitalized borrowing costs	396,596
The capitalization interest rate used to determine the capitalizable borrowing costs	0.0416

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Capitalized borrowing costs	2,126,672
The capitalization interest rate used to determine the capitalizable borrowing costs	0.0474

13. Leases - Right-of-Use Assets

13-1-1 Changes in the carrying amount of right-of-use assets

Current period

(Unit: KRW 1,000)

	Buildings	Vehicles and transport equipment	Total assets
Beginning right-of-use assets	836,852	1,112,182	1,949,034
Acquisition of right-of-use assets	147,626	1,009,037	1,156,663
Decrease due to contract termination or cancellation, Right-of-use assets	0	(68,610)	(68,610)
Amortization of right-of-use assets	(468,526)	(808,804)	(1,277,330)
Ending right-of-use assets	515,952	1,243,805	1,759,757

Previous period

(Unit: KRW 1,000)

	Buildings	Vehicles and transport equipment	Total assets
Beginning right-of-use assets	515,614	1,274,696	1,790,310
Acquisition of right-of-use assets	505,962	673,853	1,179,815
Decrease due to contract termination or cancellation, Right-of-use assets	(10,354)	(97,876)	(108,230)
Amortization of right-of-use assets	(174,370)	(738,491)	(912,861)
Ending right-of-use assets	836,852	1,112,182	1,949,034

13. Leases - Lease Liabilities

13-1-2 Details of lease liabilities

Current period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Segment total
Total lease liabilities	1,234,431	534,034	88,665	1,857,130
Lease liabilities	1,213,939	509,566	82,429	1,805,934

Previous period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Segment total
Total lease liabilities	1,074,825	807,244	190,764	2,072,833
Lease liabilities	1,053,865	764,802	174,121	1,992,788

13-1-3 Details of changes in lease liabilities

Current period

(Unit: KRW 1,000)

	Disclosure amount
Beginning lease liabilities	1,992,788
Additions to lease liabilities	1,156,663
Decrease due to contract termination or cancellation, lease liabilities	(71,871)
Interest expenses to lease liabilities	77,082
Payments of lease liabilities	(1,348,728)
Ending lease liabilities	1,805,934

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Beginning lease liabilities	1,827,110
Additions to lease liabilities	1,179,815
Decrease due to contract termination or cancellation, lease liabilities	(111,957)
Interest expenses to lease liabilities	73,290
Payments of lease liabilities	(975,470)
Ending lease liabilities	1,992,788

13-1-4 Expenses recognized in relation to lease contracts

Current period

(Unit: KRW 1,000)

	Disclosure amount
Costs related to short-term leases for which the recognition exemption is applied	1,367,487
Costs related to leases of low-value assets for which the recognition exemption is applied	238,374
Amortization of right-of-use assets	1,277,330
Interest expenses to lease liabilities	77,082

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Costs related to short-term leases for which the recognition exemption is applied	489,924

Costs related to leases of low-value assets for which the recognition exemption is applied	236,844
Amortization of right-of-use assets	912,861
Interest expenses to lease liabilities	73,290

13-1-5 Total cash outflows from leases

Current period (Unit: KRW 1,000)

	Disclosure amount
Lease cash outflows	2,954,589

Previous period (Unit: KRW 1,000)

	Disclosure amount
Lease cash outflows	1,702,238

The Company has a number of lease agreements executed with the options for extension and termination included. Such options are negotiated by the senior management to provide flexibility in the management of the portfolio of leased assets and to meet the business needs of the Company.

The senior management apply their material judgment in determining whether it is significantly certain that such extension and termination options will be exercised.

13-2 Company as a lessor

The Company has executed operating lease agreements for a portfolio of investment real estate properties consisting of specific office and manufacturing properties. The terms of these leases range from 1 to 50 years. Included in all leases is a provision that allows for an annual increase in rental payments based on current market conditions. The lessee must also guarantee the residual value of the real estate properties.

13-2-1 Operating lease rental income

Current period (Unit: KRW 1,000)

	Disclosure amount
Operating lease income	5,840,787

Previous period (Unit: KRW 1,000)

	Disclosure amount
Operating lease income	5,695,972

13-2-2 Future minimum lease payments receivable under non-cancellable operating leases

Current period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years	Over 5 years	Segment total
Undiscounted operating lease payments to be received	2,333,798	742,588	726,873	726,873	663,576	14,436,309	19,630,017

Previous period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years	Over 5 years	Segment total
Undiscounted operating lease payments to be received	5,782,306	923,466	923,466	923,466	923,466	12,394,961	21,871,131

14. Intangible Assets

14-1 Breakdown of intangible assets

Current period

(Unit: KRW 1,000)

	Intangible assets other than goodwill											
	Copyrights, patents, other industrial property rights, service operation				Computer software				Memberships			
	Carrying amount			Total carrying amount	Carrying amount			Total carrying amount	Carrying amount			Total carrying amount
	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses		Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses		Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	
Intangible assets other than goodwill	35,939,681	(29,888,845)	0	6,050,836	65,560,945	(45,632,222)	0	19,928,723	9,042,851	0	(2,427,399)	6,615,452

Previous period

(Unit: KRW 1,000)

	Intangible assets other than goodwill											
	Copyrights, patents, other industrial property rights, service operation				Computer software				Memberships			
	Carrying amount			Total carrying amount	Carrying amount			Total carrying amount	Carrying amount			Total carrying amount
	Gross carrying amount	Accumulated depreciation and	Accumulated impairment losses		Gross carrying amount	Accumulated depreciation and	Accumulated impairment losses		Gross carrying amount	Accumulated depreciation and	Accumulated impairment losses	
		amortization				amortization				amortization		
Intangible assets other than goodwill	35,173,851	(28,209,838)	0	6,964,013	60,648,448	(37,199,697)	0	23,448,751	9,349,858	0	(2,427,399)	6,922,459

14-1 Breakdown of intangible assets: Total

Current period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount
Intangible assets other than goodwill	110,543,477	(75,521,067)	(2,427,399)	32,595,011

Previous period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Accumulated impairment losses	Total carrying amount
Intangible assets other than goodwill	105,172,157	(65,409,535)	(2,427,399)	37,335,223

14-2 Changes in the carrying amount of intangible assets

Current period

(Unit: KRW 1,000)

	Copyrights, patents, other industrial property rights, service operation rights	Computer software	Memberships	Total intangible assets excluding goodwill
Beginning intangible assets excluding goodwill	6,964,013	23,448,751	6,922,459	37,335,223
Increase other than through business	127,880	3,170,218	478,296	3,776,394

combinations, intangible assets excluding goodwill				
Disposals, intangible assets excluding goodwill	(18,334)	0	(785,303)	(803,637)
Other amortization, intangible assets excluding goodwill	(1,726,332)	(8,432,526)	0	(10,158,858)
Increase (decrease) due to replacement, intangible assets excluding goodwill	703,609	1,742,280	0	2,445,889
Intangible assets other than goodwill at the end of the period	6,050,836	19,928,723	6,615,452	32,595,011

Previous period

(Unit: KRW 1,000)

	Copyrights, patents, other industrial property rights, service operation	Computer software	Memberships	Total intangible assets excluding goodwill

	rights			
Beginning intangible assets excluding goodwill	4,422,658	17,838,589	8,005,779	30,267,026
Increase other than through business combinations, intangible assets excluding goodwill	3,222,689	7,068,675	0	10,291,364
Disposals, intangible assets excluding goodwill	(15,096)	(1)	(1,083,320)	(1,098,417)
Other amortization, intangible assets excluding goodwill	(1,586,166)	(6,889,472)	0	(8,475,638)
Increase (decrease) due to replacement, intangible assets excluding goodwill	919,928	5,430,960	0	6,350,888
Intangible assets other than goodwill at the end of the period	6,964,013	23,448,751	6,922,459	37,335,223

(Note 1) Increase (decrease) due to reclassification, intangible assets other than goodwill: These are the main account reclassification from the construction in progress

.

14-3 R&D costs recognized as expenses

Current period

(Unit: KRW 1,000)

	Disclosure amount
Research and development costs	48,500,424
Research and development costs recognized as expenses	48,500,424

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Research and development costs	45,148,790
Research and development costs recognized as expenses	45,148,790

15. Investment Real Estate Properties

15-1 Breakdown of investment properties

Current period

(Unit: KRW 1,000)

	Assets								
	Land			Buildings			Structures		
	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount
	Gross carrying amount	Accumulated depreciation and accumulated amortization		Gross carrying amount	Accumulated depreciation and accumulated amortization		Gross carrying amount	Accumulated depreciation and accumulated amortization	
Investment properties	28,105,383	0	28,105,383	30,436,133	(12,028,917)	18,407,216	35,090	(35,089)	1

Previous period

(Unit: KRW 1,000)

	Assets								
	Land			Buildings			Structures		
	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount	Carrying amount		Total carrying amount
	Gross carrying amount	Accumulated depreciation and accumulated amortization		Gross carrying amount	Accumulated depreciation and accumulated amortization		Gross carrying amount	Accumulated depreciation and accumulated amortization	
Investment properties	16,797,406	0	16,797,406	1,681,258	(1,223,362)	457,896	35,090	(35,089)	1

15-1 Breakdown of investment properties: total

Current period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Total carrying amount
Investment properties	58,576,606	(12,064,006)	46,512,600

Previous period

(Unit: KRW 1,000)

	Gross carrying amount	Accumulated depreciation and accumulated amortization	Total carrying amount
Investment properties	18,513,754	(1,258,451)	17,255,303

15-2 Changes in the carrying amount of investment properties

Current period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Total assets
Beginning investment properties	16,797,406	457,896	1	17,255,303
Depreciation expense, investment properties	0	(395,853)	0	(395,853)
Transfers of investment properties to inventories or owner-occupied property, or transfers of inventories or owner-occupied property to investment	11,307,977	18,345,173	0	29,653,150

properties				
Ending investment properties	28,105,383	18,407,216	1	46,512,600

Previous period

(Unit: KRW 1,000)

	Land	Buildings	Structures	Total assets
Beginning investment properties	16,797,406	499,927	1	17,297,334
Depreciation expense, investment properties	0	(42,031)	0	(42,031)
Transfers of investment properties to inventories or owner-occupied property, or transfers of inventories or owner-occupied property to investment properties				
Ending investment properties	16,797,406	457,896	1	17,255,303

(Note 1) Current period - Transfers of investment properties to inventories or owner-occupied property, or transfers of inventories or owner-occupied property to investment properties: It is the amount transferred from tangible assets.

15-3 Rental income generated from investment properties

Current period

(Unit: KRW 1,000)

	Land and buildings
Rental income generated from investment properties	5,840,787

Previous period

(Unit: KRW 1,000)

	Land and buildings
Rental income generated from investment properties	5,695,972

It has been assessed that the difference between the fair value and the carrying amount of the building is not material.

15-3 Fair value of investment properties

(Unit: KRW
1,000)

	Total measurement
	Fair value disclosed but not measured at fair value in the balance sheet
	Assets
	Land
Investment properties	29,512,595

16. Trade and Other Payables

16-1 Details of trade and other payables

Current period

(Unit: KRW 1,000)

	Disclosure amount
Trade payables	99,821,109
Accounts payable	45,498,744
Accrued expenses	46,629,758
Trade and other payables	191,949,611

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Trade payables	98,488,315
Accounts payable	38,730,036
Accrued expenses	41,581,562
Trade and other payables	178,799,913

16-2 The carrying amount of trade payables that are part of the supplier financing agreements

Current period

(Unit: KRW 1,000)

	Supplier financing agreements
Description of agreements	The company has entered into supplier financing agreements with several key suppliers in the domestic market. Participation in the agreements is determined at the discretion of the suppliers. Suppliers participating in the supplier financing agreements can receive early payments of their receivables from the financial provider on behalf of the company. If the supplier chooses early payment, the supplier will pay a fee to the financial provider, not to the company. The financial provider must receive the goods from the company or have the company approve the invoice before making payment for the receivable. Before the payment due date, the financial provider pays the supplier the amount due. In all cases, the company pays the financial provider on the original payment due date as described above and settles the debt. The payment terms with the supplier are not renegotiated due to the agreement. The Company does not provide collateral to the financial provider. All financial liabilities arising from supplier finance arrangements are included in trade and other payables in the statement of financial position.
The carrying amount of trade and other payables that are part of the supplier financing agreements	13,935,603

The amount received by the supplier	1,453,133
Weighted average payment maturity of the financial liability included in the arrangement	17 to 45 days after the invoice issuance date
Average payment period of comparable trade payables not subject to the arrangement	11 to 91 days after the invoice issuance date

Previous period

(Unit: KRW 1,000)

	Supplier financing agreements
Description of agreements	The company has entered into supplier financing agreements with several key suppliers in the domestic market. Participation in the agreements is determined at the discretion of the suppliers. Suppliers participating in the supplier financing agreements can receive early payments of their receivables from the financial provider on behalf of the company. If the supplier chooses early payment, the supplier will pay a fee to the financial provider, not to the company. The financial provider must receive the goods from the company or have the company approve the invoice before making payment for the receivable. Before the payment due date, the financial provider pays the supplier the amount due. In all cases, the company pays the financial provider on the original payment due date as described above and settles the debt. The payment terms with the supplier are not renegotiated due to the agreement. The Company does not provide collateral to the financial provider. All financial liabilities arising from supplier finance arrangements are included in trade and other payables in the statement of financial position.
The carrying amount of trade and other payables that are part of the supplier financing agreements	11,388,587
The amount received by the supplier	1,624,607
Weighted average payment maturity of the financial liability included in the arrangement	

Average payment period of comparable trade payables not subject to the arrangement	

There were no significant non-cash changes in the carrying amount of trade and other payables that are part of the supplier finance arrangements of the Company

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17. Bonds and Borrowings

17-1 Disclosers related to details of bonds and borrowings

Current period

(Unit: KRW 1,000)

	Disclosure amount
Current borrowings (including bonds)	255,326,972
Current portion of bonds payable	119,932,525
Current portion of exchangeable bonds	155,894,668
The current and non-current portions borrowings from financial institutions (excluding bonds) that are replaced by liquidity	0
The non-current portion of non-current bonds	269,388,242
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	0
Borrowings (including bonds)	800,542,407

Previous period

(Unit: KRW 1,000)

	Disclosure amount

Current borrowings (including bonds)	255,350,258
Current portion of bonds payable	94,970,000
Current portion of exchangeable bonds	0
The current and non-current portions borrowings from financial institutions (excluding bonds) that are replaced by liquidity	6,666,680
The non-current portion of non-current bonds	219,404,969
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	8,333,310
Borrowings (including bonds)	584,725,217

17-2 Details of short-term borrowings

Current period

(Unit: KRW 1,000)

	Name of borrowings											Name of borrowings, total	
	Short-term borrowings												
	Hana Bank, etc. - general bank borrowings			Nonghyup Bank - credit limit amount			Shinhan Bank - commercial paper (CP)			Hana Bank, etc. - trade receivable discounts			
	Scope		Total scope	Scope		Total scope	Scope		Total scope	Scope			Total scope
	Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		
Borrowings, interest rate	0.0364	0.0446				0.0404				0.0187	0.0540		
Current borrowings (including bonds)			200,000,000			6,000,000			0			49,326,972	255,326,972

Previous period

(Unit: KRW 1,000)

	Name of borrowings												Name of borrowings, total
	Short-term borrowings												
	Hana Bank, etc. - general bank borrowings			Nonghyup Bank - credit limit amount			Shinhan Bank - commercial paper (CP)			Hana Bank, etc. - trade receivable discounts			
	Scope		Total scope	Scope		Total scope	Scope		Total scope	Scope		Total scope	
	Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		Sub-scope	Upper scope		
Borrowings, interest rate													
Current borrowings (including bonds)			190,000,000			0			50,000,000			15,350,258	255,350,258

17-3 Details of bonds payable

Current period

(Unit: KRW 1,000)

	Name of borrowings						Name of borrowings, total
	Debenture						
	The 13-2nd public placement bonds	The 13-3rd public placement bonds	The 14-1st public placement bonds	The 14-2nd public placement bonds	The 15-1st public placement bonds	The 15-2nd public placement bonds	
Borrowings.	2025-02-24	2026-02-24	2026-04-24	2027-04-26	2027-01-29	2028-01-31	

maturity							
Borrowings, interest rate		0.0460	0.0408	0.0417	0.0314	0.0331	
Debtenture, nominal amount	0	70,000,000	50,000,000	100,000,000	70,000,000	100,000,000	390,000,000
Bonds issued at a discount							(679,232)
Current bonds and non-current bonds with liquidity substitute portion							(119,932,526)
Non-current portion of bonds payable							269,388,242

Previous period

(Unit: KRW 1,000)

	Name of borrowings						Name of borrowings, total
	Debenture						
	The 13-2nd public placement bonds	The 13-3rd public placement bonds	The 14-1st public placement bonds	The 14-2nd public placement bonds	The 15-1st public placement bonds	The 15-2nd public placement bonds	
Borrowings, maturity	2025-02-24	2026-02-24	2026-04-24	2027-04-26			
Borrowings, interest rate							
Debenture, nominal amount	95,000,000	70,000,000	50,000,000	100,000,000			315,000,000
Bonds issued at a discount							(625,031)
Current bonds and non-current bonds with liquidity substitute portion							(94,970,000)
Non-current portion of bonds payable							219,404,969

17-4 Details of exchangeable bonds

(Unit: KRW 1,000)

	Name of borrowings
	Debenture
	First bearer exchangeable bonds, 1st issue
Borrowings, date of issuance	2025-10-20
Borrowings, maturity	2030-10-20
Borrowings, interest rate	0.0000
Exchangeable bonds, total amount	220,000,000
Discount on issuance of exchangeable bonds	(42,977,314)
Adjustment to exchangeable bond conversion rights	(21,128,018)
Exchangeable bonds, net amount	155,894,668

17-4-1 Terms of issuance of exchangeable bonds

(Unit: KRW million)

	Name of borrowings		
	Debenture		
	First bearer exchangeable bonds, 1st issue		
	Scope		Total scope
	Sub-scope	Upper scope	
Nominal amount			220,000
Exchangeable bonds, total amount			220,000
Borrowings, interest rate			0.0000
Exchangeable bonds, guaranteed yield at maturity			0.0000

Information on exchangeable bonds and options			The bondholder may request early redemption of all or part of the principal amount of the bonds on October 20, 2028, being the date falling three years from the issue date of the bonds, and on each date every three months thereafter (the "Early Redemption Date").
			(1) If the target company (i) conducts a capital increase with consideration, bonus issue, stock dividend, capitalization of reserves, or similar transaction at an issue price below market value, or (ii) issues convertible bonds, bonds with warrants, or other equity-linked bonds with a conversion price or exercise price below market value.

Exchangeable bonds, major causes for adjustment of the exchange price		(2) If the exchange target company undergoes a division or merger, or if the exchange target shares are subject to a share split or similar event, the exchange price shall be adjusted so that the value corresponds to the number of shares the bondholder would have been entitled to receive had the exchange right been exercised prior to the occurrence of such event. (3) If an event occurs that increases the share value of the exchange target company, such as a capital reduction or share consolidation of the exchange target shares, the exchange price shall be adjusted upward by the corresponding ratio of such capital reduction, share consolidation, or similar event.

			(4) No adjustment to the exchange price under this paragraph shall be made on the basis of fluctuations in the fair value of the shares subject to exchange.
Exchangeable bonds, exchange underlying shares			3,822,430 registered common shares of SK bioscience Co., Ltd.
Exchangeable bonds, exchange price (KRW /share)			57,555
Exchangeable bonds, exchange right exercise period	2025-11-20	2030-09-20	
Exchangeable bonds, exchange ratio			1

(Note 1) Exchangeable bonds, exchange underlying shares: If 100% of the exchangeable shares are exchanged as of the end of the current period,

the effective ownership interest in SK bioscience Co., Ltd. may change from 66.37% to 61.50%.

(Note 2) Exchangeable bonds, exchange right exercise period: The exchange rights are exercisable at the option of the holder as of the end of the current period. When the holder of the exchangeable bonds requests exchange, the Company is required to settle the exchangeable bonds using equity instruments held by the Company. Accordingly, the host debt component has been classified as a current liability as of the end of the current period.

17-4-2 Details of changes in exchangeable bonds

(Unit: KRW 1,000)

	Name of borrowings	
	Debenture	
	First bearer exchangeable bonds, 1st issue	
	Carrying amount	Total carrying amount

	Gross carrying amount	Bonds issued at a discount	Voucher adjustment	amount
Borrowings (including bonds)	0	0	0	0
Issuance, exchangeable bonds	220,000,000	(44,436,052)	(21,845,146)	153,718,802
Amortization, exchangeable bonds	0	1,458,738	717,128	2,175,866
Valuation, exchangeable bonds	0	0	0	0
Borrowings (including bonds)	220,000,000	(42,977,314)	(21,128,018)	155,894,668

17-4-2 Changes in exchangeable bonds: derivative financial liabilities

(Unit: KRW 1,000)

	Liabilities
	Financial liabilities at fair value through profit or loss
	Derivative financial liabilities
Beginning liabilities	0
Issuance, fair value measurement, liabilities	65,894,871
Increase (decrease) in fair value measurement, liabilities	1,070,280
Ending liabilities	66,965,151
Disclosure of compound financial instruments	The first privately placed bearer exchangeable bonds issued by the Company were accounted for by separating them into a host liability component and embedded derivatives consisting of the exchange option component and the early redemption option. The debt component of the host contract is measured at amortized

containing multiple embedded derivatives	cost. The exchange right embedded in the convertible bonds and the early redemption option meet the criteria for separation of embedded derivatives; therefore, they are separated from the host contract and accounted for as a separate derivative liability (a financial liability at fair value through profit or loss).

When the Company measures the fair value of derivative financial instruments using valuation techniques that incorporate inputs not based on observable market data, any difference between the fair value determined by the valuation technique and the transaction price is not recognized immediately in profit or loss but is deferred. Such difference is subsequently amortized over the life of the financial instrument using the effective interest method, and when the inputs used in the valuation technique become observable in the market, any remaining deferred balance is recognized immediately in profit or loss in full.

The deferred amount is included in the exchange right adjustment.

17-4-3 Transaction date fair value gain or loss

(Unit: KRW 1,000)

	Name of borrowings
	Debenture
	First bearer exchangeable bonds, 1st issue
Adjustment to exchangeable bond conversion rights at the beginning of period	0
Recognition, adjustment to exchangeable bond conversion rights at the beginning of period	21,845,146
Amortization, adjustment to exchangeable bond conversion rights at the beginning of period	(717,128)
Adjustment to exchangeable bond conversion rights at the end of period	21,128,018

17-5 Details of long-term borrowings of financial institutions

Previous period

(Unit: KRW 1,000)

	Name of borrowings

	Long-term borrowings
	NongHyup Bank - Facility Loan
Long-term borrowings of financial institutions, nominal amount	14,999,990
Current portion of long-term borrowings from financial institutions	(6,666,680)
The non-current portion of non-current borrowings from financial institutions (excluding bonds) that is replaced by liquidity	8,333,310

18. Other Liabilities

18 Details of Other Liabilities

Current period

(Unit: KRW 1,000)

		Disclosure amount
Other current liabilities		4,365,045
Other current liabilities	Current advances received	1,317,475
	Short-term unearned revenue	231,037
	Short-term deposits received	2,523,117
	Short-term security deposits payable	282,918
	Current unpaid dividends	10,498
Other non-current liabilities		1,615,219
Other non-current liabilities	Accrued expenses classified as non-current liabilities	1,615,219
Other Liabilities		5,980,264

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Other current liabilities		3,771,970
	Current advances received	1,003,778
	Short-term unearned revenue	284,362
	Short-term deposits received	2,373,979
	Short-term security deposits payable	99,226
	Current unpaid dividends	10,625
Other non-current liabilities		0

Other non-current liabilities	Accrued expenses classified as non-current liabilities	0
Other Liabilities		3,771,970

19. Emission Rights and Emission Liabilities

19-1 Free allocation of emission allowance by compliance year

	2021	2022	2023	2024	2025	Total planned period
Free allocation, emission allowance	530,173 tons	530,173 tons	530,173 tons	525,208 tons	525,208 tons	2,640,935 tons

As of the end of the current period, there are no greenhouse gas emission allowances provided as collateral.

19-2 Changes in the quantity of greenhouse gas emission allowances

		2021	2022	2023	2024	2025	Total planned period
Allocation, emission allowance quantity		301,823 tons	269,405 tons	212,415 tons	222,483 tons	222,483 tons	1,228,609 tons
Allocation, emission allowance quantity	Free allocation, emission allowances Quantity	530,173 tons	530,173 tons	530,173 tons	525,208 tons	525,208 tons	2,640,935 tons
	Cancellation and additional allocation of emission allowances, quantity of emission allowances	122,941 tons	90,523 tons	33,533 tons	45,276 tons	45,276 tons	337,549 tons
	Changes arising from split-offs/mergers and acquisitions, emission allowance quantity	- 351,291 tons	- 351,291 tons	- 351,291 tons	- 348,001 tons	- 348,001 tons	- 1,749,875 tons
Emissions, emission allowance quantity		- 296,162 tons	- 263,601 tons	- 220,838 tons	- 222,379 tons	0 tons	- 1,002,980 tons
Emissions, emission allowance	Government expenditure, emission	- 296,162 tons	- 263,601 tons	- 220,838 tons	- 222,379 tons	0 tons	- 1,002,980 tons

quantity	allowance quantity						
Changes due to emission allowance trading, emission allowance quantity		- 13,328 tons	- 11,270 tons	8,517 tons	- 1,869 tons	0 tons	- 17,950 tons
Changes due to emission allowance trading, emission allowance quantity	Purchase, emission allowance quantity	1,300 tons	12,600 tons	12,251 tons	0 tons	0 tons	26,151 tons
	Sale, emission allowance quantity	- 14,628 tons	- 23,870 tons	- 3,734 tons	- 1,869 tons	0 tons	- 44,101 tons
Balance carried forward, emission allowance quantity		38,220 tons	30,553 tons	25,087 tons	25,181 tons	23,416 tons	142,457 tons
Carried forward to the next period, emission allowance quantity		- 30,553 tons	- 25,087 tons	- 25,181 tons	- 23,416 tons	0 tons	- 104,237 tons
End of period, emission allowance quantity		0 tons	0 tons	0 tons	0 tons	245,899 tons	245,899 tons

19-2 Changes in the carrying amount of greenhouse gas emission allowances

(Unit: KRW 1,000)

		2021	2022	2023	2024	2025	Total planned period
Allocation, emission allowances		0	0	0	0	0	0
Allocation, emission allowances	Free allocation, emission allowances	0	0	0	0	0	0
	Allocation cancellation and additional allocation, emission allowances	0	0	0	0	0	0
	Changes due to split-off and merger, transactions, emission allowances	0	0	0	0	0	0
Emission, emission allowances		0	0	0	0	0	0
Emission, emission allowances	Government expenditure, emission allowances	0	0	0	0	0	0
Changes due to emission allowance trading, emission allowances		45,025	15,249	166,925	0	0	227,199
Changes due to emission allowance transactions,	Purchase, emission allowances	45,025	446,797	166,925	0	0	658,747
	Sale, emission	0	(431,548)	0	0	0	(431,548)

emission allowances							
Carried forward from previous period, emission allowances	0	45,025	60,274	227,199	227,199	559,697	
Carried forward to the next period, emission allowances	(45,025)	(60,274)	(227,199)	(227,199)	0	(559,697)	
End of period, emission allowances	0	0	0	0	227,199	227,199	

19-3 There are no changes in emission rights assets for the current and previous periods.

19-4 There are no changes in emission rights liabilities for the current and previous periods.

19-5 Confirmed and estimated
greenhouse gas emissions for the
current period

	Disclosure amount
Confirmed greenhouse gas emissions data	
Estimated greenhouse gas emissions	222,610 tCO ₂ -eq

Previous period

	Disclosure amount
Confirmed greenhouse gas emissions data	222,379 tCO ₂ -eq
Estimated greenhouse gas emissions	

20. Defined Benefit Obligations (Assets)

The Company operates a defined benefit plan for the employees and has used the projected unit credit method for the actuarial valuation of the defined benefit assets.

20-1,3,4 Defined benefit obligations (assets)

Current period

(Unit: KRW 1,000)

	Present value of defined benefit obligation	Plan assets	Total net defined benefit obligations (assets)
Beginning balance of net defined benefit obligations (assets)	128,416,704	(151,966,614)	(23,549,910)
Current service cost, net defined benefit obligations (assets)	12,476,249		12,476,249
Past service cost, net defined benefit obligations (assets)	0		0
Interest expense (income), net defined benefit obligations (assets)	4,040,280	(4,814,895)	(774,615)
Total remeasurement gains and losses, net defined benefit obligations (assets)	1,262,960	(267,849)	995,111
Amount paid under the plan, net defined benefit obligations (assets)	(15,782,779)	12,147,467	(3,635,312)
Contributions paid by the company to the plan, net defined benefit obligations (assets)		(5,000,000)	(5,000,000)
Affiliates' transfers	136,510	1,023,666	1,160,176
Net defined benefit obligations (assets) at	130,549,924	(148,878,225)	(18,328,301)

the end of the period			
Defined benefit obligations, present value			130,549,924
Plan assets, fair value			(148,878,225)

Previous period
1,000)

(Unit: KRW

	Present value of defined benefit obligation	Plan assets	Total net defined benefit obligations (assets)
Beginning balance of net defined benefit obligations (assets)	113,649,551	(137,527,078)	(23,877,527)
Current service cost, net defined benefit obligations (assets)	11,072,651		11,072,651
Past service cost, net defined benefit obligations (assets)	1,626,371		1,626,371
Interest expense (income), net defined benefit obligations (assets)	4,253,584	(5,189,667)	(936,083)
Total remeasurement gains and losses, net defined benefit obligations (assets)	6,321,797	(990,608)	5,331,189

Amount paid under the plan, net defined benefit obligations (assets)	(8,004,211)	7,214,191	(790,020)
Contributions paid by the company to the plan, net defined benefit obligations (assets)		(15,000,000)	(15,000,000)
Affiliates' transfers	(503,039)	(473,452)	(976,492)
Net defined benefit obligations (assets) at the end of the period	128,416,704	(151,966,614)	(23,549,910)
Defined benefit obligations, present value			128,416,704
Plan assets, fair value			(151,966,614)

The plan assets as of the end of the reporting period consist of time deposits, etc.

20-4 Composition of plan assets

(Unit: KRW 1,000)

	Disclosure amount
Cash and cash equivalents, amount representing the portion of total plan assets	109,697
Time deposit, amount representing the portion of total plan assets	10,246,850
Qualifying insurance contracts, amount representing the portion of total plan assets	136,252,708
Other assets, amount representing the portion of total plan assets	2,268,970
Total plan assets, fair value	148,878,225
Cash and cash equivalents, proportion of plan assets in fair value	0.0007
Time deposit, proportion of plan assets in fair value	0.0688
Qualifying insurance contracts, proportion of plan assets in fair value	0.9152

Other assets, proportion of plan assets in fair value	0.0153

20-2 Profit or loss recognized in relation to defined benefit plans

Current period

(Unit: KRW 1,000)

	Disclosure amount
Current service cost, defined benefit plan	12,476,249
Past service cost, defined benefit plan	0
Interest cost, defined benefit plan	4,040,280
Interest revenue, defined benefit plan	(4,814,895)
Retirement benefit expense, defined benefit plan	11,701,634

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Current service cost, defined benefit plan	11,072,651
Past service cost, defined benefit plan	1,626,371
Interest cost, defined benefit plan	4,253,584
Interest revenue, defined benefit plan	(5,189,667)
Retirement benefit expense, defined benefit plan	11,762,939

20-5 Key assumptions used for actuarial valuation

current period

	Weighted range
Actuarial assumption regarding the discount rate	0.0369
Expected rate of return on plan assets	0.0369
Actuarial assumption regarding future salary increases	0.0649

Previous period

	Weighted range

Actuarial assumption regarding the discount rate	0.0334
Expected rate of return on plan assets	0.0334
Actuarial assumption regarding future salary increases	0.0597

20-6 Components of remeasurement elements of the defined benefit plan

Current period

(Unit: KRW 1,000)

	Disclosure amount
Actuarial losses (gains) arising from changes in demographic assumptions, net defined benefit obligation (assets)	0
Actuarial losses (gains) arising from changes in financial assumptions, net defined benefit obligation (assets)	2,716,192
Actuarial losses (gains) arising from experience adjustments, net defined benefit obligation (assets)	(1,453,232)
Return on plan assets excluding amounts included in interest, net defined benefit obligation (assets)	(267,849)
Total remeasurement gains and losses, net defined benefit obligation (assets)	995,111

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Actuarial losses (gains) arising from changes in demographic assumptions, net defined benefit obligation (assets)	2,749

Actuarial losses (gains) arising from changes in financial assumptions, net defined benefit obligation (assets)	4,054,478
Actuarial losses (gains) arising from experience adjustments, net defined benefit obligation (assets)	2,264,570
Return on plan assets excluding amounts included in interest, net defined benefit obligation (assets)	(990,608)
Total remeasurement gains and losses, net defined benefit obligation (assets)	5,331,189

20-7 Key assumptions used for actuarial valuation

Current period

(Unit: KRW 1,000)

	Actuarial assumption regarding the discount rate	Actuarial assumption regarding future salary increase rate
Possible increase rates within a reasonable range of actuarial assumptions	0.01	0.01
Increase (decrease) in the defined benefit obligation due to possible increases within a reasonable range of actuarial assumptions	(8,892,873)	10,095,893
Possible decrease rates within a reasonable range of actuarial assumptions	0.01	0.01
Increase (decrease) in the defined benefit obligation due to possible decreases within a reasonable range of actuarial assumptions	10,130,176	(9,028,377)

Previous period

(Unit: KRW 1,000)

	Actuarial assumption regarding the discount rate	Actuarial assumption regarding future salary increase rate

Possible increase rates within a reasonable range of actuarial assumptions	0.01	0.01
Increase (decrease) in the defined benefit obligation due to possible increases within a reasonable range of actuarial assumptions	(8,415,953)	9,575,471
Possible decrease rates within a reasonable range of actuarial assumptions	0.01	0.01
Increase (decrease) in the defined benefit obligation due to possible decreases within a reasonable range of actuarial assumptions	9,580,334	(8,566,721)

Sensitivity analysis is based on the method of estimating the impact on the defined benefit obligation if significant actuarial assumptions change within a reasonable range at the reporting date. Since it is unlikely that changes in assumptions would occur independently of each other, the sensitivity analysis above may not reflect the actual changes in the defined benefit obligation.

20-8 Weighted average maturity of the defined benefit obligation

Current period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years, within 10 years	Over 10 years, within 20 years	Over 20 years	Segment total
Estimated amount of benefit payments expected to be paid under the defined benefit plan	20,191,863	12,897,007	43,417,301	69,589,676	161,830,277	85,486,749	393,412,873
Weighted average maturity of the defined benefit obligation							7 years and 6 months

Previous period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years, within 10 years	Over 10 years, within 20 years	Over 20 years	Segment total
Estimated amount of benefit payments expected to be paid under the defined benefit plan	22,099,334	14,146,470	41,324,206	64,296,047	139,617,348	67,129,821	348,613,226
Weighted average maturity of the defined benefit obligation							7 year and 3 months

20-8-(Note) Expected contributions for the fiscal year

(Unit: KRW 1,000)

	Defined benefit plan with fully or partially funded assets
Estimated contributions expected to be paid during the next annual reporting period	12,706,160

20-9 Expense recognized in profit or loss in relation to defined contribution plans

Current period

(Unit: KRW 1,000)

	Disclosure amount
Retirement benefit expense, defined contribution plan	774,573

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Retirement benefit expense, defined contribution plan	445,456

21. Contract Assets and Contract Liabilities

21-1 Contract balances arising from contracts with customers

Current period

(Unit: KRW 1,000)

	Disclosure amount
Provisions for returns	1,405,152
Unearned revenue	7,989,360
Contract liabilities	9,394,512

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Provisions for returns	736,166
Unearned revenue	9,241,193
Contract liabilities	9,977,359

21-2 Changes in contract liabilities

Current period

(Unit: KRW 1,000)

	Liabilities		Total liabilities
	Contract liabilities		
	Provisions for returns	Unearned revenue	
Beginning contract liabilities	736,166	9,241,193	9,977,359
Increase and decrease in contract liabilities	668,986	(1,251,833)	(582,847)
Contract liabilities at the end of the period	1,405,152	7,989,360	9,394,512
Revenue recognized that was included in the opening contract liability balance		8,710,000	8,710,000

Previous period

(Unit: KRW 1,000)

	Liabilities	
	Contract liabilities	

	Provisions for returns	Unearned revenue	Total liabilities
Beginning contract liabilities	618,302	4,194,299	4,812,601
Increase and decrease in contract liabilities	117,864	5,046,894	5,164,758
Contract liabilities at the end of the period	736,166	9,241,193	9,977,359
Revenue recognized that was included in the opening contract liability balance			

(Note 1) Provisions for returns: The Company appropriates the contract liabilities for the returned goods of expected returns based on past experience with returns for the products sold. All assumptions applied for the contract liability calculations above were based on the current products' sales levels and the currently available information on the returns expected to occur during the returnable period for products sold under returnable conditions.

(Note 2) Unearned revenue The amounts received in advance from the customers related to the product production and relocation activities were recognized as the contract liabilities.

21-2 Current and non-current contract liabilities

Current period

(Unit: KRW 1,000)

		Disclosure amount
Current contract liabilities		9,394,512
Current contract liabilities	Current provision for returns	1,405,152
	Current unearned revenue	7,989,360
Non-current contract liabilities		0
Non-current contract liabilities	Non-current provision for returns	0
	Non-current unearned revenue	0

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Current contract liabilities		9,977,359
Current contract liabilities	Current provision for returns	736,166
	Current unearned revenue	9,241,193
Non-current contract liabilities		0
Non-current contract liabilities	Non-current provision for returns	0
	Non-current unearned revenue	0

22. Provisioning Liabilities

22 Disclosure Related to Details of Provisions for Liabilities

Current period

(Unit: KRW 1,000)

		Disclosure amount
Current provisions for liabilities		1,666,301
Current provisions for liabilities	Current provisions for other provisions	1,666,301
Non-current portion of provisioning liabilities		5,957,148
Non-current portion of provisioning liabilities	Non-current legal provisions for litigation	5,957,148
Provisioning Liabilities		7,623,449

Previous period

(Unit: KRW 1,000)

		Disclosure amount

Current provisions for liabilities		321,883
Current provisions for liabilities	Current provisions for other provisions	321,883
Non-current portion of provisioning liabilities		5,957,148
Non-current portion of provisioning liabilities	Non-current legal provisions for litigation	5,957,148
Provisioning Liabilities		6,279,031

(Note 1) Non-current legal provisions for litigation: Provisions have been recognized based on the best estimate regarding the ongoing humidifier disinfectant lawsuit.

23. Hedging Activities and Financial Derivatives

23-1 Risk management activities

The Company is exposed to the foreign currency risk for some of the sales and purchases following the international transactions conducted. To mitigate such risk, the Company regularly monitors the net exposure in major currencies (dollar and euro) based on the sales and purchases expected over the next 12 months. Furthermore, the Company executes foreign currency forward contracts to avoid such exposure.

For business and sales purposes, the Company has not designated such currency forward contracts for hedging. Thus, the changes in the fair value of all forward contracts are recognized as profit or loss for the relevant period.

23-2 Assets in derivative financial instruments

Current period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes		
	For trading purposes		
	Types of derivative contracts		Types of derivative contracts: total
	Currency-related	Share-related	
	Types of derivatives		
	Forward contract	Option contracts	
		Written put options	
Current derivative financial assets	166,095	0	166,095

Non-current derivative assets	0	7,699,750	7,699,750

Previous period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes		
	For trading purposes		
	Types of derivative contracts		Types of derivative contracts: total
	Currency-related	Share-related	
	Types of derivatives		
	Forward contract	Option contracts	
		Written put options	
Current derivative financial assets	0	0	0
Non-current derivative assets	0	8,784,996	8,784,996

23-2 Current liabilities in derivative financial instruments

Current period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes		
	For trading purposes		
	Types of derivative contracts		Types of derivative contracts:

	Currency-related	Share-related		total
	Types of derivatives			
	Forward contract	Option contracts	Exchange rights and early redemption rights	
		Purchased call options		
Current derivative financial liabilities	311,691	1,014,742	66,965,151	68,291,584

Previous period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes			
	For trading purposes			
	Types of derivative contracts			Types of derivative contracts: total
	Currency-related	Share-related		
	Types of derivatives			
	Forward contract	Option contracts	Exchange rights and early redemption rights	
		Purchased call options		
Current derivative financial liabilities	3,531,729	429,063		3,960,792

23-3 Contract amounts and fair value of currency forward contracts

Current period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes	
	For trading purposes	
	Types of derivative contracts	
	Currency-related	
	Types of derivatives	
	Forward contract	
	Buy	Sell
Counterparties, derivative	Hana Bank, etc.	Hana Bank, etc.

financial instruments		
Contract amount, derivative financial instruments	14,970,810	44,864,824
Fair value, derivative financial instruments	(290,842)	145,246

Previous period

(Unit: KRW 1,000)

	Designation of derivative instruments for hedging purposes	
	For trading purposes	
	Types of derivative contracts	
	Currency-related	
	Types of derivatives	
	Forward contract	
	Buy	Sell
Counterparties, derivative financial instruments		Hana Bank, etc.
Contract amount, derivative financial instruments		99,019,314
Fair value, derivative financial instruments		(3,531,729)

23-4 Fair value of option contracts

Current period

(Unit: KRW 1,000)

	Total measurement		
	Fair value		
	Designation of derivative instruments for hedging purposes		
	For trading purposes		
	Types of derivative contracts		
	Share-related		
	Types of derivatives		Types of derivatives: total
	Option contracts		
	Written put options	Purchased call options	

	Investments in shares of SK chemicals Daejeong Co., Ltd.	Investments in shares of HDC Polyall Co., Ltd.	Convertible preferred shares of Tiumbio Co., Ltd.	
Non-current derivative assets	0	7,699,750		7,699,750
Current derivative financial liabilities			1,014,742	1,014,742

Previous period

(Unit: KRW 1,000)

	Total measurement			
	Fair value			
	Designation of derivative instruments for hedging purposes			
	For trading purposes			
	Types of derivative contracts			
	Share-related			
	Types of derivatives			Types of derivatives: total
	Option contracts			
	Written put options		Purchased call options	
	Investments in shares of SK chemicals Daejeong Co., Ltd.	Investments in shares of HDC Polyall Co., Ltd.	Convertible preferred shares of Tiumbio Co., Ltd.	
Non-current derivative assets	1,085,246	7,699,750		8,784,996
Current derivative financial liabilities			429,063	429,063

(Note 1) Investments in shares of SK chemicals Daejeong Co., Ltd.: They are put options that allow the Company to sell its shares to Daejeong Chemicals & Metals Co., Ltd. at the specified price.

(Note 2) Investments in shares of HDC Polyall Co., Ltd.: They are put options that allow the company to sell its shares to HDC Hyundai EP Co., Ltd. at the specified price.

(Note 3) Preferred shares of Tiumbio Co., Ltd.: The Company has an obligation to sell convertible preferred shares at the specified price to a third party designated by Tiumbio Co., Ltd.

23-5 The Company is exposed to certain risks in connection with their ongoing business operations. The main risks managed using derivatives are the foreign exchange risk and the interest rate risk. The Company's risk management strategies and risk management methods are described under Note 34.

24. Contingencies and Commitments

24-1 Disclosures related to details of significant litigation cases

(Unit: KRW 1,000)

Classification of legal contingency liabilities										
Lawsuit (Defendant)										Lawsuit (Plaintiff)
	Indemnity claims 1	Indemnity claims 2	Indemnity claims 3	Indemnity claims 4	Indemnity claims 5	Claim for damages 1	Claims for the prohibition of patent infringements and for damages	Claim for damages 2	Violation of Special Act on Remedy for Damage Caused by Humidifier Disinfectants	Petition for cancellation of corrective order, etc.
Plaintiff, lawsuit case	Korea Environmental Industry and Technology Institute	Korea Environmental Industry and Technology Institute	National Health Insurance Service	Republic of Korea	Aekyung Industrial Co., Ltd.	Kang Chan Ho and 271 others	Novartis AG	Republic of Korea		Company and 1 other
Defendant, lawsuit case	Company and 12 others	Company and 12 others	Company and 12 others	Company and 19 others	Company	Company and 18 others	Company	Company and 26 others		Fair Trade Commission
Lawsuit amount	1,530,687	294,414	10,782,868	4,910,025	34,303,420	11,201,379	17,853,079	36,402,015		161,667
Lawsuit progress/status	First trial in progress	First trial in progress	First trial in progress	First trial in progress	First trial in progress	First trial in progress	Third trial in progress	First trial in progress	The Company is under criminal trial for violating the Special Act on Remedy for Damage Caused by Humidifier Disinfectants, as it submitted an opinion contrary to the facts in	Second trial in progress

									response to the Ministry of Environment's request for data submission.	

(Note 1) Indemnity claims 1, Indemnity claims 2, Indemnity claims 3, Indemnity claims 4: As of the end of the current period, part of the land owned by the Company has been provisionally seized in connection with the litigation above.

(Note 2) Indemnity claims 1, Indemnity claims 2, Indemnity claims 3, Indemnity claims 4, Claim for damages 1: This is a civil lawsuit related to humidifier disinfectant damage with the Company as the defendant, and several other civil lawsuits are ongoing in addition to the aforementioned case.

(Note 3) Claim for damages 2: This is a lawsuit with the Company as the defendant, and the lawsuit amount may change during the course of the proceedings.

The outcome of ongoing litigation as of the end of the current period cannot be predicted at this time, and a provisioning liability has been recognized based on the best estimate considering the likelihood of winning or losing the case (refer to Note 22).

24-2, 3 Disclosure of financial agreements entered into on behalf of subsidiaries

(Unit: KRW
million)

	Types of commitment

	Agreement for capital substitute shareholder loans repayment	Establishment of collateral over shares and capital substitute shareholder loans
	All subsidiaries	
	Subsidiaries	
	SK Multi-Utility Co., Ltd.	
Description of related party transactions	The Company made an additional capital contribution in relation to the project financing arrangement of its subsidiary, SK Multi-Utility Co., Ltd., which involves borrowings of KRW 660 billion from a syndicate of project finance lenders, including KB Kookmin Bank.	
Cash capital contributions, capital contribution payments	59,100	
Description of the details of collateral provided or received for receivables and payables arising from transactions with related parties	The project facilities will be completed in full by the expected completion date at the investor's responsibility and cost, and the facilities will be operated on a responsible basis within the limits of the pre-approved annual operating budget. In the event of a funding shortfall at SK Multi-Utility Co., Ltd., the Company has committed to contribute the full amount of the shortfall to the borrower.	The Company has established collateral rights on all shares and shareholder loans in lieu of capital that it currently holds or will hold in the future in the subsidiary, SK Multi-Utility Co., Ltd., for the project financing agreement with a limit of 120% of the loan agreement amount (660 billion).

24-4 Other agreements

(Unit: KRW
million)

	Types of commitment			
	Loan agreement			
	Agreements related to credit limits, etc.	Trade finance agreement	Derivative financial instrument margin exemption limit agreement	Performance guarantee
	Counterparty to the transaction			
	Hana Bank, etc.	Hana Bank, etc.	Hana Bank, etc.	Seoul Guarantee Insurance
Total loan agreement amount	277,000		24,000	799
Total loan agreement amount [USD, million]		120.0	210.5	
Total loan agreement amount [EUR, million]		46.8		

24-5, 6 Joint and several liability for debt repayment

	Types of commitment	
	Joint and several repayment obligation	
	All related parties	
	Parent company	Subsidiaries
	SK discovery Co., Ltd.	SK bioscience Co., Ltd.
Regulatory basis for joint and several liability for repayment	Article 530-9, Paragraph 1 of the Commercial Act	Article 530-9, Paragraph 1 of the Commercial Act

Debts subject to joint and several liability for repayment	Existing liabilities of the Company and its split-off entity, SK discovery Co., Ltd., incurred prior to the split-off date of December 1, 2017	Obligations incurred by the Company and the newly established split-off entity, SK bioscience Co., Ltd., prior to the split-off date of July 1, 2018

24-7 Fair Trade Commission's corrective actions

	Other contingent liabilities
Description of nature of obligation, contingent liabilities	The Fair Trade Commission determined that the act of labeling the humidifier disinfectants before the Company's split-off violated the Act on Fair Labeling and Advertising, and took corrective actions, imposed fines, and filed a complaint with the prosecutors' office. The Company must carry out such corrective actions and the order to pay fines issued by the Fair Trade Commission jointly with SK discovery Co., Ltd., the surviving company of split-off.

24-8, 9 Disclosure of land purchase rights

	Types of commitment	
	Land purchase rights	
	Counterparty to the transaction	
	HDC Polyall Co., Ltd. and Toray Advanced Materials Korea Inc.	SK chemicals Daejeong Co., Ltd.

Description of agreements	The Company holds the right to purchase the agreement related land if HDC Polyall Co., Ltd. or Toray Advanced Materials Korea Inc. relocates or closes the business sites acquired from them.	The Company holds the right to purchase the land of SK chemicals Daejeong Co., Ltd. if it exercises the put option on its shares of SK chemicals Daejeong Co., Ltd. or if SK chemicals Daejeong Co., Ltd. closes its business.

24-10 Agreement for the acquisition of shares in a subsidiary

	Types of commitment
	Agreement for the transfer of the obligation to pay registered capital
	Counterparty to the transaction
	Shuye-SK Chemicals(Shantou) Co., Ltd.,
Description of agreements	The Company has agreed to transfer its obligation to pay the registered capital of its subsidiary Shuye-SK Chemicals(Shantou) Co., Ltd., to Shuye Environmental Technology Co., Ltd.
Method of performing the agreement	The obligation to pay the transferred registered capital will be fulfilled through 1/2 of the relevant patents and utility model rights held by Shuye Environmental Protection Technology Co., Ltd.
Ownership percentage after fulfilling the agreement	After the payment, Shuye Environmental Protection Technology Co., Ltd. will acquire up to 44.9% of the shares in Shuye-SK Chemicals(Shantou) Co., Ltd. However, the ownership percentage may change depending on the terms of the agreement.

24-11 Other agreements

(Unit: KRW
1,000)

	Types of commitment	
	Capital call method of investment commitment	
	Counterparty to the transaction	
	Korea Investment Bio Global Fund	Sante Health Ventures IV, LP
Commitment amount	5,000,000	
Commitment amount (USD) [USD,one]		10,000,000
Commitment balance	0	
Commitment amount (USD) [USD,one]		2,407,174

25. Related Parties

25-1 As of the end of the current period, the details of the Company's related parties are as follows:

Classification	Company Name
Parent company	SK discovery Co., Ltd.
Subsidiaries	SK bioscience, SK bioscience USA, Inc., SK bioscience Germany GmbH, IDT Biologika GmbH, IDT Biologika Coporation, Technik-Energie- WasserServicegesellschaft mbH, SK Multi-Utility Co., Ltd., SK chemicals Daejeong Co., Ltd., SK chemicals (Yantai) Co., Ltd., SK chemicals (Shanghai) Co., Ltd., SK chemicals America, SK chemicals GmbH, SK chemicals Malaysia, Shuye-SK Chemicals(Shantou) Co., Ltd.
Joint ventures and associates	JSI Co., Ltd., Entis Co., Ltd., HDC Polyall Co., Ltd.,
Other	Subsidiaries and associates of SK discovery Co., Ltd., affiliates of SK corporate group, etc. (Note 1),
	Tiumbio Co., Ltd., Eastman Fiber Korea Ltd. (Note 2)

(Note 1) The Fair Trade Commission-designated large business group affiliates are considered related parties based on the substantive relationship as defined in Paragraph 10 of K-IFRS No. 1024.

(Note 2) Before the previous period, shares of Tiumbio Co., Ltd. and Eastman Fiber Korea Ltd. were acquired, and since the Company holds the right to appoint directors,(j) it has significant influence. Therefore, the companies have been included as other related parties.

Current period

(Unit: KRW 1,000)

All related parties																											All related parties	
Related Parties																												
	Parent company	Subsidiaries										Associates			Other related parties													
		SK Dis	SK Bio	SK Multi	SK chemicals	SK Environmental Protection	SK Environmental Protection	Shyue- SK Environmental Protection	SK	SK	SK						SK Eco			SK	NETWO				SK Broad			
	covery Co., Ltd.	science Co., Ltd.	Liberty Co., Ltd.	Daesong Co., Ltd.	Materials (Shanghai) Co., Ltd.	Materials (Yantai) Co., Ltd.	SK Environmental Protection Materials (Shanghai) Co., Ltd.	Chemicals America	Chemicals	Chemicals	Entis Co., Ltd.	JS	HDC Poly all Co., Ltd.	SK Gas Ltd	SK Plasma Co., Ltd.	SK Advanced Co., Ltd.	Huvik Ltd	SK Eco plant Co., Ltd.	SK Net works Co., Ltd.	SK Ener gy Co., Ltd.	RKS HONGKONG	SK Geo centric Co., Ltd.	SK Co., Ltd.	Happy Narae Co., Ltd.	band Co., Ltd.	Glow de Co., Ltd.	Other	total
Revenue from the sale of goods, related party transactions	343,567	4,525,611	1,273,096	385,428	23,102.9	4,332,820	95,039	64,098.9	99,121.4	0	1,275,310	31,360	328,626	473,899	941,554	517,340	1,259,434	0	205,010	147,117	0	0	0	0	0	1,371,879	535,648	204,366,022
Other income and asset sales, related party transactions	523,242	0	974,488	119,288	134,553	1,322,968	61,448	0	0	0	1,289,348	98,580	0	0	2,284,170	0	0	0	142,261	0	0	0	0	0	19,706,301	0	82,837	26,749,494
Purchase of goods, related party transactions	0	0	0	0	0	25,400.1	47,981.4	364,467	0	0	0	0	0	5,242,831	0	2,350,845	17,306.6	0	0	0	21,596,138	42,525	0	902,663	0	12,097,429	225,410	133,512,542
Other expenses and capital expenditures, related party transactions	0	0	66,651.4	0	3,387,543	119,368	127,702	154,035	775,821	1,001,280	963	61,560	0	756,234	6,688	0	0	187,572	0	948,637	464,050	0	675	12,207.3	7,282,796	41,159	5,390,863	99,565,728

Previous period

(Unit: KRW 1,000)

All related parties																											All related parties
Related Parties																											
	Parent company	Subsidiaries									Associates				Other related parties												
		SK Dis	SK Bio	SK Multi	SK chemicals	SK Environmental Protection	SK Environmental Protection	Shyue- SK Environmental Protection	SK	SK							SK Eco			SK	NETWO				SK Broad		
	covery	scien	Libility	SK chemicals	Materials (Shang hai)	Materials (Yan tai)	SK Environmental Protection Materials (Shan tou)	Chemica is	Chemica is	Entis Co., Ltd.	JS	HDC Poly all Co., Ltd.	SK Gas Ltd	SK Pla sma Co., Ltd.	SK Ad vanced Co., Ltd.	Huv kQ Ltd	SK Eco plant Co., Ltd.	SK Net works Co., Ltd.	SK Ener gy Co., Ltd.	RKS HONGK ONG	SK Geo centric Co., Ltd.	SK Co., Ltd.	Happy Narae G Ltd	band	Glow de Co., Ltd.	Other	
	Co, Ltd	ce Co., Ltd.	Co, Ltd		Daesong Co., Ltd.	Co, Ltd	Co, Ltd																				
Revenue from the sale of goods, related party transactions	343,567	4,525,611	1,273,096	385,428	23,102.9	4,332,820	95,039	64,098.9	99,121.4	0	1,275,310	31,369	328,626	473,899	941,554	517,340	1,259,434	0	205,010	147,117	0	0	0	1,371,879	204,366,022		
Other income and asset sales, related party transactions	523,242	0	974,488	119,288	134,553	1,322,968	61,448	0	0	0	1,289,348	98,580	0	0	2,284,170	0	0	142,261	0	0	0	0	0	19,706,301	0	26,749,494	
Purchase of goods, related party transactions	0	0	0	0	0	25,400.1	47,981.4	364,467	0	0	0	0	5,242,831	0	2,350,845	17,306.6	0	0	21,596,138	42,525	0	902,663	0	12,097,429	133,512,542		
Other expenses and capital expenditures, related party transactions	0	0	66,651.4	0	3,387,543	119,368	127,702	154,035	775,821	1,001,280	963	61,560	0	756,234	6,688	0	187,572	0	948,637	464,050	0	675	12,207.3	7,282,796	41,159	5,390,863	

Revenue from the sale of goods, related party transactions	251,051	16,506,532	1,143,214	417,868	22,867,404	5,344,873	859,600	97,307,317	106,032,592	0	1,619,338	158,760	365,243	438,315	1,758,809	515,021	398,400	0	238,933	4,418,590									1,399,391	262,041,251
Other income and asset sales, related party transactions	436,524	99,699	780,252	702,055	20,720	685,276	21,191	0	13,770	0	5,194,172	129,588	0	28,396	952,393	0	0	0	417,868	0									3,040	9,484,904
Purchases of goods, related party transactions	0	0	0	0	0	27,380,136	28,038,392	0	0	0	0	82,596	0	6,105,922	0	3,452,085	7,090,141	0	0	12,909,145	22,436,024	38,150	0	718,133				0	108,251,724	
Other expenses and capital expenditure % related party transactions	26,031	0	67,740,431	2,391	3,173,066	4,633	126,615	5,085	497,159	725,556	2,704	77,127	0	751,828	2,525	0	0	184,273	0	109,695	0	0	10,991,509	6,753,094				5,884,960	97,058,682	

25-2 Details of key transactions with related parties: acquisition and disposal of tangible assets

Current period

(Unit: KRW 1,000)

	All related parties	
	Related Parties	
	Other related parties	
	SK Co., Ltd., etc.	SK Broadband Co., Ltd., etc.
Purchase of real estate and other assets, related party	1,061,153	

transactions		
Sale of real estate and other assets, related party transactions		20,433,443

Previous period

(Unit: KRW 1,000)

	All related parties	
	Related Parties	
	Other related parties	
	SK Co., Ltd., etc.	SK Broadband Co., Ltd., etc.
Purchase of real estate and other assets, related party transactions	4,177,172	
Sale of real estate and other assets, related party transactions		

25-3 Details of key receivables and liabilities concerning the related parties

Current period
1,000

(Unit: KRW 1,000)

		All related parties																							All related parties Total		
		Related Parties																									
	Parent company	Subsidiaries									Associates			Other related parties													
	SK Discovery Co., Ltd.	SK Bioscience Co., Ltd.	SK Multi-Utility Co., Ltd.	SK chemicals Daejeong Co., Ltd.	SK Environmental Protection Materials (Shanghai) Co., Ltd.	SK Environmental Protection Materials (Yantai) Co., Ltd.	Shuye-SK Environmental Protection Materials (Shantou) Co., Ltd.	SK Chemicals America	SK Chemicals GmbH Malaysia	SK Chemicals	Entis Co., Ltd.	JSI Co., Ltd.	HDC Polyal Co., Ltd.	SK Gas Co., Ltd.	SK Plusma Co., Ltd.	SK Advanced Co., Ltd.	Havis Co., Ltd.	SK Eco plant Co., Ltd.	SK Eco engineering Co., Ltd.	SK Networks Co., Ltd.	SK NETWORK KS HONGKONG	SK Geo-centric Co., Ltd.	SK Co., Ltd.	Happy Narae Co., Ltd.	Other		
Trade receivables, related party transactions	90,894	528,981	373,331	99,335	3,193,280	1,297,193	923,996	16,552,871	19,240,917	0	50,312	0	86,913	64,833	77,314	52,889	291,244	0	0	0	0	0	0	0	51,659	42,975,962	
Other receivables, related party transactions	91,478	0	6,941	31,953	134,553	1,410,778	356,756	0	0	0	66,853	1,940,000	0	0	341,615	0	0	131,541	0	830,888	0	0	0	0	8,145	5,351,501	
Trade payables, related party transactions	0	0	0	0	0	2,550,499	0	80,354	0	0	0	0	0	330,587	0	248,048	417,602	0	0	2,092,918	27,225	0	0	43,647	1,348,087	7,138,967	

Other payables, related party transactions	106,404	0	5,867,946	0	0	4,847	0	0	0	87,316	0	0	0	316,733	2,871	0	0	0	20,000	0	0	1,017,896	623,719	691,486	8,739,218
Allowance for doubtful accounts on the receivable balance from related party transactions											(1,940,000)	0													

Previous period

(Unit: KRW 1,00

All related parties																										
Related Parties																										
	Parent company		Subsidiaries							Associates			Other related parties													
	SK Dis covery Co., Ltd.	SK Bio science Co.,Ltd	SK Multi -Utility Co., Ltd.	SK chemicals Daejeong Co., Ltd.	SK Environme ntal Protection Materials (Shanghai) Co., Ltd	SK Environme ntal Protection Materials (Yantai) Co., Ltd	Shuye- SK Environme ntal Protection Materials (Shantou) Co., Ltd	SK Chemical s America	SK Chemical s GmbH	SK Chemical s Malaysia	Entis Co., Ltd.	JSI Co., Ltd	HDC Polyal Co., Ltd.	SK Gas Co., Ltd.	SK Plas ma Co., Ltd.	SK Ad vanced Co., Ltd.	Havis Co., Ltd.	SK Eco plant Co., Ltd.	SK Eco engineering Co.,Ltd	SK Networ ks Co., Ltd. HONGKONG	SK NETWOR KS HONGKONG	SK Geo centric Co., Ltd.	SK Co., Ltd	Happy Narae Co., Ltd	Other	All related parties
Trade receivables, related party transactions	35,000	245,499	305,270	106,627	3,361,372	1,784,955	1,528,538	54,506,315	52,518,056		153,685	0	82,227	34,037	84,762	44,970	97,152	0	19,412	72,606	0	0	0	0	6,587	114,987.070
Other receivables, related party transactions	0	0	1,854	9,344	20,720	597,048	246,973	0	0		871,675	2,440,000	0	28,396	171,969	0	0	131,541	21,142	0	428,029	0	0	0	0	4,968,691
Trade payables, related party transactions	0	0	0	0	0	2,844,870	0	0	0		0	12,778	0	619,724	0	183,501	0	0	0	1,556,203	3,098,484	0	10,544	0	0	8,326,104
Other payables, related party transactions	112,566	0	6,156,433	50	0	4,965	0	0	0		0	8,762	0	0	305,269	0	0	0	0	0	0	2,697,038	665,505	1,284,717	0	11,235,305

	JSI Co., Ltd.
Loan transactions, beginning balance	3,040,000
Loan transactions, recoveries	(600,000)
Loan transactions, ending balance	2,440,000
Allowance for doubtful accounts on the receivable balance from related party transactions	(2,440,000)

25-4-3 Details of related party transactions and dividends: receipt of dividends

Current period

(Unit: KRW 1,000)

	All related parties	
	Related Parties	
	Subsidiaries	Other related parties
	SK chemicals Daejeong Co., Ltd.	Eastman Fiber Korea Ltd.
Dividends received, related party transactions	300,000	1,190,000

Previous period

(Unit: KRW 1,000)

	All related parties	
	Related Parties	
	Subsidiaries	Other related parties
	SK chemicals Daejeong Co., Ltd.	Eastman Fiber Korea Ltd.
Dividends received, related party transactions	600,000	1,190,000

25-4-4 Details of related party transactions and dividends: payment of dividends

Current period

(Unit: KRW 1,000)

	All related parties
	Related Parties
	Parent company
	SK discovery Co., Ltd.
Dividends recognized as distributions to owners, related party transactions	8,115,434

Previous period

(Unit: KRW 1,000)

	All related parties
	Related Parties
	Parent company
	SK discovery Co., Ltd.
Dividends recognized as distributions to owners, related party transactions	4,586,985

25-5 Details of payment guarantees provided for
related parties, current Period

	All related parties			
	Related Parties			
	Subsidiaries			
	SK chemicals (Yantai) Co., Ltd.	Shuye-SK Chemicals(Shant ou) Co., Ltd. 1	Shuye-SK Chemicals(Shant ou) Co., Ltd. 2	SK Multi-Utility Co., Ltd.
	Classification of financial guarantee contracts			
	Financial guarantees provided			
Guarantor	Hana Bank Yantai Branch	KOOKMIN BANK (China) Limited Guangzhou Branch	BANK of China SHANTOU Branch	
Provision of corporate guarantees or collateral, related party transactions (CNY) [CNY, one]	90,023,417	130,000,000	40,000,000	

Description of the details of guarantees provided or received for receivables and payables from related party transactions	Facility funds	Facility funds	Facility funds	The Company has entered into a contract with SK Gas International PTE. Ltd. to provide a payment guarantee for all unpaid fuel costs arising from an LNG supply agreement, as well as all related obligations.

Previous period

	All related parties			
	Related Parties			
	Subsidiaries			
	SK chemicals (Yantai) Co., Ltd.	Shuye-SK Chemicals(Shantou) Co., Ltd. 1	Shuye-SK Chemicals(Shantou) Co., Ltd. 2	SK Multi-Utility Co., Ltd.
	Classification of financial guarantee contracts			
	Financial guarantees provided			
Guarantor	Hana Bank Yantai Branch	KOOKMIN BANK (China) Limited Guangzhou Branch	BANK of China SHANTOU Branch	
Provision of corporate guarantees or collateral, related party transactions (CNY) [CNY, one]	180,000,000	130,000,000	40,000,000	

Description of the details of guarantees provided or received for receivables and payables from related party transactions	Facility funds	Facility funds	Facility funds	The Company has entered into a contract with SK Gas International PTE. Ltd. to provide a payment guarantee for all unpaid fuel costs arising from an LNG supply agreement, as well as all related obligations.

25-6 The Company has entered into agreements for shareholder loans in lieu of capital and collateral provisions for the project financing of its subsidiary, SK Multi-Utility Co., Ltd. (refer to Note 24).

25-7 Details of compensation for key management personnel

Current period

(Unit: KRW 1,000)

	Disclosure amount
Compensation for key management personnel, short-term employee benefits	2,935,300
Compensation for key management personnel, retirement benefits	702,031
Compensation for key management personnel, share-based payment	670,094
Compensation for key management personnel	4,307,425

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Compensation for key management personnel, short-term employee benefits	2,635,490

Compensation for key management personnel, retirement benefits	746,729
Compensation for key management personnel, share-based payment	0
Compensation for key management personnel	3,382,219

The key senior management of the Company consist of the directors who are registered executives and the members of the Audit Committee.

26. Equity – Capital Stock and Consolidated Capital Surplus

26-1 Disclosers related to details of capital stock

Current period

(Unit: KRW 1,000)

	Common shares	Preferred stocks
Authorized number of shares (unit: shares)	40,000,000	10,000,000
Par value per share (unit: KRW/share)	5,000	5,000
Total number of issued shares (unit: shares)	17,298,766	2,115,429
Capital stock	88,441,275	10,577,145

Previous period

(Unit: KRW 1,000)

	Common shares	Preferred stocks
Authorized number of shares (unit: shares)	40,000,000	10,000,000
Par value per share (unit: KRW/share)	5,000	5,000
Total number of issued shares (unit: shares)	17,253,783	2,115,429
Capital stock	88,216,360	10,577,145

(Note 1) Total number of issued shares / capital stock: During the previous period, the Company has retired 389,489 of its treasury shares, resulting in a mismatch between the total par value of the Company's capital stock and the total par value of issued shares as of the end of the current period.

26-2 Details of capital surplus

Current period

(Unit: KRW 1,000)

		Disclosure amount
Capital surplus		160,301,831
Capital surplus	Paid-in capital in excess of par value	240,245,043
	Gains from merger	32,942,217
	Losses from merger	(112,885,429)

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Capital surplus		157,915,326
Capital surplus	Paid-in capital in excess of par value	237,858,538
	Gains from merger	32,942,217
	Losses from merger	(112,885,429)

26. Equity – Other Components of Equity

26-3-1 Disclosers related to details of other components of equity

Current period

(Unit: KRW 1,000)

		Disclosure amount
Components of other equity		(9,021,462)
Components of other equity	Treasury shares	(4,486,537)
	Stock options	670,094
	Other capital adjustments	(4,105,920)
	Loss on disposal of treasury shares	(1,099,099)

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Components of other equity		(12,644,104)
Components of other equity	Treasury shares	(8,921,442)
	Stock options	1,532,449

	Other capital adjustments	(5,255,111)
	Loss on disposal of treasury shares	0

(Note 1) Treasury shares: The Company acquired its own shares at fair value in prior periods due to fractional share acquisition and the exercise of shareholders' appraisal rights, and during the current period disposed of part of its treasury shares.

26-3-1-(Note) Disclosure of treasury shares

	Common shares	Preferred stocks
The number of shares owned by the Company, its subsidiaries, or associates out of the total issued shares (unit: shares)	29,909	4,366

26. Equity – Share Options

26-3-2 Details of share options

(Unit: KRW)

	Share-based payment agreements		
	Stock options		
	Scope		Total scope
	Sub-scope	Upper scope	
Grant date of share-based payment agreements			2025-03-26
Number of shares to be issued under share options and share sale agreements (unit: shares)			140,000
Exercise period, stock options granted	2028-03-27	2032-03-26	

Exercise price, stock options granted (unit: KRW, shares)			42,570
Weighted average fair value as of the measurement date, stock options granted (unit: KRW, shares)			11,487
Weighted average remaining contractual life of outstanding stock options			6 years and 3 months
Number of stock options granted under share-based payment agreements (unit: shares)			140,000

26-3-3 Disclosure of fair value measurement of share options

(Unit: KRW)

	Stock options
Grant date of share-based payment agreements	2025-03-26
Information on fair value measurement methods, stock options granted	Binomial option pricing model
Weighted average stock price, stock options granted (Unit: KRW, shares)	41,550
Exercise price, stock options granted (Unit:KRW, shares)	42,570
Expected stock price volatility, stock options granted	0.2879
Risk-free interest rate, stock options granted	0.0284

26-3-4 Disclosure of changes in share-based payment options

(Unit: KRW 1,000)

	Stock option 1	Stock option 2	Stock option 3	Stock option 4	Stock option 5	Stock option 6	Share-based payment agreements total
Share-based payment agreements grant date	2018-03-06	2018-03-26	2018-03-26	2019-03-25	2019-03-25	2025-03-26	
Number of outstanding stock options under the beginning share- based payment agreements (Unit: stocks)	29,988	22,491	22,492	22,491	22,492	0	119,954
Number of stock options expired under share- based payment agreements (Unit: stocks)	(29,988)	(22,491)	(22,492)				(74,971)
Number of stock options exercised under share- based payment agreements (Unit: stocks)				(22,491)	(22,492)		(44,983)
Number of stock options granted under share- based payment agreements (Unit: stocks)						140,000	140,000

Number of stock options outstanding at the end of the period under share-based payment agreements (Unit: stocks)	0	0	0	0	0	140,000	140,000
Beginning stock options	475,721	364,940	308,530	206,567	176,691	0	1,532,449
Number of stock options changed under the share-based payment agreement	(475,721)	(364,940)	(308,530)	(206,567)	(176,691)	670,094	(862,355)
Ending stock options	0	0	0	0	0	670,094	670,094

(Note 1) Stock option 1, stock option 2, stock option 3, stock option 4, stock option 5: Following the capital increase without consideration prior to the previous period, the number of shares to be issued has been adjusted.

26. Equity – Retained Earnings

26-4 Accumulated other comprehensive income

There are no changes in the accumulated other comprehensive income for the current period.

26-5 Details of retained earnings

Current period

(Unit: KRW 1,000)

		Disclosure amount
Retained earnings (losses)		979,469,627
Retained earnings (losses)	Earned surplus reserve;	15,982,416
	Unappropriated retained	963,487,211

	earnings (unsettled deficit)	

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Retained earnings (losses)		933,317,612
Retained earnings (losses)	Earned surplus reserve;	13,765,704
	Unappropriated retained earnings (unsettled deficit)	919,551,908

(Note 1) Legal reserve: In accordance with the provisions of the Commercial Act, the Company is required to accumulate over 10% of the dividends in money as earnings surplus reserve for each settlement period until they reach 50% of the capital, and this reserve can only be used to compensate for losses and for capitalization.

26-6 Statement of appropriation of retained earnings

Current period

(Unit: KRW 1,000)

		Disclosure amount
Unappropriated retained earnings		963,487,211
Unappropriated retained earnings	Retained earnings carried forward to next fiscal year	902,844,165
	Interim dividend	(7,733,975)
	Net income (loss)	68,975,923
	Remeasurement gains and losses of the defined benefit plan (After-tax other comprehensive income)	(598,902)
Amount of retained earnings disposed of		(16,877,940)
Amount of retained earnings disposed of	Dividends proposed or declared before the financial statement approval date, but not recognized as distributions to owners within the period	(14,640,493)
	Disposal of legal reserves before appropriation	(2,237,447)
Unappropriated retained earnings carried forward		946,609,271

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Unappropriated retained earnings		919,551,908
Unappropriated retained earnings	Retained earnings carried forward to next fiscal year	861,160,411
	Interim dividend	(7,676,088)
	Net income (loss)	70,167,270
	Remeasurement gains and losses of the defined benefit plan (After-tax other comprehensive income)	(4,099,685)
Amount of retained earnings disposed of		(16,707,743)
Amount of retained earnings disposed of	Dividends proposed or declared before the financial statement approval date, but not recognized as distributions to owners within the period	(14,491,031)
	Disposal of legal reserves before appropriation	(2,216,712)
Unappropriated retained earnings carried forward		902,844,165

The scheduled date for the disposition of the current year's retained earnings is March 24, 2026, and the date of final disposition of the previous year's retained earnings was March 26, 2025.

26. Equity – Dividends

26-7 Details of cash dividends

Current period

(Unit: KRW 1,000)

	Common shares	Preferred stocks
Number of shares to receive dividends (unit: shares)	17,268,857	2,111,063
Dividend per common share (unit: KRW, shares)	750	
Dividend per preferred stock (unit: KRW/shares)		800
Dividend rate per common share	0.15	
Dividend rate per preferred		0.16

stock		
Dividends proposed or declared before the financial statement approval date, but not recognized as distributions to owners within the period	12,951,643	1,688,850

Previous period
1,000)

(Unit: KRW

	Common shares	Preferred stocks
Number of shares to receive dividends (unit: shares)	17,222,926	1,967,296
Dividend per common share (unit: KRW, shares)	750	
Dividend per preferred stock (unit: KRW/shares)		800
Dividend rate per common share	0.15	
Dividend rate per preferred stock		0.16
Dividends proposed or declared before the financial statement approval date, but not recognized as distributions to owners within the period	12,917,195	1,573,836

The Company resolved dividends for the reporting period ended December 31, 2024, and paid them in April 2025, and interim dividends approved by the board of directors meeting held on July 23, 2025 were paid in August 2025.

26-7-(Note) Dividends

(Unit: KRW
1,000)

		Annual dividend	Interim dividend
Dividends recognized as distributions to owners		14,491,031	7,733,975
Dividends recognized	Dividend per common share (unit: KRW, shares)		400

as distributions to owners	Dividend per preferred stock (unit: KRW, shares)		400

27. Sales Division

The Company has 2 reporting divisions, which are strategic operating units. The strategic business units provide different products and services, and operate separately since the technologies and marketing strategies required for each business unit are different. The chief operating decision maker reviews the internal reporting data for each strategic business unit at least on a monthly basis.

27 Disclosure of reporting segments

Current period

(Unit: KRW 1,000)

	Divisions			Segments total
	Reporting segments		Other segments	
	Green Chemicals Biz.	Life Science Biz.		
Description of the types of products and services through which each reporting segment generates revenue	PET resin, DMT, highly functional PETG resin, polyester adhesive, etc.	Pharmaceuticals, medical devices, etc.		
Revenue (Sales)	939,929,337	488,091,280	12,360,009	1,440,380,626
Operating profit (loss)	76,961,777	23,674,539	(4,923,148)	95,713,168
Depreciation and amortization expenses	49,629,755	7,324,730	7,380,511	64,334,996
Assets	1,218,268,409	455,385,285	649,597,859	2,323,251,553

Non-current assets excluding the acquisition amount of rights arising from financial instruments, deferred income tax assets, retirement benefit assets, and insurance contracts	516,338,044	104,021,038	104,359,977	724,719,059

Previous period

(Unit: KRW 1,000)

	Divisions			Segments total
	Reporting segments		Other segments	
	Green Chemicals Biz.	Life Science Biz.		
Description of the types of products and services through which each reporting segment generates revenue	PET resin, DMT, highly functional PETG resin, polyester adhesive, etc.	Pharmaceuticals, medical devices, etc.		
Revenue (Sales)	970,671,819	357,230,091	12,625,482	1,340,527,392
Operating profit (loss)	86,166,056	19,152,770	5,773,421	111,092,247
Depreciation and amortization expenses	44,025,638	7,130,649	7,963,735	59,120,022
Assets	997,673,638	254,349,313	730,282,478	1,982,305,429
Non-current assets excluding the acquisition amount of rights arising from financial	544,126,144	96,396,199	112,537,832	753,060,175

instruments, deferred income tax assets, retirement benefit assets, and insurance contracts				

(Note 1) Depreciation and amortization expenses: It is the sum of the depreciation for tangible assets, depreciation for investment real estate properties, depreciation for right-of-use assets, and the amortization cost for intangible assets.

(Note 2) Non-current assets excluding the acquisition amount of financial instruments, deferred income tax assets, retirement benefit assets, and rights arising from insurance contracts: Included are the tangible assets, intangible assets, right-of-use assets, and the investment real estate properties.

Most of the liabilities are not managed by reporting segment, so liabilities by reporting segment are not disclosed.

28. Revenue from Contracts with Customers

28 Revenue arising from contracts with customers by type of goods or services

Current period

(Unit: KRW 1,000)

	Divisions			Segments total
	Reporting segments		Other segments	
	Green Chemicals Biz	Life Science Biz		

Product revenue	884,989,884	228,818,682	0	1,113,808,566
Merchandise revenue	29,399,725	258,010,479	0	287,410,204
Service revenue	25,539,728	18,281	6,519,221	32,077,230
Other income (revenue)	0	1,243,838	5,840,788	7,084,626
Revenue from contracts with customers	939,929,337	488,091,280	12,360,009	1,440,380,626

Previous period

(Unit: KRW 1,000)

	Divisions			Segments total
	Reporting segments		Other segments	
	Green Chemicals Biz	Life Science Biz		
Product revenue	895,672,730	205,321,482	0	1,100,994,212
Merchandise revenue	27,305,390	146,124,335	0	173,429,725
Service revenue	47,958,204	1,833,795	6,929,511	56,721,510
Other income (revenue)	(264,505)	3,950,479	5,695,971	9,381,945
Revenue from contracts with customers	970,671,819	357,230,091	12,625,482	1,340,527,392

28 Revenue arising from contracts with customers by geographic markets

Current period

(Unit: KRW 1,000)

Divisions																								
Reporting segments															Other segments									
Green Chemicals Biz								Life Science Biz																
Region							Total by region	Region						Total by region	Region						Total by region			
Foreign country						Country of headquarters location		Foreign country					Country of headquarters location		Foreign country									
Country of headquarters location	China	Japan	Asia (Excluding China and Japan)	Americas	Europe			Other countries	China	Japan	Asia (Excluding China and Japan)	Americas			Europe	Other countries	China	Japan	Asia (Excluding China and Japan)	Americas		Europe	Other countries	
Revenue from contracts with customers	195,640,330	260,646,282	119,646,461	81,508,691	79,200,461	173,375,135	29,911,977	939,929,337	450,106,727	6,742,454	0	840,847	3,644,932	23,510,012	3,246,308	488,091,280	12,295,613	64,396	0	0	0	0	0	12,360,009

	Divisions																			
	Reporting segments														Other segments					
	Green Chemicals Biz							Life Science Biz												
	Region							Region							Region					
	Country of headquarters location							Country of headquarters location							Country of headquarters location					
	China	Japan	Asia (Excluding China and Japan)	Americas	Europe	Other countries	Total by region	China	Japan	Asia (Excluding China and Japan)	Americas	Europe	Other countries	Total by region	China	Japan	Asia (Excluding China and Japan)	Americas	Europe	Other countries
Revenue from contracts with customers	204,346,836	207,950,689	122,208,456	124,050,727	115,847,682	170,418,081	970,671,851	7,764,984	0	378,837	2,726,929	24,503,335	723,240	357,230,091	11,765,882	859,600	0	0	0	0
						25,849,348														12,625,482

28 Revenue arising from contracts with customers by geographic markets (totals)

Current period

(Unit: KRW 1,000)

	Region							Total by region
	Country of headquarters location	Foreign country						
		China	Japan	Asia (excluding China and Japan)	Americas	Europe	Other countries	
Revenue from contracts with customers	658,042,670	267,453,132	119,646,461	82,349,538	82,845,393	196,885,147	33,158,285	1,440,380,626

Previous period

(Unit: KRW 1,000)

	Region							Total by region
	Country of headquarters location	Foreign country						
		China	Japan	Asia (excluding China and Japan)	Americas	Europe	Other countries	
Revenue from contracts with customers	537,242,484	216,575,273	122,208,456	124,429,564	118,577,611	194,921,416	26,572,588	1,340,527,392

28 Revenue from contracts with customers by timing of revenue recognition

Current period

(Unit: KRW 1,000)

	Divisions								
	Reporting segments						Other segments		
	Green Chemicals Biz			Life Science Biz					
	Timing of transfer of goods or services		Total timing of transfer of	Timing of transfer of goods or services		Total timing of transfer of	Timing of transfer of goods or services		Total timing of transfer of
	Goods or services	Goods or services		Goods or services	Goods or services		Goods or services	Goods or services	

	transferred at a point in time	transferred over time	goods or services	transferred at a point in time	transferred over time	goods or services	transferred at a point in time	transferred over time	goods or services
Revenue from contracts with customers	914,389,609	25,539,728	939,929,337	487,548,238	543,042	488,091,280	0	12,360,009	12,360,009

Previous period

(Unit: KRW 1,000)

	Divisions								
	Reporting segments						Other segments		
	Green Chemicals Biz			Life Science Biz					
	Timing of transfer of goods or services		Total timing of transfer of goods or services	Timing of transfer of goods or services		Total timing of transfer of goods or services	Timing of transfer of goods or services		Total timing of transfer of goods or services
	Goods or services transferred at a point in time	Goods or services transferred over time		Goods or services transferred at a point in time	Goods or services transferred over time		Goods or services transferred at a point in time	Goods or services transferred over time	
Revenue from contracts with customers	922,713,616	47,958,203	970,671,819	353,657,424	3,572,667	357,230,091	5,695,971	6,929,511	12,625,482

28 Revenue from contracts with customers by timing of revenue recognition (totals)

Current period

(Unit: KRW 1,000)

	Goods or services transferred at a point in time	Goods or services transferred over time	Total timing of transfer of goods or services
Revenue from the contracts with customers	1,401,937,847	38,442,779	1,440,380,626

Previous period

(Unit: KRW 1,000)

	Goods or services transferred at a point in time	Goods or services transferred over time	Total timing of transfer of goods or services
Revenue from the contracts with customers	1,282,067,011	58,460,381	1,340,527,392

There are no customers accounting for more than 10% of sales during the current period.

29. Operating Expenses - Expenses by Nature

29-1 Details of classification of expenses by nature

Current period

(Unit: KRW 1,000)

	Disclosure amount
Decrease (increase) in finished goods and work in progress	(43,841,111)
Usage of raw materials and consumables	507,186,168
Cost of merchandise sold	254,400,174
Depreciation and amortization expenses	64,334,996
Labor costs	187,880,748
Logistics cost	62,956,935
Fees and expenses	46,590,400
Selling and marketing expenses	25,233,012
Other expenses	239,926,136
Total expenses by nature	1,344,667,458

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Decrease (increase) in finished goods and work in progress	(26,504,045)
Usage of raw materials and consumables	526,232,014
Cost of merchandise sold	152,385,826
Depreciation and amortization expenses	59,120,022
Labor costs	178,741,643
Logistics cost	71,607,227
Fees and expenses	49,321,124
Selling and marketing expenses	18,918,478
Other expenses	199,612,856
Total expenses by nature	1,229,435,145

(Note 1) Depreciation and amortization expenses: It is the sum of the depreciation for tangible assets, depreciation for investment real estate properties, depreciation for right-of-use assets, and the amortization cost for intangible assets.

29. Operating Expenses – Selling and Administrative Expenses

29-2 Details of selling and administrative expenses

Current period

(Unit: KRW 1,000)

		Disclosure amount
Selling and administrative expenses		257,177,364
Selling and administrative expenses	Salaries, selling and administrative expenses	74,846,498
	Retirement benefits and selling, general, and administrative expenses	7,520,672
	Welfare expenses, selling and administrative expenses	17,915,889
	Travel and transportation expenses, selling and administrative expenses	7,757,458
	Communication expenses, selling and administrative expenses	601,879
	Utilities expenses, selling and administrative expenses	956,877
	Taxes and dues, selling and administrative expenses	764,959
	Rental expenses, selling and administrative expenses	1,415,473
	Share based compensation expenses (reversal), selling and administrative expenses	670,094
	Depreciation expenses, selling and administrative expenses	4,355,468
	Repair expenses, selling and administrative expenses	467,340
	Insurance premiums, selling and administrative expenses	1,633,237
	Entertainment expenses, selling and administrative expenses	1,398,132
	Transportation expenses, selling	14,509,001

and administrative expenses	
Supplies expenses, selling and administrative expenses	626,997
Vehicle maintenance expenses, selling and administrative expenses	635,659
Training expenses, selling and administrative expenses	3,101,164
Printing and publication expenses, selling and administrative expenses	124,758
Commissions, selling and administrative expenses	27,598,359
Research expenses, selling and administrative expenses	48,500,424
Advertising and promotion expenses, selling and administrative expenses	22,559,689
Sales commission expenses, selling and administrative expenses	6,538,313
Sales promotion expenses, selling and administrative expenses	1,980,590
Sample expenses, selling and administrative expenses	653,952
Packaging expenses, selling and administrative expenses	4,848,039
Bad debt expense (reversal of allowance for doubtful accounts), selling and administrative expenses	(6,389)
Meeting expenses, selling and administrative expenses	534,836
Amortization of intangible assets, selling and administrative expenses	4,667,890
Other selling and administrative	106

	expenses	

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Selling and administrative expenses		221,714,892
Selling and administrative expenses	Salaries, selling and administrative expenses	69,560,087
	Retirement benefits and selling, general, and administrative expenses	6,838,606
	Welfare expenses, selling and administrative expenses	13,621,784
	Travel and transportation expenses, selling and administrative expenses	6,886,926
	Communication expenses, selling and administrative expenses	571,623
	Utilities expenses, selling and administrative expenses	918,699
	Taxes and dues, selling and administrative expenses	702,853
	Rental expenses, selling and administrative expenses	787,467
	Share based compensation expenses (reversal), selling and administrative expenses	0
	Depreciation expenses, selling and administrative expenses	3,958,559
	Repair expenses, selling and administrative expenses	456,406
	Insurance premiums, selling and administrative expenses	1,181,725
	Entertainment expenses, selling and administrative expenses	1,254,209
	Transportation expenses, selling and administrative expenses	0

Supplies expenses, selling and administrative expenses	958,948
Vehicle maintenance expenses, selling and administrative expenses	641,036
Training expenses, selling and administrative expenses	3,272,077
Printing and publication expenses, selling and administrative expenses	109,025
Commissions, selling and administrative expenses	29,320,685
Research expenses, selling and administrative expenses	45,148,790
Advertising and promotion expenses, selling and administrative expenses	16,898,938
Sales commission expenses, selling and administrative expenses	7,116,888
Sales promotion expenses, selling and administrative expenses	1,188,952
Sample expenses, selling and administrative expenses	796,214
Packaging expenses, selling and administrative expenses	4,659,497
Bad debt expense (reversal of allowance for doubtful accounts), selling and administrative expenses	55,236
Meeting expenses, selling and administrative expenses	510,068
Amortization of intangible assets, selling and administrative expenses	4,298,455
Other selling and administrative expenses	1,139

30. Non-Operating Income and Expenses – Other Income and Other Expenses

30-1 Details of other income and other expenses

Current period

(Unit: KRW 1,000)

		Disclosure amount
Other revenue		25,976,563
Other revenue	Gain on disposal of tangible assets	18,969,460
	Gain on disposal of right-of-use assets	3,261
	Gain on disposal of intangible assets	338,960
	Gains on disposal of assets held for sale	0
	Reversal of allowance for other bad debts	1,308,649
	Miscellaneous gains	5,356,233
Other losses		15,471,310
Other losses	Losses on disposal of tangible assets	6,242,813
	Losses on disposal of intangible assets	135,398
	Impairment losses on tangible assets	0
	Loss on disposal of trade receivables	745,166
	Associates and joint ventures investments	0
	Contributions	3,567,834
	Other bad debt expenses	0
	Miscellaneous loss	4,780,099

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Other revenue		14,163,322

Other revenue	Gain on disposal of tangible assets	16,753
	Gain on disposal of right-of-use assets	3,726
	Gain on disposal of intangible assets	0
	Gains on disposal of assets held for sale	9,354,717
	Reversal of allowance for other bad debts	0
	Miscellaneous gains	4,788,126
Other losses		23,352,413
Other losses	Losses on disposal of tangible assets	534,764
	Losses on disposal of intangible assets	38,417
	Impairment losses on tangible assets	3,873,692
	Loss on disposal of trade receivables	485,111
	Associates and joint ventures investments	3,025,078
	Contributions	1,483,919
	Other bad debt expenses	218,904
	Miscellaneous loss	13,692,528

30. Non-Operating Income and Expenses – Finance Income and Finance Costs

30-2 Details of finance income and finance costs

Current period

(Unit: KRW 1,000)

		Disclosure amount
Financial income		48,652,515
Financial income	Interest revenue (financial income)	8,708,151
	Gains on fair value measurement of financial assets recognized in profit or loss (financial income)	7,436,224

	Dividend income (financial income)	1,490,000
	Foreign exchange gains (financial income)	21,361,261
	Foreign currency translation gains (financial income)	2,579,748
	Gains on derivative valuation (financial income)	166,095
	Gains on derivative transactions (financial income)	6,911,036
Financial cost		68,279,210
Financial cost	Interest expense (financial cost)	32,158,495
	Losses on fair value measurement of financial assets recognized in profit or loss (financial cost)	695,963
	Foreign exchange losses (financial cost)	22,838,408
	Foreign currency translation losses (financial cost)	2,656,114
	Losses on derivative valuation (financial cost)	3,052,898
	Losses on derivative transactions (financial cost)	6,877,332

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Financial income		51,149,934
Financial income	Interest revenue (financial income)	10,081,735
	Gains on fair value measurement of financial assets recognized in profit or loss (financial income)	7,042,765
	Dividend income (financial income)	1,790,000
	Foreign exchange gains (financial income)	18,026,806

	Foreign currency translation gains (financial income)	7,660,816
	Gains on derivative valuation (financial income)	3,729,220
	Gains on derivative transactions (financial income)	2,818,592
Financial cost		64,470,926
Financial cost	Interest expense (financial cost)	32,276,441
	Losses on fair value measurement of financial assets recognized in profit or loss (financial cost)	5,731,034
	Foreign exchange losses (financial cost)	11,686,779
	Foreign currency translation losses (financial cost)	5,755,586
	Losses on derivative valuation (financial cost)	3,960,792
	Losses on derivative transactions (financial cost)	5,060,294

31. Income Tax Expense

31-1 Details of key components of income tax expense

Current period

(Unit: KRW 1,000)

	Disclosure amount
Current income tax expense	17,641,655
Adjustment of current income tax for prior periods	(659,874)
Deferred income tax expense due to the origination and reversal of temporary differences	(113,087)
Current income taxes related to items directly recognized in equity	747,109
Income tax expense	17,615,803

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Current income tax expense	20,592,939
Adjustment of current income tax for prior periods	(5,364,947)
Deferred income tax expense due to the origination and reversal of temporary differences	1,955,397
Current income taxes related to items directly recognized in equity	1,231,505
Income tax expense	18,414,894

31-2 Details of income tax expense directly reflected in equity

Current period

(Unit: KRW 1,000)

	Disclosure amount
Income tax related to remeasurements of defined benefit plans included in other comprehensive income	396,209
Income tax related to gains or losses on disposal of treasury shares included in other comprehensive income	350,900
Current income taxes related to items directly recognized in equity	747,109

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Income tax related to remeasurements of defined benefit plans included in other comprehensive income	1,231,505
Income tax related to gains or losses on disposal of treasury shares included in other comprehensive income	0
Current income taxes related to items directly recognized in equity	1,231,505

31-3 Relationship between net profit before income tax and income tax expense

Current period

(Unit: KRW 1,000)

	Disclosure amount
Accounting profit	86,591,726
Income tax expense based on the applicable tax rate	19,540,689
Income tax effect of non-taxable income	(196,739)
Income tax effect of expenses that are not deductible in the determination of taxable income (taxable loss for tax purposes)	347,081
Benefits arising from previously unrecognized tax losses, tax credits, or temporary differences from prior periods used to reduce current income tax expense	(2,136,543)
Temporary differences not recognized as deferred income tax	498,931
Adjustments recognized for the current period for the current income tax for the previous periods	(659,874)
Other income tax effects relating to the reconciliation between accounting profit and income tax expense	222,258
Total income tax expense	17,615,803
Effective tax rate	0.2034

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Accounting profit	88,582,164
Income tax expense based on the applicable tax rate	20,000,480
Income tax effect of non-taxable income	(319,456)
Income tax effect of expenses that are not deductible in the determination of taxable income (taxable loss for tax purposes)	1,225,744
Benefits arising from previously unrecognized tax losses, tax credits, or temporary differences from prior periods used to reduce current	(1,429,813)

income tax expense	
Temporary differences not recognized as deferred income tax	0
Adjustments recognized for the current period for the current income tax for the previous periods	(5,364,947)
Other income tax effects relating to the reconciliation between accounting profit and income tax expense	4,302,886
Total income tax expense	18,414,894
Effective tax rate	0.2079

(Note 1) Income tax expense based on the applicable tax rate: Considered for the applicable tax rate are the income tax rate (9% for KRW 200 million or less; 19% for over KRW 200 million and up to KRW 20 billion; 21% for over KRW 20 billion and up to KRW 300 billion) and the local income tax rate proportional to the income tax.

31-4 Movements in deferred income tax assets (liabilities)

Current period

(Unit: KRW 1,000)

	Government subsidies	Accrued revenue	Accrued expenses	Inventory valuation allowance	Tangible assets	Intangible assets other than goodwill	Securities	Right-of-use assets	Lease liabilities	Provision for compressor overhaul costs	Derivatives	Net defined benefit obligation (asset)	Accumulated impairment losses	Provisioning liabilities	Contract liabilities	Share-based payment agreements	Carried-forward contributions	Unused tax credits	Other temporary differences	Temporary differences, unused tax losses, and unused tax credits (total)
Deferred income tax liabilities (assets) at the beginning of the reporting period	(2,112,747)	84,380	(7,153,647)	(1,619,823)	8,614,026	(508,593)	(2,105,307)	450,226	(460,335)	5,833,848	1,930,220	1,544,272	(995,410)	(1,450,455)	(170,054)	(353,997)	(4,345)	(14,906)	(4,117,768)	(2,610,415)

Deferred income tax liabilities	(119,938)	231,916	(1,196,455)	(1,623,207)	(274,420)	(24,219)	1,008,200	(24,365)	23,298	242,597	(1,097,363)	2,671,818	153,419	(394,419)	(189,482)	191,833	(131,907)	657	1,186,059	634,022
Current and deferred income taxes related to items directly charged or credited to equity	0	0	0	0	0	0	0	0	0	0	0	(396,209)	0	0	0	0	0	0	(350,900)	(747,109)
Deferred income tax liabilities (assets) at the end of the reporting period	(2,232,685)	316,296	(8,350,102)	(3,243,030)	8,339,606	(532,812)	(1,097,107)	425,861	(437,037)	6,076,445	832,857	3,819,881	(841,991)	(1,844,874)	(359,536)	(162,164)	(136,252)	(14,249)	(3,282,609)	(2,723,502)

Previous period
1,000)

(Unit: KRW

	Government subsidies	Accrued revenue	Accrued expenses	Inventory valuation allowance	Tangible assets	Intangible assets other than goodwill	Securities	Right-of-use assets	Lease liabilities	Provision for compressor overhaul costs	Derivatives	Net defined benefit obligation (asset)	Accumulated impairment losses	Provisioning liabilities	Contract liabilities	Share-based payment agreements	Carried-forward contributions	Unused tax credits	Other temporary differences	Temporary differences, unused tax losses, and unused tax credits (total)
Deferred income tax liabilities (assets) at the beginning of the reporting period	(2,286,036)	231,694	(5,517,355)	(1,512,071)	9,261,046	(508,593)	(1,898,337)	413,561	(422,063)	5,836,266	1,167,884	0	(1,954,360)	(3,920,135)	(462,099)	(353,997)	(131,973)	(13,383)	(2,495,862)	(4,565,813)
Deferred income tax liabilities	173,289	(147,314)	(1,636,292)	(107,752)	(647,020)	0	(206,970)	36,665	(38,272)	(2,418)	762,336	2,775,777	958,950	2,469,680	292,045	0	127,628	(1,523)	(1,621,906)	3,186,903
Current and deferred income taxes related to items directly charged or credited to equity	0	0	0	0	0	0	0	0	0	0	0	(1,231,505)	0	0	0	0	0	0	0	(1,231,505)
Deferred income tax liabilities (assets) at the end of the reporting period	(2,112,747)	84,380	(7,153,647)	(1,619,823)	8,614,026	(508,593)	(2,105,307)	450,226	(460,335)	5,833,848	1,930,220	1,544,272	(995,410)	(1,450,455)	(170,054)	(353,997)	(4,345)	(14,906)	(4,117,768)	(2,610,415)

[illegible]

The possibility of future realization for the deferred income tax assets depends on various factors such as the Company's ability to generate taxable income during the period in which the temporary differences are realized, and the overall economic environment and outlook for the industry. The Company regularly reviews such matters and has recognized the temporary differences to be deducted that are determined to be highly realizable as the deferred income tax assets as of the end of the reporting period.

31-5 Tax effects arising from temporary differences, unused tax losses, unused tax credits, etc., that have not been recognized as deferred income tax assets

Current period

(Unit: KRW 1,000)

	Disclosure amount
Tax effects arising from temporary differences, unused tax losses, unused tax credits, etc., that have not been recognized as deferred income tax assets	50,771,694

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Tax effects arising from temporary differences, unused tax losses, unused tax credits, etc., that have not been recognized as deferred income tax assets	48,962,820

31-6 International tax reform - Pillar 2 model rules

The Company applies the temporary exception provisions for deferred income tax under K-IFRS No. 1012 and does not recognize deferred income tax assets and liabilities related to Pillar 2 legislation. Additionally, information related to deferred income tax is not disclosed.

Under the global minimum tax legislation, the company is required to pay additional tax in South Korea on the profits of subsidiaries taxed at an effective tax rate of less than 15%. Based on the

current financial statements, the Company reviewed whether the transition period exemption requirements under Article 80 of the Adjustment of International Taxes Act are met in each country where the Company's subsidiaries are located. All countries meet these requirements. In the case of countries that meet the transitional exemption requirements, the additional global minimum tax for the current period in that country can be considered as nonexistent. Therefore, the Company's current income tax expense does not include any current income tax expense related to Pillar 2 tax. The estimated annual effective tax rate may change due to various factors, including tax benefits received by subsidiaries, adjustments to accounting net income for calculating global minimum tax income as required by subsequent interim period laws, and other related factors. As a result, the current income tax expense related to Pillar 2 is exposed to estimated uncertainty.

32. Earnings per Share (EPS)

32-1, 4 Details of earnings per share calculation

Current period

(Unit: KRW 1,000)

	Common shares	Preferred stocks	Total number of shares
Net income (loss)			68,975,923
Adjustment of profit (loss) for preferred share dividends		(2,533,276)	
Portion reverted for preferred stocks among additional profits available for dividend		(4,985,127)	
Net profit (loss) attributable to the common shares of the parent	61,457,521		
Loss (profit) attributable to participatory equity instruments other than common shares used in		7,518,402	

the calculation of basic earnings (loss) per share			
Weighted average number of common shares outstanding (unit: shares)	17,232,069		
Weighted average number of preferred stocks outstanding (unit: shares)		2,064,191	
Earnings (loss) per common share KRW, shares)	3,566		3,566
Earnings (loss) per preferred stock KRW, shares)		3,642	3,642
Increase (decrease) in earnings (loss) reflecting the dilutive effect of potential common share conversions	0		
Net profit (loss) attributable to the common shares of the parent company, including the dilutive effect	61,457,521		
Potential effect of stock options on the number of common shares outstanding (unit: shares)	5,522		
Adjusted weighted average number of common stocks	17,237,591		

outstanding (unit: shares)			
Diluted earnings (loss) per share for common shares (unit: KRW, shares)	3,565		3,565

Previous period

(Unit: KRW 1,000)

	Common shares	Preferred stocks	Total number of shares
Net income (loss)			70,167,270
Adjustment of profit (loss) for preferred share dividends		(2,360,755)	
Portion reverted for preferred stocks among additional profits available for dividend		(4,920,762)	
Net profit (loss) attributable to the common shares of the parent)	62,885,753		
Loss (profit) attributable to participatory equity instruments other than common shares used in the calculation of basic earnings (loss) per share		7,281,517	
Weighted average number of common shares outstanding (unit: shares)	17,222,926		
Weighted average number of preferred stocks outstanding (unit: shares)		1,967,296	
Earnings (loss) per common share KRW,	3,651		3,651

shares)			
Earnings (loss) per preferred stock KRW, shares)		3,701	3,701
Increase (decrease) in earnings (loss) reflecting the dilutive effect of potential common share conversions	0		
Net profit (loss) attributable to the common shares of the parent company, including the dilutive effect	62,885,753		
Potential effect of stock options on the number of common shares outstanding (unit: shares)	4,986		
Adjusted weighted average number of common stocks outstanding (unit: shares)	17,227,912		
Diluted earnings (loss) per share for common shares (unit: KRW, shares)	3,650		3,650

(Note 1) Earnings (loss) per preferred share: The preferred stocks issued in accordance with the old Commercial Act before its revision in 1997 have the same order of payment as the general common shares when dividends are paid out or the residual assets are distributed.

32-4 Diluted earnings per share

The diluted earnings per share were calculated by applying the number of weighted average

common shares outstanding adjusted under the assumption that all dilutive potential common shares will be converted into common shares. The dilutive potential common shares held by the Company include stock options. The number of stocks resulting from stock options is calculated by calculating the number of stocks to be acquired at fair value based on the monetary value of the exercise of the right added to the stock options, and by comparing this number of stocks with the number of stocks to be issued if the stock options are assumed to have been exercised.

32-2 Details of the calculation of weighted average number of common shares outstanding current period

	Share			
	Common shares			
	Details of the calculation of the number of shares			Details of the calculation of the number of shares: total
	Outstanding shares at beginning of period	Disposal of treasury shares	Exercise of stock option	
Commencement date, weighted average number of common shares outstanding	2025-01-01	2025-04-30	2025-10-24	
Settlement date, weighted average number of common shares outstanding	2025-04-29	2025-10-23	2025-12-31	
Number of days, weighted average number of common shares outstanding	119	177	69	
Number of shares, weighted average number of common	17,222,926	17,223,874	17,268,857	

shares outstanding (unit: shares)				
Weighted average number of common shares outstanding (unit: shares)	5,615,146	8,352,399	3,264,524	17,232,069

Previous period

	Share			
	Common shares			
	Details of the calculation of the number of shares			Details of the calculation of the number of shares: total
	Outstanding shares at beginning of period	Disposal of treasury shares	Exercise of stock option	
Commencement date, weighted average	2024-01-01			
Weighted average number of common shares outstanding				
Settlement date, weighted average number of common shares outstanding	2024-12-31			
Number of days, weighted average number of common shares outstanding	366			

Number of shares, weighted average number of common shares outstanding (unit: shares)	17,222,926			
Weighted average number of common shares outstanding (unit: shares)	17,222,926			17,222,926

32-3 Details of the calculation of weighted average number of preferred shares outstanding current period

	Share		
	Preferred stocks		
	Details of the calculation of the number of shares		Details of the calculation of the number of shares: total
	Outstanding shares at beginning of period	Disposal of treasury shares	
Commencement date, weighted average number of preferred shares outstanding	2025-01-01	2025-04-30	
Settlement date, weighted average number of preferred shares outstanding	2025-04-29	2025-12-31	
Number of days, weighted average number of preferred shares outstanding	119	246	
Number of shares, weighted average number of preferred shares outstanding	1,967,296	2,111,063	

(unit: shares)			
Weighted average number of preferred stocks outstanding (unit: shares)	641,392	1,422,799	2,064,191

Previous period

	Share		
	Preferred stocks		
	Details of the calculation of the number of shares		Details of the calculation of the number of shares: total
	Outstanding shares at beginning of period	Disposal of treasury shares	
Commencement date, weighted average number of preferred shares outstanding	2024-01-01		
Settlement date, weighted average number of preferred shares outstanding	2024-12-31		
Number of days, weighted average number of preferred shares outstanding	366		
Number of shares, weighted average number of preferred shares outstanding (unit: shares)	1,967,296		
Weighted average number of preferred stocks outstanding (unit: shares)	1,967,296		1,967,296

33. Statement of Cash Flows

33-1, 2 Cash flows from operating activities

Current period

(Unit: KRW 1,000)

		Disclosure amount
Adjustments for net income reconciliation		109,861,374
Adjustments for net income reconciliation	Adjustment for depreciation expense	54,176,138
	Adjustment for amortization of intangible assets	10,158,858
	Adjustment for retirement benefits	11,701,634
	Adjustment for share based compensation expenses (reversal)	670,094
	Adjustment for gain on disposal of right-of-use assets	(3,261)
	Adjustment for gain on disposal of tangible assets	(18,969,460)
	Adjustment for loss on disposal of tangible assets	6,242,813
	Adjustment for impairment loss on tangible assets	0
	Adjustment for gain on disposal of intangible assets	(338,960)
	Adjustment for loss on disposal of intangible assets	135,398
	Adjustment for interest income	(8,708,151)
	Adjustment for dividend income	(1,490,000)
	Adjustment for gains on valuation of financial assets recognized in profit or loss	(7,436,224)
	Adjustment for losses on valuation of financial assets recognized in profit or loss	695,963
	Gains on disposal of assets held for sale and related non-current assets	0

	Impairment loss on investments in subsidiaries, associates, and joint ventures	0
	Adjustment of derivative financial asset valuation gains	(166,095)
	Adjustment for losses on derivative valuation	3,052,898
	Adjustment for interest expense	32,158,495
	Adjustment of income tax expense	17,615,803
	Adjustment for inventory valuation loss	6,388,729
	Adjustment for bad debt expense	0
	Reversal of bad debt expense	(6,389)
	Adjustments to other bad debt expenses	0
	Reversal of other bad debt expense	(1,308,649)
	Adjustment for foreign currency translation gains	(2,579,748)
	Adjustment for foreign currency translation losses	2,656,114
	Adjustment for loss on disposal of trade receivables	745,166
	Reversal of provision for liabilities	1,485,301
	Adjustment for welfare expenses	2,984,907
Changes in assets and liabilities due to operating activities		(31,554,536)
	Adjustment for decrease (increase) in trade receivables and other receivables	55,449,124
	Decrease (increase) in inventory	(80,223,762)
	Decrease (increase) in other current non-financial assets	(6,474,526)
	Decrease (increase) in other	0

Changes in assets and liabilities due to operating activities	non-current non-financial assets	
	Decrease (increase) in trade and other payables	2,128,184
	Increase (decrease) in other current liabilities	593,202
	Decrease (increase) in the fair value of plan assets	(5,000,000)
	Adjustments arising from transfers of employees to and from related parties	1,160,176
	Increase (decrease) in retirement benefit obligations	3,453,307
	Decrease (increase) in derivatives assets	(3,531,729)
	Increase (decrease) in current provisions	(140,883)
	Increase (decrease) in contract liabilities	(582,847)
	Increase (decrease) in other non-current liabilities	1,615,218

Previous period

(Unit: KRW 1,000)

		Disclosure amount
Adjustments for net income reconciliation		106,039,637
Adjustments for net income reconciliation	Adjustment for depreciation expense	50,644,384
	Adjustment for amortization of intangible assets	8,475,638
	Adjustment for retirement benefits	11,762,940
	Adjustment for share based compensation expenses (reversal)	0
	Adjustment for gain on disposal of right-of-use assets	(3,726)
	Adjustment for gain on disposal of tangible assets	(16,753)

Adjustment for loss on disposal of tangible assets	534,764
Adjustment for impairment loss on tangible assets	3,873,692
Adjustment for gain on disposal of intangible assets	0
Adjustment for loss on disposal of intangible assets	38,417
Adjustment for interest income	(10,081,735)
Adjustment for dividend income	(1,790,000)
Adjustment for gains on valuation of financial assets recognized in profit or loss	(7,042,765)
Adjustment for losses on valuation of financial assets recognized in profit or loss	5,731,034

	Gains on disposal of assets held for sale and related non-current assets	(9,354,717)
	Impairment loss on investments in subsidiaries, associates, and joint ventures	3,025,078
	Adjustment of derivative financial asset valuation gains	(3,729,220)
	Adjustment for losses on derivative valuation	3,960,792
	Adjustment for interest expense	32,276,441
	Adjustment of income tax expense	18,414,894
	Adjustment for inventory valuation loss	466,458
	Adjustment for bad debt expense	55,236
	Reversal of bad debt expense	0
	Adjustments to other bad debt expenses	218,904
	Reversal of other bad debt expense	0
	Adjustment for foreign currency translation gains	(7,660,816)
	Adjustment for foreign currency translation losses	5,755,586
	Adjustment for loss on disposal of trade receivables	485,111
	Reversal of provision for liabilities	0
	Adjustment for welfare expenses	0
Changes in assets and liabilities due to operating activities		(129,191,441)
	Adjustment for decrease (increase) in trade receivables and other receivables	(48,922,417)
	Decrease (increase) in inventory	(43,930,539)

Changes in assets and liabilities due to operating activities	Decrease (increase) in other current non-financial assets	646,777
	Decrease (increase) in other non-current non-financial assets	(241,551)
	Decrease (increase) in trade and other payables	(16,702,083)
	Increase (decrease) in other current liabilities	(1,027,767)
	Decrease (increase) in the fair value of plan assets	(15,000,000)
	Adjustments arising from transfers of employees to and from related parties	319,500
	Increase (decrease) in retirement benefit obligations	2,522,844
	Decrease (increase) in derivatives assets	133,915
	Increase (decrease) in current provisions	(12,154,878)
	Increase (decrease) in contract liabilities	5,164,758
	Increase (decrease) in other non-current liabilities	0

(Note 1) Adjustment for depreciation expense: This is the depreciation for tangible assets, investment real estate properties, and the right-of-use assets.

33-3 Significant transactions that do not involve cash inflows or outflows

Current period

(Unit: KRW 1,000)

	Disclosure amount
Other account reclassifications for construction in progress and machinery in transit	10,442,240
Acquisition of accounts payable for construction in progress	4,252,865
Reclassification of investment real estate properties for tangible assets	29,653,150
Transfer from long-term liabilities to current	280,534,485

liabilities	
Transfer from lease liabilities to current liabilities	1,431,720
Recognition of right-of-use assets and lease liabilities	1,156,663
Write-off of trade and other receivables	17,115
Offset of performance guarantee receivables and guarantee deposits payable	0
Accrued retirement benefits	7,088,619
Increase in derivative liabilities arising from the issuance of exchangeable bonds	65,894,871
Increase in receivables from disposal of tangible assets	727,144
Disposal of treasury shares and contribution to the employee welfare fund (in-house employee welfare fund)	(2,984,907)

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Other account reclassifications for construction in progress and machinery in transit	69,325,485
Acquisition of accounts payable for construction in progress	686,077
Reclassification of investment real estate properties for tangible assets	0
Transfer from long-term liabilities to current liabilities	103,890,922
Transfer from lease liabilities to current liabilities	1,111,469
Recognition of right-of-use assets and lease liabilities	1,179,815
Write-off of trade and other receivables	3,904,096
Offset of performance guarantee receivables and guarantee deposits payable	2,110,026
Accrued retirement benefits	4,608,858
Increase in derivative liabilities arising from the issuance of exchangeable bonds	0
Increase in receivables from disposal of tangible assets	0

Disposal of treasury shares and contribution to the employee welfare fund (in-house employee welfare fund)	0

33-4 Changes in liabilities arising from financing activities

Current period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories								Total classification of asset and liability changes into current and non-current categories
	Assets and liabilities classified as current				Assets and liabilities classified as non-current				
	Liabilities arising from financing activities								
	Short-term borrowings	Long-term borrowings	Debenture	Lease liabilities	Short-term borrowings	Long-term borrowings	Debenture	Lease liabilities	
Beginning liabilities arising from financing activities	255,350,260	6,666,680	94,970,000	1,053,865		8,333,310	219,404,969	938,923	586,718,007

Cash flows from financing activities, increase (decrease) in liabilities arising from financing activities	(355,255)	(11,666,690)	(95,000,000)	(1,271,646)		(3,333,300)	388,885,319	0	277,258,428
Reclassification of liquidity, increase (decrease) in liabilities arising from financing activities	0	5,000,010	275,534,475	1,431,720		(5,000,010)	(275,534,475)	(1,431,720)	0
Other changes, increase (decrease) in liabilities arising from financing activities	331,967	0	322,718	0		0	(63,367,571)	1,084,792	(61,628,094)
Ending liabilities arising from financing activities	255,326,972	0	275,827,193	1,213,939		0	269,388,242	591,995	802,348,341

Previous period

(Unit: KRW 1,000)

	Classification of asset and liability changes into current and non-current categories								Total classification of asset and liability changes into current and non-current categories
	Assets and liabilities classified as current				Assets and liabilities classified as non-current				
	Liabilities arising from financing activities								
	Short-term borrowings	Long-term borrowings	Debenture	Lease liabilities	Short-term borrowings	Long-term borrowings	Debenture	Lease liabilities	
Beginning liabilities arising from financing activities	238,989,049	2,550,000	189,855,128	844,576		7,650,000	164,557,091	982,534	605,428,378
Cash flows from financing activities,	15,796,863	(5,000,010)	(190,000,000)	(902,180)		9,800,000	149,347,607	0	(20,957,720)

increase (decrease) in liabilities arising from financing activities									
Reclassification of liquidity, increase (decrease) in liabilities arising from financing activities	0	9,116,690	94,774,232	1,111,469		(9,116,690)	(94,774,232)	(1,111,469)	0
Other changes, increase (decrease) in liabilities arising from financing activities	564,348	0	340,640	0		0	274,503	1,067,858	2,247,349
Ending liabilities arising from financing activities	255,350,260	6,666,680	94,970,000	1,053,865		8,333,310	219,404,969	938,923	586,718,007

(Note 1) Other changes, increase (decrease) in liabilities arising from financing activities: This includes accrued interest on borrowings and foreign exchange revaluation. The Company classifies the payment of interests as cash flows from operating activities.

34. Financial Risk Management Objectives and Policies

The Company's major financial liabilities, excluding derivatives, consist of trade and other payables, borrowings and bonds. The main purpose of these financial liabilities is to raise funds for the operation of the Company. The Company's major financial assets include trade receivables and the cash and short-term deposits directly derived from operating activities. The Company also has investments in debt and equity instruments and trades derivatives.

The Company is exposed to market risk, credit risk, and liquidity risk. The Company's senior management oversees the management of such risks. All derivative activities for the purpose of risk management are carried out by a team of professionals equipped with the appropriate skills, experiences, and oversight. It is the policy of the Company to avoid conducting any trading of derivatives for speculative purposes.

34-1 Market risk

Market risk is the risk related to the fair value or future cash flows of financial instruments fluctuating due to changes in the market prices. Market risk consists of the following three types of risk: interest rate risk, foreign currency risk, and other price risk. The financial instruments affected by the market risk include borrowings and bonds, deposits, debt, equity investments and derivatives.

Sensitivity analysis is related to the statement of financial position as of the end of the current and previous periods.

The sensitivity analysis has been prepared based on the designation of a hedging interest rate while the net amount of liabilities, fixed interest rate of liabilities and derivatives, variable interest rate and the ratio of foreign currency financial instruments were all constant as of the end of the current period.

This analysis excludes the effect of movements of the market variables on the carrying amounts of retirement pensions and other post-retirement liabilities and provisions.

The following assumptions are required when calculating for the sensitivity analysis.

- The sensitivity of the relevant income statement is the effect of an assumed change in each market risk. This is based on the financial assets and financial liabilities held as of the end of the current and previous periods, including the effect of hedge accounting.

34 Financial Risk Management Objectives and Policies

	Risk			
	Market risk			Credit risk
	Interest rate risk	Exchange risk	Equity price risk	
				Liquidity risk

Description of the degree of exposure to risk	Interest rate risk is the risk related to the fluctuation of the fair value of financial instruments or future cash flows due to the fluctuations in the market interest rates.	Foreign exchange risk is the risk that the fair value or future cash flows will fluctuate due to changes in exchange rates. The Company is exposed to exchange rate fluctuation risks primarily related to its operating activities (when revenues or expenses are denominated in foreign currencies) and foreign currency financing.	Among other price risks is the risk where the fair value of financial instruments or future cash flows will fluctuate due to the fluctuations in the market prices other than the interest rate risk or foreign exchange risk. Since the Company has no traded equity instruments, there is no effect on profit or loss due to other price fluctuation risks as of the end of the current period. Furthermore, the Company is not significantly exposed to the risk of price fluctuations of specific instruments.	Credit risk is the risk of financial loss against the Company due to the transaction counterparty's failure to perform its obligations. (1) The maximum exposure to credit risk of trade and other receivables at the end of the reporting period is the carrying amount of financial assets described in Note 6. (2) Other assets consist of cash and cash equivalents, short-term deposits, debt securities, and short-term and long-term loans, among others.	Liquidity risk is the risk of being unable to secure funds to meet all contractual obligations on financial agreements by their maturity.

				The credit risk arising from the Company's other assets is attributable to counterparty default, including events such as insolvency. In such an event, the extent of the Company's credit risk exposure will be equal to the maximum carrying amount of the relevant financial instruments, excluding the derivative financial instruments .	

Description of the objectives, policies, and procedures of risk management	The Company internally measures the interest rate risk based on a 1% point change in the interest rate, and the rate of change above is reflective of the senior management's assessment of the reasonably possible interest rate change risk.	The Company periodically measures foreign exchange risk arising from fluctuations in KRW exchange rate internally and manages exposure to exchange rate fluctuations on foreign currency assets and liabilities, including foreign currency receivables and payables, by		(1) Trade and other receivables: The Company in principle conducts creditworthiness verification procedures for all transaction counterparties seeking to trade on credit, and only executes transactions with counterparties having sound creditworthiness. In addition, the Company continuously manages trade receivables, other receivables, and contract asset balances by regularly reassessing creditworthiness to ensure that its exposure to bad debt risk remains at a level deemed not significant. As of the end of the reporting period, the Company	The Company manages the risks arising from a lack of funds through the liquidity strategies and plans, and matches the maturities of financial assets and liabilities by considering the maturities of financial instruments and estimates of the operating cash flows.

		entering into currency swap contracts for hedging purposes.		individually recognizes whether major customers' receivables and contract assets are impaired. In addition, for multiple receivables of small amounts, they review their impairment by including them in the group of financial assets having similar credit risk related characteristics. (2) Other Assets Meanwhile, the Company deposits the cash equivalents and short-term financial instruments with financial institutions including Woori Bank, and trades only with financial institutions having excellent credit ratings, and thus, the credit risk from the financial institutions is restricted.	

34-1-1-1 Carrying amount of financial instruments exposed to variable interest rate risk

Current period

(Unit: KRW 1,000)

	Risk		
	Interest rate risk		
	Interest rate types		
	Variable interest rate		
	Financial liabilities, classification		Financial liabilities, classification total
	Short-term borrowings	Long-term borrowings	
Borrowings (including bonds)	150,000,000	0	150,000,000

Previous period

(Unit: KRW 1,000)

	Risk		
	Interest rate risk		
	Interest rate types		
	Variable interest rate		
	Financial liabilities, classification		Financial liabilities, classification total
	Short-term borrowings	Long-term borrowings	
Borrowings (including bonds)	170,000,000	14,999,990	184,999,990

34-1-1-2 Effect of a 1 percentage point change in interest rates on profit or loss before income tax

Current period

(Unit: KRW 1,000)

	Risk		
	Interest rate risk		
	Financial liabilities, classification		Financial liabilities, classification total
	Short-term borrowings	Long-term borrowings	
Disclosure of sensitivity analysis for each type of market risk	Interest rate changes by 1 percentage point	Interest rate changes by 1 percentage point	
Decrease in profit or loss when market	(1,500,000)	0	(1,500,000)

variables rise			
Increase in profit or loss when market variables fall	1,500,000	0	1,500,000

Previous period

(Unit: KRW 1,000)

	Risk		
	Interest rate risk		
	Financial liabilities, classification		Financial liabilities, classification total
	Short-term borrowings	Long-term borrowings	
Types of market risk	Interest rate changes by 1 percentage	Interest rate changes by 1 percentage	

Disclosure of sensitivity analysis	point	point	
Decrease in profit or loss when market variables rise	(1,700,000)	(150,000)	(1,850,000)
Increase in profit or loss when market variables fall	1,700,000	150,000	1,850,000

34-1-2-1 Carrying amounts of monetary assets and liabilities denominated in foreign currencies - Assets

Current period

(Unit: KRW 1,000)

	Risk						Total risk
	Exchange risk						
	Functional currency or reporting currency						
	USD	CNY	EUR	GBP	JPY	MYR	
Foreign currency financial assets, KRW equivalent	62,982,344	9,955,524	29,971,151	538,367	1,471,353	0	104,918,739

Previous period

(Unit: KRW 1,000)

	Risk						Total risk
	Exchange risk						
	Functional currency or reporting currency						
	USD	CNY	EUR	GBP	JPY	MYR	

Foreign currency financial assets, KRW equivalent	102,795,397	11,119,315	59,483,720	2,678	4,036,668	0	177,437,778

34-1-2-1 Carrying amounts of monetary assets and liabilities denominated in foreign currencies - Liabilities

Current period

(Unit: KRW 1,000)

	Risk						Total risk
	Exchange risk						
	Functional currency or reporting currency						
	USD	CNY	EUR	GBP	JPY	MYR	
Foreign currency financial liabilities, KRW equivalent	57,220,327	3,875,564	17,254,032	0	192,235	87,316	78,629,474

Previous period

(Unit: KRW 1,000)

	Risk						Total risk
	Exchange risk						
	Functional currency or reporting currency						
	USD	CNY	EUR	GBP	JPY	MYR	
Foreign currency financial liabilities, KRW equivalent	32,351,017	3,915,507	11,866,738	0	0	0	48,133,262

The Company internally measures the foreign exchange risk for the exchange rate fluctuations on a regular basis, and effectively manages the foreign exchange risk via the currency futures trading, and thus, the effect on the profit and loss is restrictive.

34-1-2-2 Effect on profit or loss before income tax for the current and prior periods if the functional currency exchange rate changes by 5%

Current period

(Unit: KRW 1,000)

	Risk						
	Exchange risk						
	Functional currency or reporting currency						Functional currency or reporting currency : total
	USD	CNY	EUR	GBP	JPY	MYR	
Disclosure of sensitivity analysis for each type of	A 5% change in the exchange rate between the	A 5% change in the exchange rate between the	A 5% change in the exchange rate between the	A 5% change in the exchange rate between the	A 5% change in the exchange rate between the	A 5% change in the exchange rate between the	

market risk	functional currency and the foreign currency	functional currency and the foreign currency	functional currency and the foreign currency	functional currency and the foreign currency	functional currency and the foreign currency	functional currency and the foreign currency	
Increase in profit or loss when market variables rise	288,101	303,998	635,856	26,918	63,956		1,318,829
Decrease in profit or loss when market variables rise						(4,366)	(4,366)
Increase in profit or loss when market variables fall						4,366	4,366
Decrease in profit or loss when market variables fall	(288,101)	(303,998)	(635,856)	(26,918)	(63,956)		(1,318,829)

Previous period

(Unit: KRW 1,000)

	Risk						
	Exchange risk						
	Functional currency or reporting currency						Functional currency or reporting currency : total
	USD	CNY	EUR	GBP	JPY	MYR	
Disclosure of sensitivity analysis for each type of market risk	A 5% change in the exchange rate between the functional currency and the foreign currency	A 5% change in the exchange rate between the functional currency and the foreign currency	A 5% change in the exchange rate between the functional currency and the foreign currency	A 5% change in the exchange rate between the functional currency and the foreign currency	A 5% change in the exchange rate between the functional currency and the foreign currency	A 5% change in the exchange rate between the functional currency and the foreign currency	
Increase in profit or loss when market variables rise	3,522,219	360,190	2,380,849	134	201,833	0	6,465,225
Decrease in profit or loss when market variables rise							
Increase in profit or loss when market variables fall							

Decrease in profit or loss when market variables fall	(3,522,219)	(360,190)	(2,380,849)	(134)	(201,833)	0	(6,465,225)

34-3 Repayment schedule of financial liabilities based on contractual undiscounted amounts (non-derivative)

Current period

(Unit: KRW 1,000)

		If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Non-derivative financial liabilities, undiscounted cash flows		811,236,915	175,341,415	100,369,533	0	1,086,947,863
Non-derivative financial liabilities, undiscounted cash flows	Trade and other payables, undiscounted cash flows	148,986,501	0	0	0	148,986,501
	Bank borrowings, undiscounted cash flows	256,679,775	0	0	0	256,679,775
	Total lease liabilities	1,234,431	534,034	88,665	0	1,857,130
	Other financial liabilities, undiscounted cash flows	293,416	0	0	0	293,416
	Bonds, undiscounted cash flows	350,800,397	174,807,381	100,280,868	0	625,888,646
	Financial guarantee contracts, undiscounted cash flows	53,242,395	0	0	0	53,242,395

Previous period

(Unit: KRW 1,000)

		If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Non-derivative financial liabilities, undiscounted cash flows		621,326,594	133,147,227	103,268,311	0	857,742,132
Non-derivative financial liabilities, undiscounted cash flows	Trade and other payables, undiscounted cash flows	178,799,913	0	0	0	178,799,913
	Bank borrowings, undiscounted cash flows	265,750,005	6,952,400	1,687,214	0	274,389,619
	Total lease liabilities	1,074,825	807,244	190,764	0	2,072,833
	Other financial liabilities, undiscounted cash flows	99,226	0	0	0	99,226
	Bonds, undiscounted cash flows	105,158,125	125,387,583	101,390,333	0	331,936,041
	Financial guarantee contracts, undiscounted cash flows	70,444,500	0	0	0	70,444,500

(Note 1) Current period - Trade and other payables, undiscounted cash flows: Accrued expenses related to employee benefit plans and taxes and dues are excluded, as they are not subject to financial instruments disclosure.

(Note 2) Current period - Bonds, undiscounted cash flows: Current portion of long-term liabilities includes the principal of exchangeable bonds, and derivative liabilities include the liability component related to the exchange rights. The scheduled maturity of the exchangeable bonds is 2028; however, since the exchange rights are exercisable and the timing of exercise cannot be reasonably estimated, the Company has classified these liabilities as current liabilities due for repayment within one year in accordance with its repayment plan. (Note 17)

(Note 3) Current period - Total lease liabilities: Lease liabilities correspond to the liabilities recognized in accordance with K-IFRS No. 1116

(Note 4) Current period - Other financial liabilities, undiscounted cash flows:

Deposits received and unpaid dividends. (Note 5) Previous period - other financial liabilities, undiscounted cash flows: These are deposits taken.

(Note 6) Financial guarantee contracts, undiscounted cash flows: The maximum guaranteed amount has been allocated to the earliest period in which the financial guarantee could be called upon.

34-3 Repayment schedule of financial liabilities based on contractual undiscounted amounts (derivative)

Current period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Derivatives held for trading purposes, undiscounted cash flows	68,291,584	0	0	0	68,291,584

Previous period

(Unit: KRW 1,000)

	If redemption is planned	Over 1 year, within 2 years	Over 2 years, within 5 years	Over 5 years	Segment total
Derivatives held for trading purposes, undiscounted cash flows	3,960,792	0	0	0	3,960,792

(Note 1) Current period – derivatives held for trading purposes, undiscounted cash flows: Current portion of long-term liabilities includes the principal of exchangeable bonds, and derivative liabilities include the liability component related to the exchange rights. The scheduled maturity of the exchangeable bonds is 2028; however, since the exchange rights are exercisable and the timing of exercise cannot be reasonably estimated, the Company has classified these liabilities as current liabilities due for repayment within one year in accordance with its repayment plan. (Note 17)

34-4 Capital management

Current period

(Unit: KRW 1,000)

	Disclosure amount
Non-financial information related to the Company's objectives, policies, and procedures for capital management	The primary purpose of capital management is to maintain a high credit rating and sound capital ratios with a view to maintaining the Company's operating activities and maximizing shareholder value. The consolidated companies adjust their capital structure in response to changes in economic conditions and, for this purpose, considers revising its dividend policy, reducing capital, or issuing new shares. During the current period, there were no changes to the objectives, policies, or procedures for capital management.
Liabilities	1,093,483,136
Cash and cash equivalents	(308,144,761)
Adjusted liabilities	785,338,375
Equity	1,229,768,417
Debt ratio	0.6386

Previous period

(Unit: KRW 1,000)

	Disclosure amount
Non-financial information related to the Company's objectives, policies, and procedures for capital management	The primary purpose of capital management is to maintain a high credit rating and sound capital ratios with a view to maintaining the Company's operating activities and maximizing shareholder value. The consolidated companies adjust their capital structure in response to changes in economic conditions and, for this purpose, considers revising its dividend policy, reducing capital, or issuing new shares. During the current period, there were no changes to the objectives, policies, or procedures for capital management.

Liabilities	804,923,089
Cash and cash equivalents	(177,060,266)
Adjusted liabilities	627,862,823
Equity	1,177,382,339
Debt ratio	0.5333

35. Fair Value

35-1 Fair value hierarchy

	Total measurement			
	Fair value			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Description of the levels within the fair value hierarchy for fair value measurement classification	The (unadjusted) quoted price in an active market that the entity can access the same asset or liability at the measurement date, where the quoted price reflects the market's assumptions regarding changes in the economic environment, such as interest rate increases, inflation, and ESG-related risks.	Input variables that are directly or indirectly observable for an asset or liability, other than the Level 1 quoted prices	Unobservable input variables for assets or liabilities, such as unlisted equity securities and financial instruments that reflect significant unobservable adjustments due to ESG-related risks	The Company classifies the fair value measurements according to the fair value hierarchy which reflects the significance of the input variables used for the fair value measurements.

35-2 Fair value of financial assets by level

Current period

(Unit: KRW 1,000)

	Total measurement											
	Fair value											
	Financial assets, category											
	Derivatives assets				Financial assets measured at fair value through profit or loss				Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3		Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3		Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Financial assets	0	166,095	7,699,750	7,865,845	0	0	69,741,846	69,741,846	0	0	2,500,032	2,500,032

Previous period

(Unit: KRW 1,000)

	Total measurement											
	Fair value											
	Financial assets, category											
	Derivatives assets				Financial assets measured at fair value through profit or loss				Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3		Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3		Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Financial assets	0	0	8,784,996	8,784,996	0	0	60,977,911	60,977,911	0	0	2,500,033	2,500,033

35-2 Fair value of financial assets by level: totals

Current period

(Unit: KRW 1,000)

	Total measurement			
	Fair value			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Financial assets	0	166,095	79,941,628	80,107,723

Previous period

(Unit: KRW 1,000)

	Total measurement			
	Fair value			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Financial assets	0	0	72,262,940	72,262,940

(Note 1) The fair value hierarchy Level 3: Unless otherwise specified, they consist of unlisted stocks, etc., whose cost can be an appropriate estimate of their fair value (refer to Note 35-3).

35-2 Fair value of financial liabilities by level

Current period

(Unit: KRW 1,000)

	Total measurement			
	Fair value			
	Financial liabilities, category			
	Derivative financial liabilities			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Financial liabilities	0	311,691	67,979,893	68,291,584

Previous period

(Unit: KRW 1,000)

	Total measurement			
	Fair value			
	Financial liabilities, category			
	Derivative financial liabilities			
	All levels of the fair value hierarchy			Total of all levels of the fair value hierarchy
	Fair value hierarchy Level 1	Fair value hierarchy Level 2	Fair value hierarchy Level 3	
Financial liabilities	0	3,531,729	429,063	3,960,792

(Note 1) The fair value hierarchy Level 3: Unless otherwise specified, they consist of unlisted stocks, etc., whose cost can be an appropriate estimate of their fair value (refer to Note 35-3).

The fair values of cash and cash equivalents, other assets, interest-bearing borrowings, and bonds payable have been excluded from the fair value disclosure as the effects of discounting are not significant and are considered to be similar to their carrying amounts.

As of the end of the current period, among the assets and liabilities measured at fair value in the statement of financial position, those classified under Level 2 of the fair value hierarchy were valued using the market approach, with the fair value of the underlying assets as the input variable.

35-3 Disclosure of valuation techniques used in fair value measurements classified within Level 3 of the fair value hierarchy for assets measured at fair value.

(Unit: KRW
1,000)

	Total measurement					
	Fair value					
	Assets					
	Derivatives		Debt securities			
	Put option for SK chemicals Daejeong Co., Ltd.	Put option for HDC Polyall Co., Ltd.	Eastman Fiber Korea Ltd.'s preferred stocks	Sante Health Ventures IV LP	Korea Investment Bio Global Fund	Convertible preferred shares of Tiumbio Co., Ltd.
	All levels of the fair value hierarchy					
	Fair value hierarchy Level 3					
Assets	0	7,699,750	28,451,197	16,114,656	1,914,066	19,842,721
Description of the valuation techniques used in fair value measurement, assets	Discounted cash flow method	Discounted cash flow method and binomial model	Expected price considering the value of call options and put options	Net asset value method, etc.	Net asset value method, etc.	Binomial model
Description of the input variables used in fair value measurement, assets	Liquidation cash flow, weighted average cost of capital	Estimated cash flows, weighted average cost of capital	Estimated cash flows, exchange rate	Fair value of net assets, etc.	Fair value of net assets, etc.	Conversion price and expected stock volatility

(Note 1) Net asset value method, etc. The fair value was determined based on the ownership interest of the Company in the net assets of the entity, as the carrying amount of the assets within the portfolio was deemed to be close to their fair value.

35-3 Disclosure of valuation techniques used in fair value measurements classified within Level 3 of the fair value hierarchy for liabilities measured at fair value.

(Unit: KRW 1,000)

	Total measurement
	Fair value
	Liabilities
	Derivatives

	Call option on convertible preferred stocks of Tiumbio Co., Ltd.	Exchange right of exchangeable bonds and early redemption option
	All levels of the fair value hierarchy	
	Fair value hierarchy Level 3	
Liabilities	1,014,742	66,965,151
Description of the valuation techniques used in fair value measurement, liabilities	Binomial model	T-F model
Description of the input variables used in fair value measurement, liabilities	Expected stock price volatility	Underlying asset price, expected volatility of share price, etc.

As of the end of the current period, the Company believes that the carrying amounts of financial instruments that are not subsequently measured at fair value in the statement of financial position are not significantly different from their fair values.

35-3 The carrying amounts of financial instruments that are not subsequently measured at fair value

(Unit: KRW 1,000)

	Total measurement				
	Fair value				
	Financial instruments that are not subsequently measured at fair value				
	Financial assets, category				Financial assets, total by category
	Financial assets measured at fair value through profit or loss		Other comprehensive income – investments in equity instruments designated at fair value through other comprehensive income		
	Standigm Inc.	Yongyeon Industrial District 4 Industrial Water Management Association	J2H Biotech Co., Ltd.	Oncobix Co., Ltd.	
Financial assets	3,000,007	419,199	1,500,052	999,980	5,919,238

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

35-4 Changes in financial assets classified as Level 3

(Unit: KRW 1,000)

	Total measurement	
	Fair value	
	Classification of asset and liability changes into current and non-current categories	
	Assets and liabilities classified as non-current	
	Financial assets, classification	
	Long-Term Investment Assets	Derivatives assets
	All levels of the fair value hierarchy	
	Fair value hierarchy Level 3	
Beginning financial assets	63,477,943	8,784,996
Increase due to issuance or purchase, financial assets	2,088,674	0
Decrease due to transfer, financial assets	(65,000)	0
Increase (decrease) due to fair value changes, financial assets	6,740,261	(1,085,246)
Ending financial assets	72,241,878	7,699,750

35-5 Changes in financial liabilities classified as Level 3

(Unit: KRW 1,000)

	Total measurement
	Fair value
	Liabilities
	Derivatives
	All levels of the fair value hierarchy
	Fair value hierarchy Level 3
Beginning liabilities	429,063
Purchase, fair value measurement, liabilities	65,894,871
Disposal, fair value measurement, liabilities	0
Gains (losses) recognized in profit or loss (excluding foreign exchange differences), fair value measurement, liabilities	1,655,959
Ending liabilities	67,979,893

6. Matters Concerning Dividends

A. Matters regarding the Company's dividend policy

In accordance with the Articles of Incorporation, the Company pays dividends out as a major means of returning a certain portion of the Company's profits to its shareholders based on the resolutions of the board of directors and the general meeting of shareholders. In addition, dividends are determined by considering factors such as the investment and management performance for the Company's sustainable growth and the enhancement of shareholder value within the scope of the profits available for dividend. In October 2021, the Company formalized its shareholder return policy and disclosed a dividend policy with a three-year duration to enhance predictability regarding the scale of shareholder returns. The Company continues to maintain this dividend policy and determines dividends accordingly.

(Dividend policy)

- ☐ Determination of the total amount of dividends at the level of 30% of the dividend payout ratio (based on the separate net income)
- ☐ Interim dividend implemented from 2022

The above dividend policy is subject to change depending on the business management environment and other conditions, and the separate net income, which is the basis for determining the total amount of dividends, is the adjusted amount excluding the non-recurring profits and losses.

B. Matters related to providing predictability regarding dividends

- (1) Implementation status of improvements to the dividend procedure as outlined in the articles of incorporation

Classification	Year-end dividend	Interim dividends
The body responsible for determining the dividend amount as specified in the articles of incorporation	General meeting of shareholders	Board of directors meeting
Whether the articles of incorporation allow the dividend record date to be set after the dividend amount is determined	O	O
Future plans related to the implementation of improvements in the dividend procedure	-	-

*The Company improved its dividend process by amending its articles of incorporation at the annual general meeting of shareholders held on March 26, 2024, to allow the dividend record

date to be set after the dividend amount is determined.

(2) Status of the designation of the dividend amount determination date and the dividend record date

Classification	Month of settlement	Dividend declaration status	Dividend amount Determination date	Dividend record date	Dividend predictability Provision status	Note
Year-end dividend	December 2025	O	March 24, 2026	March 31, 2026	O	-
Year-end dividend	December 2024	O	March 26, 2025	March 31, 2025	O	-
Year-end dividend	December 2023	O	March 26, 2024	December 31, 2023	X	-

*The dividend amount for the current period's year-end dividend is scheduled to be finalized at the 9th Annual General Meeting of Shareholders to be held on March 24, 2026. If the proposal is rejected or revised at the Annual General Meeting, the details and reasons will be reflected in an amended report

C. Other Matters of Reference (such as the contents of the articles of incorporation related to dividends): The dividend-related provisions in the Company's articles of incorporation are as follows:

Article 13 (Equal Dividend)

The Company shall provide equal dividends for the shares issued through paid-in capital increases, stock dividends, or bonus issues before the dividend record date.

Article 50 (Payment of Dividends)

- ① Dividends of profits may be paid with money, shares, or other assets. However, the dividends paid by stock shall not exceed an amount equivalent to half of the total amount of dividends.
- ② The Company may, by resolution of the Board of Directors, set a record date for determining shareholders to receive the dividends under Paragraph 1, and if a record date is set, it shall be publicly announced 2 weeks prior to such record date.
- ③ For dividends paid out in stocks, if the Company has issued several types of stocks, a different type of stock may be used by a resolution of the general meeting of shareholders.

Article 50-1 (Interim Dividend)

- ① The Company may pay interim dividends pursuant to Article 462-3 of the Commercial Act by resolution of the Board of Directors.
- ② The Company may, by resolution of the Board of Directors, set a record date for determining shareholders to receive the interim dividends under Paragraph 1, and if a record date is set, it shall be publicly announced 2 weeks prior to such record date.
- ③ The interim dividend shall not exceed the amount obtained by deducting the following amounts from the net asset value on the balance sheet for the immediately preceding fiscal year.
 1. The amount of capital stock in the immediately preceding fiscal year
 2. The total amount of capital reserve and profit reserve accumulated up to the immediately preceding fiscal year
 3. Unrealized gains defined by the Enforcement Decree of the Commercial Act
 4. The amount of profit distribution decided at the annual general meeting of shareholders in the immediately preceding fiscal year
 5. Discretionary reserve set aside for a specific purpose by the regulations in articles of incorporation or by resolution of the general meeting of shareholders up to the immediately preceding fiscal year
 6. The profit reserve to be set aside in the current fiscal year due to the interim dividend

Article 51 (Statute of Limitations for the Right to Claim Dividend Payments)

- ① If the right to claim dividends payment is not exercised for 5 years, the statute of limitations shall be deemed as complete.
- ② Dividends resulting from the completion of the statute of limitations as per Paragraph 1 shall be reverted to the Company.
- ③ No interest shall be added to the unpaid dividends.

D. Major indicators of dividend

Classification	Type of Stock	Current period	Previous period	Period before the previous period
		The 9th Period	The 8th Period	The 7th Period
Par value per share (KRW)		5,000	5,000	5,000
(Consolidated) Net income (KRW million)		44,646	8,839	39,864
(Separate) Net income (KRW million)		68,976	70,167	41,754
(Consolidated) Earnings per share (KRW)		2,306	376	2,072

Total amount of cash dividends (KRW million)		22,374	22,167	12,572
Total amount of stock dividends (KRW million)		-	-	-
(Consolidated) Cash dividend payout ratio (%)		50.1	250.8	31.5
Cash dividend yield (%)	Common shares	1.7	2.8	1.0
	Preferred stocks	4.3	6.4	2.3
Stock dividend yield (%)	Common shares	-	-	-
	Preferred stocks	-	-	-
Cash dividend per share (KRW)	Common shares	1,150	1,150	650
	Preferred stocks	1,200	1,200	700
Stock dividend per share (stocks)	Common shares	-	-	-
	Preferred stocks	-	-	-

*The cash dividends for the current period in the table above include the interim dividend. As it is subject to approval at the annual general meeting of shareholders, if any rejections or revisions are made at the future annual general meeting of shareholders, the details and reasons will be reflected in the amended report.

*The "(Consolidated) Net income" above has been prepared based on the ownership interest of the parent company.

*The "(Consolidated) Earnings per share" above is the earnings per share for common shares.

*The current "cash dividend yield (%)" was calculated using the arithmetic average of the closing prices formed in the market over the past week, prior to the board resolution date (February 6).

*For detailed information on the total cash dividend, please refer to Matters Concerning Finance - "3. Notes to the Consolidated Financial Statements in III. Financial Matters."

C. History of Dividends

(Unit: times, %)

Number of consecutive dividends		Average dividend yield	
Quarterly (interim) dividend	Year-end dividend	For last 3 years	For last 5 years
4	8	1.8	1.9

*The settlement of dividends for 2025 (9th period) is made before the approval of the annual general meeting of shareholders, and in the event of a rejection or revision at the annual general meeting of shareholders in the future, the relevant details and reason will be reflected in the amended report.*The average dividend yield is for the dividend yield for common shares. For the preferred stocks, the average dividend yield for the last 3 years is 4.2%, and the average dividend yield for the last 5 years is 4.0%.

*The Company was not able to pay dividends out for the 1st period since the actual business period ran for merely 1 month from the date of new establishment, December 1, 2017, until the date of settlement, and thus, there was no retained earnings, the financial resource for dividends.

7. Matters Concerning Financing via the Issuance of Securities

7-1. Performance in Financing via the Issuance of Securities

[Matters related to the issuance of equity securities, etc.]

A. Status of capital increase (decrease)

[SK chemicals]

(Reference Date: 2025-12-31)

(Unit: KRW, stocks)

Date of stock issuance (decrease)	Form of issuance (decrease)	Details of the shares issued (decreased)				
		Type	Quantity	Par value per share	Issue (reduction) price per share	Note
2025-09-29	Exercise of stock option	Common shares	22,491	5,000	47,749	-
2025-09-29	Exercise of stock option	Common shares	22,492	5,000	51,517	-

[SK bioscience]

(Reference Date: 2025-12-31)

(Unit: KRW, stocks)

Date of stock issuance (decrease)	Form of issuance (decrease)	Details of the shares issued (decreased)				
		Type	Quantity	Par value per share	Issue (reduction) price per share	Note
2023-12-18	Exercise of stock option	Common shares	43,704	500	9,154	-

2024-10-03	Paid-in capital increase (through third-party allocation)	Common shares	1,519,543	500	49,821	-
2025-04-03	Exercise of stock option	Common shares	21,852	500	9,154	-
2025-11-25	Exercise of stock option	Common shares	21,852	500	9,154	-
2025-12-05	Exercise of stock option	Common shares	21,852	500	9,154	-
2025-12-12	Exercise of stock option	Common shares	21,852	500	9,154	-

*Details of capital increases during the reporting period.

[SK Multi-Utility]

(Reference Date: 2025-12-31)

(Unit: KRW, stocks)

Date of stock issuance (decrease)	Form of issuance (decrease)	Details of the shares issued (decreased)				
		Type	Quantity	Par value per share	Issue (reduction) price per share	Note
2025-06-26	Paid-in capital increase (through third-party allocation)	Common shares	100,000	5,000	591,000	-

*Details of capital increases during the reporting period.

B. Status of the issuance of outstanding convertible bonds

– Not applicable

C. Status of the issuance of outstanding bonds with warrants, etc.

– Not applicable

D. Status of the issuance of outstanding contingent convertible bonds of conversion type

– Not applicable

[Matters related to the issuance of debt securities, etc.]

A. Performance in the issuance of debt securities

(Reference Date: 2025-12-31)(Unit: KRW million, %)

Issuing company	Type of securities	Method of issuance	Date of issuance	Total par value (electronic registration)	Interest rate	Rating (rating agency)	Date of maturity	Whether redeemed	Managing company
SK chemicals	Corporate bond	Public offering	2025-01-31	70,000	3.14	A+ (Korea Ratings Inc. / Korea Investors Service Co., Ltd. / Nice Investors Service Co., Ltd.)	2027-01-29	Unredeemed	SK Securities Co., Ltd. / NH Investment & Securities Co., Ltd.
SK chemicals	Corporate bond	Public offering	2025-01-31	100,000	3.31	A+ (Korea Ratings Inc. / Korea Investors Service Co., Ltd. / Nice Investors Service Co., Ltd.)	2028-01-31	Unredeemed	SK Securities Co., Ltd. / NH Investment & Securities Co., Ltd.
SK chemicals	Commercial papers and securities	Private placement	2025-05-30	50,000	3.81	A2+ (Korea Ratings Inc. / Korea Investors Service Co., Ltd. / Nice Investors Service Co., Ltd.)	2025-11-28	Redeemed	Shinhan Bank
SK chemicals	Corporate bond	Private placement	2025-10-20	220,000	-	-	2030-10-20	Unredeemed	-
Total	-	-	-	440,000	-	-	-	-	-

B. Outstanding balance of commercial papers and securities

(Reference Date: 2025-12-31)

(Unit: KRW million)

Residual maturity		10 days or less	Over 10 days 30 days or less	Over 30 days 90 days or less	Over 90 days 180 days or less	Over 180 days 1 year or less	Over 1 year 2 years or less	Over 2 years 3 years or less	Over 3 years	Total
Outstanding balance	Public offering	-	-	-	-	-	-	-	-	-
	Private placement	-	-	-	-	-	-	-	-	-
	total	-	-	-	-	-	-	-	-	-

C. Outstanding balance of short-term bonds

(Reference Date: 2025-12-31)

(Unit: KRW million)

Residual maturity		10 days or less	Over 10 days 30 days or less	Over 30 days 90 days or less	Over 90 days 180 days or less	Over 180 days 1 year or less	Total	Issuance limit	Remaining limit
Outstanding balance	Public offering	-	-	-	-	-	-	-	-
	Private placement	-	-	-	-	-	-	-	-
	total	-	-	-	-	-	-	-	-

D. Outstanding balance of corporate bonds

(Reference Date: 2025-12-31)

(Unit: KRW million)

Residual maturity		1 year or less	Over 1 year 2 years or less	Over 2 years 3 years or less	Over 3 years 4 years or less	Over 4 years 5 years or less	Over 5 years 10 years or less	Over 10 years	Total
Outstanding balance	Public offering	120,000	170,000	100,000	-	-	-	-	390,000
	Private placement	-	-	-	-	220,000	-	-	220,000
	total	120,000	170,000	100,000	-	220,000	-	-	610,000

E. Outstanding balance of hybrid securities

(Reference Date: 2025-12-31)

(Unit: KRW million)

Residual maturity		1 year or less	Over 1 year 5 years or less	Over 5 years 10 years or less	Over 10 years 15 years or less	Over 15 years 20 years or less	Over 20 years 30 years or less	Over 30 years	Total
Unredeemed Balance	Public offering	-	-	-	-	-	-	-	-
	Private placement	-	-	-	-	-	-	-	-
	total	-	-	-	-	-	-	-	-

F. Outstanding balance of contingent convertible bonds

(Reference Date: 2025-12-31)

(Unit: KRW million)

Residual maturity		1 year or less	Over 1 year 2 years or less	Over 2 years 3 years or less	Over 3 years 4 years or less	Over 4 years 5 years or less	Over 5 years 10 years or less	Over 10 years 20 years or less	Over 20 years 30 years or less	Over 30 years	Total
Outstanding balance	Public offering	-	-	-	-	-	-	-	-	-	-
	Private placement	-	-	-	-	-	-	-	-	-	-
	total	-	-	-	-	-	-	-	-	-	-

G. Details of outstanding debt securities classified as equity

– Not applicable

H. Key details of the bond management contracts and whether they are satisfied [SK chemicals]

(Reference date: 2025-12-31)

(Unit: KRW million, %)

Name of bond	Date of Issuance	Date of maturity	Amount of issuance	Date of execution of bond management contract	Bond management company
The 13-3rd public placement bonds	2023-02-24	2026-02-24	70,000	2023-02-14	Korea Securities Finance

(Reference date for performance status: 2025-12-31)

Status of financial ratio maintenance	Details of agreements	Debt-to-equity ratio of 400% or less (on a consolidated basis)
	Status of performance	Performed
Status of restrictions on the creation of security interest	Details of agreements	The aggregate amount of payment guarantees and assets provided as collateral shall not exceed 400% of the total equity (on a consolidated basis).
	Status of performance	Performed
Status of restrictions on asset disposal	Details of agreements	KRW 2 trillion or less of asset disposal (on a consolidated basis), 70% or less of total assets for asset disposal (on a consolidated basis)
	Status of performance	Performed
Status of restrictions on changes in governance	Details of agreements	Enterprise group subject to cross-holding restrictions maintained
	Status of performance	Complied with
Status on submission of performance status report	Status of performance	Performed (December 2025)

*The reference date for the status of performance is the date of preparation of the latest financial statements in which the auditor's opinion (confirmation and expression of opinion) was applied when the status of performance is expressed, and the status of restrictions on the changes in governance is the reference date of preparation of disclosure documents.

(Reference date: 2025-12-31) (Unit: KRW million, %)

Name of bond	Date of Issuance	Date of maturity	Amount of issuance	Date of execution of bond management contract	Bond management company
The 14-1st public placement bonds	2024-04-26	2026-04-24	50,000	2024-04-16	Korea Securities Finance
The 14-2nd public placement bonds	2024-04-26	2027-04-26	100,000	2024-04-16	Korea Securities Finance

(Reference date for performance status: 2025-12-31)

Status of financial ratio maintenance	Details of agreements	Debt-to-equity ratio of 300% or less (on a consolidated basis)
	Status of performance	Performed
Status of restrictions on the creation of security interest	Details of agreements	The aggregate amount of payment guarantees and assets provided as collateral shall not exceed 300% of the total equity (on a consolidated basis).)
	Status of performance	Performed
Status of restrictions on asset disposal	Details of agreements	70% or less of total assets for asset disposal (on a consolidated basis)
	Status of performance	Performed
Status of restrictions on changes in governance	Details of agreements	Enterprise group subject to cross-holding restrictions maintained
	Status of performance	Complied with

Status on submission of performance status report	Status of performance	Performed (December 2025)

*The reference date for the status of performance is the date of preparation of the latest financial statements in which the auditor's opinion (confirmation and expression of opinion) was applied when the status of performance is expressed, and the status of restrictions on the changes in governance is the reference date of preparation of disclosure documents.

(Reference date: 2025-12-31)

(Unit: KRW million, %)

Name of bond	Date of Issuance	Date of maturity	Amount of issuance	Date of execution of bond management contract	Bond management company
The 15-1st public placement bonds	2025-01-31	2027-01-29	70,000	2025-01-15	Korea Securities Finance
The 15-2nd public placement bonds	2025-01-31	2028-01-31	100,000	2025-01-15	Korea Securities Finance

(Reference date for performance status: 2025-12-31)

Status of financial ratio maintenance	Details of agreements	Debt-to-equity ratio of 300% or less (on a consolidated basis)
	Status of performance	Performed
Status of restrictions on the creation of security interest	Details of agreements	The aggregate amount of payment guarantees and assets provided as collateral shall not exceed 300% of the total equity (on a consolidated basis).)
	Status of performance	Performed
Status of restrictions on asset disposal	Details of agreements	70% or less of total assets for asset disposal (on a consolidated basis)
	Status of performance	Performed

Status of restrictions on changes in governance	Details of agreements	Enterprise group subject to cross-holding restrictions maintained
	Status of performance	Complied with
Status on submission of performance status report	Status of performance	Performed (December 2025)

*The reference date for the status of performance is the date of preparation of the latest financial statements in which the auditor's opinion (confirmation and expression of opinion) was applied when the status of performance is expressed, and the status of restrictions on the changes in governance is the reference date of preparation of disclosure documents.

[SK bioscience]

– Not applicable

[SK Multi-Utility]

– Not applicable

7-2. Performance in the Use of Funds Raised via the Issuance of Securities

A. History of the use of public placement bonds

[SK chemicals]

(Reference Date: 2025-12-31)

(Unit: KRW million)

Classification	Meeting Number	Date of payment	Plans for use of funds such as securities declarations		History of the actual funds used		Reasons for differences in amounts	Reasons for differences in usage
			Purpose of use	Amount raised	Usage details	Amount used		
Public placement bonds	The 13-1st	2023-02-24	For repayment of debt	35,000	For repayment of debt	35,000	-	-
Public placement bonds	The 13-2nd	2023-02-24	For repayment of debt	95,000	For repayment of debt	95,000	-	-
Public placement bonds	The 13-3rd	2023-02-24	Operating capital	19,000	Operating capital	19,000	-	-

Public placement bonds	The 13-3rd	2023-02-24	For repayment of debt	51,000	For repayment of debt	51,000	-	-
Public placement bonds	The 14-1st	2024-04-26	For repayment of debt	50,000	For repayment of debt	50,000	-	-
Public placement bonds	The 14-2nd	2024-04-26	For repayment of debt	100,000	For repayment of debt	100,000	-	-
Public placement bonds	The 15-1st	2025-01-31	For repayment of debt	70,000	For repayment of debt	70,000	-	-
Public placement bonds	The 15-2nd	2025-01-31	For repayment of debt	100,000	For repayment of debt	100,000	-	-

[SK bioscience]

(Reference Date: 2025-12-31)

(Unit: KRW million)

Classification	Meeting Number	Date of payment	Plans for use of funds such as securities declarations		History of the actual funds used		Reasons for differences in amounts	Reasons for differences in usage
			Purpose of use	Amount raised	Usage details	Amount used		
Newly listed on the securities market	-	2021-03-12	Facility funds	393,400	Facility funds	393,400	-	-
Newly listed on the securities market	-	2021-03-12	Operating capital	223,567	Operating capital	223,567	-	-
Newly listed on the securities market	-	2021-03-12	Other	368,196	Other	368,196	-	-
total	-	-	-	985,163	-	985,163	-	-

[SK Multi-Utility]

– Not applicable

B. History of the use of private placement bonds

[SK chemicals]

(Reference Date: 2025-12-31)

(Unit: KRW million)

Classification	Meeting Number	Date of payment	Plan for use of funds for the report on major issues		History of the actual funds used		Reasons for differences in amounts	Reasons for differences in usage
			Purpose of use	Amount raised	Usage details	Amount used		
Exchangeable bonds	the 1st	2025-10-20	For repayment of debt	220,000	For repayment of debt	60,000	Debt not yet due	-

[SK bioscience]

(Reference Date: 2025-12-31)

(Unit: KRW million)

Classification	Meeting Number	Date of payment	Plan for use of funds for the report on major issues		History of the actual funds used		Reasons for differences in amounts	Reasons for differences in usage
			Purpose of use	Amount raised	Details	amount		
Third-party allocation of new shares	-	2024-10-02	Other capital	75,705	Other capital	75,705	-	-

[SK Multi-Utility]

(Reference Date: 2025-12-31)

(Unit: KRW million)

Classification	Meeting Number	Date of payment	Plan for use of funds for the report on major issues		History of the actual funds used		Reasons for differences in amounts	Reasons for differences in usage
			Purpose of use	Amount raised	Details	amount		
Rights issue to existing shareholders	-	2025-06-26	Operating capital	59,100	Operating capital	59,100	-	-

[SK chemicals]

(Reference Date: 2025-12-31)

(Unit: KRW million)

Type	Operating product name	Operating amount		Contract period	Period of actual investment
		Principal amount	Valuation amount		
Deposits	Time deposits, money market deposit accounts (MMDA), etc.	160,000	-	-	-
Total		160,000	-	-	-

8. Other Matters Concerning Finance

A. Cautions for reparation of financial statements, etc.

1) Reparation of financial statements

The Company completed the sale of the bio-energy business division and the PPS business division on May 29, 2020 and December 31, 2021, respectively, and re-prepared the consolidated and separate financial statements for the comparative period.

2) Merger, split-off, asset transfer, and business transfer

The details of mergers, split-offs, asset transfers, and business transfers that have taken place during the last three fiscal years are as below.

(1) Establishment of subsidiary and acquisition of tangible assets

On March 6, 2023, the Board of Directors resolved to establish a subsidiary, Shuye-SK Chemicals(Shantou) Co., Ltd., and on March 6, 2023, the subsidiary, Shuye-SK Chemicals(Shantou) Co., Ltd., decided to acquire tangible assets from Shuye Environmental Technology Co., Ltd.

[Related disclosures]

Decision on acquisition of shares and equity securities of other corporations, 2023-03-06
Decision on paid-in capital increase (matters concerning major business of subsidiaries), 2023-03-06

3) Matters concerning the accounting of asset sales related to asset securitization, contingent liabilities, etc.

For the matters concerning contingent liabilities, refer to "III. Matters Concerning Finance - 3. Note 18 in the consolidated financial statements Financial Statements."

4) Other matters to be cautionary about when using the financial statements

As for the details on other matters to be aware of when using the consolidated financial statements, refer to "III. Matters Concerning Finance-

3. Notes to the Consolidated Financial Statements."

As for the details on the matters to be aware of when using the financial statements, refer to "III. Matters Concerning Finance - 5. Notes to the Financial Statements."

B. Status of the setting of the bad debt provisions (based on the consolidated financial statements)

1) Details of the placement of bad debt provisions for each account item

The details of the trade and other receivables during the period subject to disclosure are as follows:

(Unit: KRW 1,000)

Classification	Account title	Amount of receivables	Allowance for bad debts	Provision ratio for bad debt
The 9th period (current period)	Trade receivables	315,785,233	2,850,714	0.9%
	Accounts receivable	26,920,494	197,190	0.7%
	Short-term loans	1,946,250	1,940,000	99.7%
	Accrued revenue	3,119,650	-	-
	Long-term loans	1,138,002	-	-
	Total	348,909,629	4,987,904	1.4%
The 8th period (previous period)	Trade receivables	260,823,674	3,273,250	1.3%
	Accounts receivable	99,081,873	88,335	0.9%
	Short-term loans	2,440,000	2,440,000	100.0%
	Accrued revenue	11,926,930	-	-
	Long-term loans	957,290	-	-
	Total	375,229,767	5,801,585	1.5%
	Trade receivables	157,843,734	4,116,420	2.6%
	Accounts receivable	19,936,059	119,964	0.6%

The 7th period (period before previous period)	Short-term loans	3,040,000	3,040,000	100.0%
	Accrued revenue	6,454,723	-	-
	Long-term loans	788,676	-	-
	Total	188,498,443	7,276,384	3.9%

2) Status of changes in allowance for bad debts

The details of changes in the bad debt provisions for the trade and other receivables during the period subject to disclosure are as follows:

(Unit: KRW 1,000)

Classification	The 9th Period	The 8th Period	The 7th Period
Beginning of Period	5,801,585	7,276,384	8,259,276
Placements (reversal)	(655,352)	(1,185,153)	153,809
Removal, exchange rate fluctuations, etc.	(158,329)	(289,646)	(1,136,701)
Held for sale classification	-	-	-
End of Period	4,987,904	5,801,585	7,276,384

3) Policy for the setting of the bad debt provisions related to trade receivables

For contract assets, trade receivables, and other receivables, the consolidated companies apply the simple method and calculate the expected credit loss based on the expected life of credit loss.

The consolidated companies design the loss provisioning ratio table based on the past credit loss experiences adjusted to reflect the borrower's unique future forecast factors and economic environment.

For other debt instruments (i.e., deposits and loans), the expected credit loss is based on the 12-month expected credit loss. The 12-month expected credit loss is part of the expected credit loss for the entire period, which represents the expected credit loss due to events of default on the financial instruments that may occur within 12 months after the end of the reporting period.

(Provisioning rate)

Normal bonds	Classification	Experience rate
Court receivership/composition obligation	Debentures within the scope of collateral	0%
	Amount in excess of the scope of collateral	100%
Other accident receivables	Debentures within the scope of collateral	0%
	Amount in excess of the scope of collateral	100%

4) Status of the balance of trade and other receivables by the elapsed period

(Reference date: 2025-12-31)

(Unit: KRW 1,000)

Classification	The 9th Period	The 8th Period	The 7th Period
Unmatured	270,984,539	267,262,578	166,263,257
Within 90 days	64,800,369	95,279,780	14,822,315
Within 180 days	7,580,079	2,906,800	4,641,830
Over 180 days	5,544,642	9,780,609	2,335,790
Sub total	348,909,629	375,229,767	188,063,192
(Deducted: allowance for bad debts)	(4,987,904)	(5,801,585)	(7,276,384)
Deductions	343,921,725	369,428,182	180,786,808

C. Status of inventories, etc. (based on the consolidated financial statements)

1) Status of the inventories held

by business division **[SK chemicals]**

The details of the inventories by business division as of the date of preparation of disclosure documents are as follows:

(Reference date: 2025-12-31)

(Unit: KRW 1,000)

Business Division	By account title	The 9th Period	The 8th Period	The 7th Period
	Goods	6,500,505	14,325,200	7,985,309
	Product	172,058,116	126,966,365	114,029,357
	Processed products	42,235,105	28,624,880	36,643,196

Green Chemicals Biz.	Semi-finished products	6,609,542	5,701,615	3,728,799
	Goods in process	3,025,197	2,694,807	4,301,519
	Raw materials	66,481,277	43,261,515	24,482,874
	Stored goods	1,794,098	1,551,410	975,092
	Goods to arrive	27,393,882	40,105,898	29,442,806
	Other	708,426	540,294	684,620
	Subtotal	326,806,148	263,771,984	222,273,572
Life Science Biz.	Goods	42,179,863	29,632,566	21,031,585
	Product	70,843,973	61,869,594	23,951,511
	Processed products	4,539,767	5,499,311	3,951,227
	Semi-finished products	16,002,222	24,133,840	16,175,151
	Goods in process	37,690,928	52,218,122	11,868,856
	Raw materials	97,029,526	97,575,618	43,448,810
	Stored goods	25,712,772	29,323,976	34,217,244
	Goods to arrive	4,550,305	1,238,103	-
	Other	-	223,347	-
	Subtotal	298,549,356	301,714,477	154,644,384
Total		625,355,504	565,486,461	376,917,956
Inventory composition ratio to total assets (%) [Sum of inventory assets ÷ Total assets at the end of the period × 100]		10.3	10.5	9.1
Inventory turnover (number of times) [Annualized cost of sales ÷ {(Stock at beginning of period + Stock at end of period) ÷ 2}]		6.3	3.6	3.0

The details of the inventories as of the date of preparation of disclosure documents are as follows:

<End of the current period>

(Unit: KRW 1,000)

Classification	Acquisition cost	Assessment allowance	Carrying amount
Goods	49,726,929	(1,046,562)	48,680,367
Product	272,211,563	(29,309,474)	242,902,089
Processed products	48,567,644	(1,792,771)	46,774,873
Semi-finished products	30,578,319	(7,966,555)	22,611,764
Goods in process	51,158,351	(10,442,226)	40,716,125
Raw materials	200,080,919	(36,570,116)	163,510,803
Stored goods	44,791,856	(17,284,986)	27,506,870
Goods to arrive	31,944,188	-	31,944,188
Other inventories	708,426	-	708,426
Total (Note 1)	729,768,195	(104,412,690)	625,355,505

(Note 1) The amount of KRW 2,383,931,000 includes costs related to the nature of contract performance (see Note 21).

<End of the previous period>

(Unit: KRW 1,000)

Classification	Acquisition cost	Assessment allowance	Carrying amount
Goods	44,568,229	(610,463)	43,957,766
Product	208,743,687	(19,907,728)	188,835,959
Processed products	35,225,461	(1,101,271)	34,124,190
Semi-finished products	38,700,210	(8,864,755)	29,835,455
Goods in process	70,464,856	(15,551,927)	54,912,929
Raw materials	171,745,555	(30,908,422)	140,837,133
Stored goods	44,249,145	(13,373,759)	30,875,386
Goods to arrive	41,344,001	-	41,344,001
Other inventories	763,642	-	763,642
Total (Note 1)	655,804,786	(90,318,325)	565,486,461

(Note 1) The amount of KRW 8,810,973,000 includes costs related to the nature of contract performance (see Note 21).

[SK bioscience]

(Reference date: 2025-12-31)

(Unit: KRW million)

Business Division	Account title	The 8th Period	The 7th Period	The 6th Period
Vaccines	Goods	3,222	1,117	468
	Product	47,756	44,523	8,061
	Semi-finished products	6,777	14,622	9,703
	Goods in process	32,466	48,273	11,869
	Raw materials	74,303	74,623	18,533
	Stored goods	23,728	27,612	32,015
	Goods to arrive	952	132	-
	Other	-	223	-
	Total	189,203	211,126	80,649
Inventory composition ratio to total assets (%) [Sum of inventory assets ÷ Total assets at the end of the period × 100]		6.4	7.4	4.4
Inventory turnover (number of times) [Annualized cost of sales ÷ {(Stock at beginning of period + Stock at end of period) ÷ 2}]		2.9	1.6	1.7

[SK Multi-Utility]

(Reference date: 2025-12-31)

(Unit: KRW million)

Business Division	Account title	The 5th Period	The 4th Period	The 3rd Period
Supply of utilities such as electricity and steam	Raw materials	16,786	16,206	1,096
	Total	16,786	16,206	1,096
Inventory composition ratio to total assets (%) [Sum of inventory assets ÷ Total assets at the end of the period × 100]		1.7	2.3	0.2

Inventory turnover (number of times) [Annualized cost of sales ÷ {(Stock at beginning of period + Stock at end of period) ÷ 2}]	8.0	14.7	102.4

2) Details of the due diligence of inventories
(including the consolidated major subsidiaries)

[SK chemicals]

(1) Purpose of the inventories' due diligence

- Confirmation of the existence of the inventories as of the date of the statement of financial position
- Presence of a certified public accountant of an external audit firm (Samjong Accounting Corporation) for the due diligence of inventories by the person in charge of each plant as of the end of December

(2) Year-end inventories' due diligence and the due diligence procedures

Place, date, and time	Observer	Performer of due diligence	Note
Ulsan Plant: 2026-01-07	4 persons	7 persons	Due diligence of inventories
Cheongju Plant: 2026-01-05	2 persons	2 persons	Due diligence of inventories
Cheonan Outsourced Warehouse: 2025-12-30	2 persons	2 persons	Due diligence of inventories

(3) Method of due diligence

- Performed the sample surveys by business division and product, and verified the storage certificate for the stocks in storage and in transit
- The external auditor witnessed and confirmed the Company's inventories' due diligence and sampled some of the items to confirm their existence and completeness

(4) Status of long-term accumulated inventories, etc. (based on the consolidated financial statements)

Where the market price of inventories fell below the acquisition cost, the value of the inventories is determined by using the low-cost method, etc., and the evaluative details

of the inventories as of the date of preparation of the disclosure documents are as follows:

(Reference date: 2025-12-31)

(Unit:KRW million)

Account title	Account title	Acquisition cost	Amount held	Assessment allowance	Balance as of the end of the current period
Green Chemicals Biz	1.Products/Goods	235,304	235,304	(14,510)	220,794
	2. Semi-finished products/Goods in process	9,640	9,640	(6)	9,635
	3. Raw materials	66,627	66,627	(145)	66,481
	4. Goods to arrive	27,394	27,394	0	27,394
	5. Other	2,503	2,503	0	2,503
	Subtotal	341,467	341,467	(14,661)	326,806
Life Science Biz.	1.Products/Goods	135,203	135,203	(17,639)	117,564
	2. Semi-finished products/Goods in process	72,096	72,096	(18,403)	53,693
	3. Raw materials	133,454	133,454	(36,425)	97,030
	4. Goods to arrive	4,550	4,550	0	4,550
	5. Other	42,998	42,998	(17,285)	25,713
	Subtotal	388,301	388,301	(89,752)	298,549
Total		729,768	729,768	(104,413)	625,356

[SK bioscience]

(1) Purpose of the inventories' due diligence

- Confirmation of the existence of the inventories as of the date of the statement of financial position
- Presence of a certified public accountant of an external audit firm (Hanyoung Accounting Corporation) for the due diligence of inventories by the person in charge of

each plant as of the end of December

[IDT Biologika]

- Confirmation of the existence of the inventories as of the date of the statement of financial position
- At the physical inventory counts conducted as of the inspection dates by each plant's responsible personnel, auditors from the external audit firm (EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft) were present. Movements in inventories between the inventory count dates and the statement of financial position date were adjusted using a forward calculation approach.

(2) Year-end inventories' due diligence and the due diligence procedures

Place, date, and time	Observer	Performer of due diligence	Note
Andong Plant: 2026-01-08 (Thursday)	2 persons	1 person	Due diligence of inventories
Anseong/Songsan Warehouse: 2026-01-08 (Thursday)	2 persons	2 persons	Due diligence of inventories
IDT Biologika (Dessau) : 2025-11-11 (Tuesday)	2 persons	18 persons	Due diligence of inventories
IDT Biologika (Leipzig) : 2025-11-12 (Wednesday)	1 person	5 persons	Due diligence of inventories

(3) Method of due diligence

- Performed the sample surveys by business division and product
- Verified the storage certificate for the stocks in storage and in transit
- The external auditor witnessed and confirmed the Company's inventories' due diligence and sampled some of the items to confirm their existence and completeness

(4) Status of long-term accumulated inventories, etc.

SK bioscience holds some long-term accumulated stocks (1 year or longer) and has appropriately provisioned allowances for assessment.

(Reference date: 2025-12-31)

(Unit: KRW million)

Classification	Acquisition cost	Assessment allowance	Carrying amount
Goods	3,321	99	3,222
Product	63,989	16,233	47,756
Semi-finished products	14,724	7,947	6,777
Goods in process	42,908	10,442	32,466
Raw materials	110,728	36,425	74,303
Stored goods	40,976	17,248	23,728
Goods to arrive	952	-	952
Total (Note 1)	277,598	88,395	189,203

(Note 1) Includes an amount of KRW 2,384 million in costs related to the nature of contract performance.

[SK Multi-Utility]

(1) Purpose of the inventories' due diligence

- Confirmation of the existence of the inventories as of the date of the statement of financial position
- Presence of a certified public accountant of an external audit firm (Hanyoung Accounting Corporation) for the due diligence of inventories by the person in charge of each plant as of the end of December

(2) Year-end inventories' due diligence and the due diligence procedures

Place, date, and time	Observer	Performer of due diligence	Note
-	-	-	In-house inventory is immaterial at approximately KRW 500 million; accordingly, physical inventory observation was omitted in accordance with the auditor's judgment.

*Of the raw materials amounting to KRW 16.786 billion, KRW 16.286 billion relates to LNG inventories held in custody at nearby terminals.

(3) Method of due diligence

- Performed the sample surveys by the stock of raw materials
- Verified the storage certificate for the stocks in storage and in transit
- The external auditor witnessed and confirmed the Company's inventories' due diligence and sampled some of the items to confirm their existence and completeness

(4) Status of long-term accumulated inventories, etc.

SK Multi-Utility does not hold long-term accumulated

stocks (1 year or longer). The details of the inventories as

of the reference date of the preparation of the report are

as follows:

(Reference date: 2025-12-31)

(Unit: KRW million)

Classification	Acquisition cost	Assessment allowance	Carrying amount
Goods	-	-	-
Product	-	-	-
Semi-finished products	-	-	-
Goods in process	-	-	-
Raw materials	16,786	-	16,786
Stored goods	-	-	-
Goods to arrive	-	-	-
Total	16,786	-	16,786

D. Details of the fair value assessment (based on the consolidated financial statements)

The consolidated companies classify the fair value measurements according to the fair value hierarchy which reflects the significance of the input variables used for the fair value measurement, and the levels of the fair value hierarchy are as follows:

Level 1: (Unadjusted) quoted price level in the active markets for the same

asset or liability Level 2: Inputs to assets or liabilities that are directly or

indirectly observable Level 3: Inputs to assets or liabilities that are not based

on the observable market data
(unobservable input variables)

The fair value measurements for each level of financial instruments as of the end of the reporting period are as follows:

<End of the current period>

(Unit: KRW 1,000)

Classification	Level 1	Level 2	Level 3 (Note 1)	Total
Financial assets				
Assets in derivative financial instruments	-	278,078	7,699,750	7,977,828
Short-term financial assets	-	419,900,411	-	419,900,411
Long-Term Investment Assets	9,642,528	-	196,726,049	206,368,577
Total	9,642,528	420,178,489	204,425,799	634,246,816
Financial liabilities				
Current liabilities in derivative financial instruments	-	416,992	1,014,742	1,431,734
Total	-	416,992	1,014,742	1,431,734

(Note 1) Except as otherwise provided, they consist of unlisted stocks, etc., whose cost can be an appropriate estimate of their fair value (refer to Note 35-3).

<End of the previous period>

(Unit: KRW 1,000)

Classification	Level 1	Level 2	Level 3 (Note 2)	Total
Financial assets				
Assets in derivative financial instruments	-	195	8,784,996	8,785,191
Short-term financial assets	-	611,864,246	-	611,864,246
Long-Term Investment Assets	11,818,800	-	74,016,469	85,835,269
Total	11,818,800	611,864,441	82,801,465	706,484,706
Financial liabilities				

Current liabilities in derivative financial instruments	-	5,191,791	429,063	5,620,854
Total	-	5,191,791	429,063	5,620,854

(Note 1) Except as otherwise provided, they consist of unlisted stocks, etc., whose cost can be an appropriate estimate of their fair value (refer to Note 35-3).

For financial instruments recognized at fair value on a recurring basis, The consolidated companies reassess the classification at the end of each reporting date (based on the lowest level of inputs that are significant to the measurement as a whole) to determine whether there are transfers between levels.

During the current period, there were no changes in the consolidated companies' valuation process, valuation techniques or the types of inputs

IV. Management Diagnosis & Analysis and Opinions of the Directors

1. Cautionary Note Regarding Forward-Looking Information

The activities, events or phenomena expected or predicted by the Company to occur in the future in this Business Report are reflective of the Company's views on the events and financial performance at the time of the preparation of the disclosure documents for the relevant period. This forward-looking information is based on various assumptions related to the future business environment, and these assumptions may turn out to be inaccurate as a result.

Furthermore, these assumptions include risks, uncertainties, and other factors which might cause material differences between the estimates and actual results entered in the forward-looking information. The factors which might cause such material differences include without limitations the factors related to the Company's internal management and the factors related to the external environment.

The Company has no obligation to disclose a amended report that revises the matters

stated in the forward-looking information to reflect the risks or uncertainties that arise after the time of preparation of the forward-looking information.

Consequently, the Company cannot provide the assurance that the results or matters expected by the Company in this Business Report will be realized or that the Company's initially anticipated impact will be materialized in effect. Be advised that the forward-looking information entered in this Report was prepared as of the time of the preparation of this Report, and the Company does not plan to update such risk factors or the forward-looking information.

2. Overview

Since its establishment on December 1, 2017, through a split-off from SK discovery Co., Ltd. (formerly SK chemicals Co., Ltd.), the Company has been consistently achieving stable growth every year based on its two business segments: Green Chemicals Biz. and Life Science Biz. The Company has selected the eco-friendly and healthcare sectors as key areas for next-generation development, continuing to secure core competencies while focusing on improving performance and securing future growth drivers.

In 2025, the global economy experienced heightened uncertainty in the business environment due to escalating trade tensions and geopolitical risks, while the impact of a slowdown in global demand intensified, leading many domestic and international companies to experience adverse business conditions. Despite such an unpredictable environment, the Company was able to maintain a stable revenue and earnings base through efforts to expand its high value-added portfolio centered on the Copolyester business and through external growth in the Pharma business. The subsidiary SK bioscience successfully stabilized the integrated management with IDT Biologika, acquired in 2024, thereby strengthening its external growth and improving its profitability structure, and is also progressing without disruption with R&D for the development of a 21-valent pediatric pneumococcal vaccine lineup, pursuing its goal of becoming a global vaccine company. SK Multi-Utility successfully commenced commercial operations of its LNG/LPG-fired CHP plant in November 2025, thereby establishing a foundation for future growth. In 2025, the Company recorded consolidated revenue of KRW 2.3652 trillion and operating loss of KRW 200 million, while on a separate basis it recorded revenue of KRW 1.4404 trillion and operating profit of KRW 95.7 billion. In 2026, economic uncertainty is expected to persist following the inauguration of the new U.S. administration, driven by intensified trade instability centered on tariffs, the Iran conflict, and foreign exchange risk.

The Company plans to strengthen its profit-generating capability by upgrading its copolyester business and to achieve stable expansion of its Pharma Business, thereby building a sustainable business model that is resilient to external uncertainties. Furthermore, the Company intends to make the results of new businesses such as recycling and SK Multi-Utility more visible and to establish a full-scale turning point in its business portfolio and profit structure.

3. Financial Position and Operating Performance Results

1) Financial position

(Unit:KRW million)

Account	The 9th Period	The 8th Period	Amount of increase	Rate of increase
[Current assets]	2,541,235	2,385,758	155,477	6.5%
[Non-current assets]	3,546,389	2,981,290	565,099	19.0%
Total assets	6,087,624	5,367,048	720,576	13.4%
[Current liabilities]	1,136,095	983,246	152,849	15.5%
[Non-current liabilities]	1,811,090	1,350,836	460,254	34.1%
Total liabilities	2,947,185	2,334,082	613,103	26.3%
[Shares owned by the parent company]	2,259,329	2,200,693	58,636	2.7%
[Non-controlling interest]	881,110	832,273	48,837	5.9%
Total equity	3,140,439	3,032,966	107,473	3.5%
Total liabilities and stockholders' equity	6,087,624	5,367,048	720,576	13.4%

*The 9th period (current period) is the consolidated financial statement prior to being approved by the general meeting of shareholders. Moving forward, if any agenda related to the approval of the financial statements is rejected or revised at an annual general meeting of shareholders, the relevant details and reasons, etc., will be reflected in the amended report.

– On a consolidated basis in 2025, the total assets increased by KRW 720.5 billion (13.4%) from the previous year to KRW 6.0876 trillion. The current assets increased by KRW 155.4 billion (6.5%) while the non-current assets increased by KRW 5.6509 trillion (19.0%). The

principal reasons for the increase in current assets were increases in short-term financial assets and cash and cash equivalents, while the principal reasons for the increase in non-current assets were increases in long-term investment assets and tangible assets.

– The total liabilities increased by KRW 613.1 billion (26.3%) from the previous year to KRW 2.9471 trillion. The current liabilities increased by KRW 152.8 billion (15.5%), while the non-current liabilities increased by KRW 460.2 billion (34.1%). The principal reason for the increase in liabilities is the increase in short-term and long-term borrowings.

– Total equity increased by KRW 720.5 billion (13.4%) compared to the previous year. The equity attributable to the owners of the parent company is KRW 2.2593 trillion, while the non-controlling interest is KRW 881.1 billion.

2) Operating performance results

(Unit:KRW million)

Account	The 9th Period	The 8th Period	Amount of increase	Rate of increase
Sales revenue	2,365,164	1,736,779	628,385	36.2%
Cost of sales	1,866,053	1,340,794	525,259	39.2%
Gross profit	499,111	395,985	103,126	26.0%
Selling and administrative expenses	499,319	441,161	58,158	13.2%
Operating profit (loss)	(207)	(45,176)	44,969	Continued losses
Other income	61,330	42,811	18,519	43.3%
Other expenses	19,130	30,309	(11,179)	-36.9%
Financial income	99,279	97,755	1,524	1.6%
Financial cost	125,368	91,735	33,633	36.7%
Loss on equity method valuation	769	(786)	1,555	Return to profitability
Net profit (loss) before income tax expense	16,673	(27,441)	44,114	Return to profitability
Net income (loss) for the year	27,297	(4,365)	31,662	Return to profitability

*The 9th period (current period) is the consolidated financial statement prior to being approved by the general meeting of shareholders. Moving forward, if any agenda related to the approval of the financial statements is rejected or revised at an annual general meeting of shareholders, the relevant details and reasons, etc., will be reflected in the amended report.

– On a consolidated basis, revenue for 2025 amounted to KRW 2.3651 trillion, an increase of KRW 628.4 billion (36.2%) compared with the previous year. Top-line growth was achieved through expansion of high value-added products in the Green Chemicals Biz. Copolyester business and expansion of in-licensed pharmaceuticals in the Life Science Biz. Pharma business segment. In addition, supported by the acquisition effect of IDT Biologika by its subsidiary SK bioscience and increased revenue and profit resulting from the commencement of stable commercial operations of the SK Multi-Utility combined heat and power plant, a turnaround to net profit was recorded for the year on a consolidated basis.

<Operating performance by business division>

<Current period>

(Unit: KRW 1,000)

Classification	Green Chemicals Biz.	Life Science Biz.	Other	Consolidation procedures	Total
Sales revenue	1,551,420,598	1,139,815,225	12,360,008	(338,431,389)	2,365,164,442
Operating income	92,375,687	(99,471,541)	(4,923,149)	11,811,639	(207,364)
Depreciation (Note 1)	86,434,148	98,340,343	7,380,510	(3,634,399)	188,520,602

<Previous period>

(Unit: KRW 1,000)

Classification	Green Chemicals Biz.	Life Science Biz.	Other	Consolidation procedures	Total
Sales revenue	1,473,610,421	624,775,140	12,625,482	(374,232,141)	1,736,778,902
Operating income	87,094,981	(119,278,528)	5,773,421	(18,765,442)	(45,175,568)
Depreciation (Note 1)	73,864,274	56,355,883	7,963,735	(2,635,042)	135,548,850

3) Details of the new businesses

The Company plans to proactively respond to the rapidly changing market by expanding

the recycling business. To this end, the Company established its overseas subsidiary Shuye-SK Huanbo Materials (Shantou) Co., Ltd. to secure CR-PET materials and CR raw materials (r-BHET), and is proceeding without disruption in establishing the RIC (Recycle Innovation Center) to complete vertical integration of the business value chain and position the business as a new growth driver.

For further details regarding the new business, refer to [II. Business Description - 7. Other Matters of Reference - (4) New businesses, etc.].

4) Reorganization

In 2025, the Company implemented an organizational restructuring to achieve its management strategy by optimizing its organizational structure, simplifying and streamlining the organization to enhance execution capabilities, and reorganizing the roles and responsibilities of each division. Through these efforts, the Company aims to clarify the roles of each responsible organization, thereby enhancing collaboration-based innovation and synergy creation, and advancing business sophistication and professional expertise.

5) Effect of the exchange rate fluctuations

Exchange risk is the risk where the fair value of financial instruments or future cash flows will fluctuate due to the fluctuations in the exchange rates. The carrying amounts of monetary assets and liabilities denominated in foreign currencies other than the functional currency as of the end of the reporting period are as follows:

(Unit: KRW 1,000)

Classification	End of the Current Period		End of the Previous Period	
	Assets	Liabilities	Assets	Liabilities
USD	65,507,902	104,990,779	196,775,227	126,302,582
CNY	2,799,687	1,325,065	17,862,458	6,731,967
EUR	70,236,897	178,794,502	197,158,050	124,106,723
GBP	624,594	-	2,678	36,420
JPY	1,471,353	192,235	4,036,668	-
Other	484,199	3,733	666,270	-
Total	141,124,632	285,306,314	416,501,351	257,177,692

(Note 1) The foreign currency borrowings and foreign currency bonds for which currency swaps are executed are excluded since they are not exposed to the exchange risk.

As of the end of the reporting period, if the exchange rate of the functional currency for each foreign currency fluctuates by 5%, the effect on the profit and loss before tax for the current period and the previous period is as follows:

(Unit: KRW 1,000)

Classification	End of the Current Period		End of the Previous Period	
	5% increase	5% decrease	5% increase	5% decrease
USD	(1,974,144)	1,974,144	3,523,632	(3,523,632)
CNY	73,731	(73,731)	556,525	(556,525)
EUR	(5,427,880)	5,427,880	3,652,566	(3,652,566)
GBP	31,230	(31,230)	(1,687)	1,687
JPY	63,956	(63,956)	201,833	(201,833)
Other	24,023	(24,023)	33,314	(33,314)
Total	(7,209,084)	7,209,084	7,966,183	(7,966,183)

4. Liquidity, Financing and Expenditure

1) Status of borrowings, etc.

(1) The details of the bonds and borrowings as of the end of the reporting period are as follows:

(Unit: KRW 1,000)

Classification	End of the Current Period	End of the Previous Period
Short-term borrowings	326,461,547	303,095,328
Current portion of long-term liabilities:		
Current portion of bonds payable	119,932,525	94,970,000
Current portion of long-term borrowings	31,489,142	32,427,424
Sub total	151,421,667	127,397,424
Debenture	269,388,242	219,404,969
Exchangeable bonds	196,758,076	-
Long-term borrowings	1,195,636,617	983,815,255
Total	2,139,666,149	1,633,712,976

(2) The details of the short-term borrowings as of the end of the reporting period are as follows:

(Unit: KRW 1,000)

Lender	Details	Annual interest rate as of the end of the current period (%)	End of the Current Period	End of the Previous Period
Hana Bank, etc.	General borrowings from banks	2.80 - 4.80	271,134,575	237,745,070
Nonghyup Bank	Credit facility limit	4.04	6,000,000	-
Hana Bank, etc.	Trade receivable discounts	1.87 - 5.40	49,326,972	15,350,258
Shinhan Bank, etc.	Commercial paper (CP)	-	-	50,000,000
Total			326,461,547	303,095,328

(3) The details of the bonds as of the end of the reporting period are as follows:

(Unit: KRW 1,000)

Classification	Date of maturity	Annual interest rate as of the end of the current period (%)	End of the Current Period	End of the Previous Period
The 13-2nd public placement bonds	2025-02-24	-	-	95,000,000
The 13-3rd public placement bonds	2026-02-24	4.60	70,000,000	70,000,000
The 14-1st public placement bonds	2026-04-24	4.08	50,000,000	50,000,000
The 14-2nd public placement bonds	2027-04-26	4.17	100,000,000	100,000,000
The 15-1st public placement bonds	2027-01-29	3.14	70,000,000	-
The 15-2nd public placement bonds	2028-01-31	3.31	100,000,000	-
Total			390,000,000	315,000,000
(Deducted: discount on bonds premium)			(679,233)	(625,031)

(Deducted: current portion of bonds payable)	(119,932,525)	(94,970,000)
Deductions	269,388,242	219,404,969

(4) Details of exchangeable bonds outstanding as of the end of the current period are as follows:

(Unit: KRW 1,000)

Classification	Date of Issuance	Date of maturity	Interest rate (%)	End of the Current Period
The 1st exchangeable bonds	2025-10-20	2030-10-20	0.00	220,000,000
(Deducted: discount on bonds premium)				(473,888)
(Deducted: Voucher adjustment)				(22,768,036)
Deductions				196,758,076

(4-1) The terms and conditions of the exchangeable bonds are as follows:

Classification	First bearer exchangeable bonds, 1st issue
Gross proceeds from issuance or sale	KRW 220 billion (100% of the face value)
Outstanding balance	KRW 220 billion
Coupon interest rate	0.00%
Guaranteed yield at maturity	0.00% per annum
Option Terms	The bondholder may request early redemption of all or part of the principal amount of the bonds on October 20, 2028, being the date falling three years from the issue date of the bonds, and on each date every three months thereafter (the "Early Redemption Date").

Major causes of adjustment to the exchange price	(1) If the target company (i) conducts a capital increase with consideration, bonus issue, stock dividend, capitalization of reserves, or similar transaction at an issue price below market value, or (ii) issues convertible bonds, bonds with warrants, or other equity-linked bonds with a conversion price or exercise price below market value. (2) If the exchange target company undergoes a division or merger, or if the exchange target shares are subject to a share split or similar event, the exchange price shall be adjusted so that the value corresponds to the number of shares the bondholder would have been entitled to receive had the exchange right been exercised prior to the occurrence of such event. (3) If an event occurs that increases the share value of the exchange target company, such as a capital reduction or share consolidation of the exchange target shares, the exchange price shall be adjusted upward by the corresponding ratio of such capital reduction, share consolidation, or similar event. (4) No adjustment to the exchange price under this paragraph shall be made on the basis of fluctuations in the fair value of the shares subject to exchange.
Shares for exchange (Note 1)	3,822,430 registered common shares of SK bioscience Co., Ltd.
Exchange price (KRW/share)	KRW 57,555
Period of conversion claim:	From November 20, 2025 to September 20, 2030
Exchange ratio	100.00%

(Note 1) As of the end of the current period, if 100% of the exchangeable shares are exchanged, the Company's effective ownership interest in SK bioscience Co., Ltd. may change from 66.37% to 61.50%.

(5) The details of the long-term borrowings as of the end of the reporting period are as follows:

(Unit: KRW 1,000)

Lender	Details	Annual interest rate as of the end of the current period (%)	End of the Current Period	End of the Previous Period
Hana Bank, etc.	Facility capital loan	-	-	24,660,950
Woori Bank	Facility capital loan	4.43	130,000,000	80,000,000
Korea Development Bank, etc.	Acquisition financing	3.88	123,971,322	112,239,984
Agricultural Bank of China, etc.	General capital loan	3.00 - 5.83	314,999,803	295,341,745
Kookmin Bank	Project financing loan	4.57 - 5.10	660,000,000	504,000,000
Sub total			1,228,971,125	1,016,242,679
(Deducted: Discount on present value adjustment)			(1,845,366)	-
(Deducted: Current portion of long-term borrowings)			(31,489,142)	(32,427,424)
Deductions			1,195,636,617	983,815,255

2) Annual repayment plan for borrowings, etc.

The Company manages the risks arising from a lack of funds through the liquidity strategies and plans, and matches the maturities of financial assets and liabilities by considering the maturities of financial instruments and estimates of the operating cash flows.

The undiscounted contractual amounts for repayment plan for each financial liability for the current and previous periods are as follows:

<Current period>

(Unit: KRW 1,000)

Classification	Less than 1 year	2 years or less	5 years or less	Over 5 years	Total
Trade and other payables (Note 1)	369,971,976	-	-	-	369,971,976
Short-term borrowings (Note 2)	328,968,266	-	-	-	328,968,266
Current portion of long-term liabilities (Note 2)	187,396,098	-	-	-	187,396,098
Current liabilities in derivative financial instruments	1,431,734	-	-	-	1,431,734
Current portion of lease liabilities (Note 3)	7,490,510	-	-	-	7,490,510
Other current liabilities (Note 4)	3,203,465	-	-	-	3,203,465
Debenture (Note 2)	9,678,100	174,807,381	320,280,868	-	504,766,349
Long-term borrowings (Note 2)	20,105,746	108,305,110	681,137,212	747,826,351	1,557,374,419
Lease liabilities (Note 3)	-	3,703,709	5,014,914	17,114,318	25,832,941
Total	928,245,895	286,816,200	1,006,432,994	764,940,669	2,986,435,758

(Note 1) Accrued expenses related to employee benefit plans and taxes and dues are excluded, as they are not subject to financial instruments disclosure.

(Note 2) Included are the interest expenses.

(Note 3) Lease liabilities correspond to the liabilities recognized in accordance with K-IFRS No. 1116.

(Note 4) They are the deposits received and unpaid dividends.

<Previous period>

(Unit: KRW 1,000)

Classification	Less than 1 year	2 years or less	5 years or less	Over 5 years	Total
Trade and other payables	307,560,156	-	-	-	307,560,156
Short-term borrowings (Note 2)	306,923,993	-	-	-	306,923,993
Current portion of long-term liabilities (Note 2)	141,819,368	-	-	-	141,819,368
Current liabilities in derivative financial instruments	5,620,854	-	-	-	5,620,854
Current portion of lease liabilities	7,999,427	-	-	-	7,999,427
Other current liabilities (Note 1)	2,877,252	-	-	-	2,877,252
Debenture (Note 2)	-	125,387,584	101,390,333	-	226,777,917
Long-term borrowings (Note 2)	51,716,236	123,129,392	648,944,288	530,759,530	1,354,549,446
Lease liabilities	-	4,504,214	5,430,026	18,359,819	28,294,059
Total	824,517,286	253,021,190	755,764,647	549,119,349	2,382,422,472

(Note 1) They are deposits received and unpaid dividends.

(Note 2) Included are the interest expenses.

3) Matters concerning liquidity

As of the end of 2025, the consolidated companies' cash and cash equivalents amount to KRW 567.6 billion, and with the maturities of borrowings well diversified, the likelihood of liquidity risk is limited.

(Unit: KRW 1,000)

Classification	Current period	Previous period
Cash flows from operating activities	235,905,766	(89,345,890)
Cash flows from investment activities	(684,527,136)	(157,328,639)
Cash flows from financing activities	462,617,320	379,974,961
Net cash flows	13,995,950	133,300,433

5. Off-Balance Sheet Transactions

For the matters related to the Company's off-balance sheet transactions, refer to "XI. Other Matters Required for Investor Protection - 2. Matters concerning contingent liabilities."

6. Other Matters Required for Investment Decisions

1) Matters concerning important accounting policies and estimates

– For the matters related to the Company's important accounting policies and estimates, refer to "III. Matters Concerning Finance - 3. Notes to the Consolidated Financial Statements and 8. Other Matters Concerning Finance" or the attached Notes to the Consolidated Audit Report

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2) Matters concerning environment and employees

– For the matters concerning the environment related sanctions and administrative measures, etc., refer to "XI. Other Matters Required for the Investor Protection - 3. Matters Related to Sanctions, Etc."

– There were no significant employee related changes during the current period, such as the transfer of key personnel.

3) Matters concerning the regulation under laws and regulations

– For an overview of key legal and regulatory issues related to the Company's business, refer to "XI. Other Matters Required for the Investor Protection - 3. Matters Related to Sanctions, Etc."

4) Matters related to derivatives and risk management policies

– For the matters related to the Company's important accounting policies and estimates, refer to "II. Business Description - 7. Status of Transactions such as Derivatives and Put Back Options (including Major Consolidated Subsidiaries) - 1) Derivatives."

V. Audit Opinion of the Auditor, Etc.

1. Matters Concerning External Audit

A. Auditor's name and audit opinion

Business Year	Classification	Auditor	Auditor's opinion	Reasons for modification of the opinion	Significant uncertainties related to going operations	Emphasis of matter	Key matters of audit
The 9th period (current period)	Audit report	Samjong Accounting Corporation	Unqualified opinion	-	-	-	Time-specific export sales Valuation of inventories
	Consolidated audit report	Samjong Accounting Corporation	Unqualified opinion	-	-	-	Inventory valuation
The 8th period (previous period)	Audit report	Ernst & Young Han Young	Unqualified opinion	-	-	-	Time-specific export sales Valuation of inventories
	Consolidated audit report	Ernst & Young Han Young	Unqualified opinion	-	-	-	Inventory valuation
The 7th period (period before previous period)	Audit report	Ernst & Young Han Young	Unqualified opinion	-	-	-	Time-specific export sales Valuation of inventories
	Consolidated audit report	Ernst & Young Han Young	Unqualified opinion	-	-	-	Time-specific export sales Valuation of inventories

B. Status of the execution of audit services

(Unit: KRW million, hour)

Business Year	Auditor	Details	Details of audit contract		Details of actual audit performed	
			Remuneration	Hours	Remuneration	Hours
The 9th period (current period)	Samjong Accounting Corporation	Review and audit of the financial statements	649	5,500	649	5,537

The 8th period (previous period)	Ernst & Young Han Young	Review and audit of the financial statements	490	4,810	490	4,843
The 7th period (period before previous period)	Ernst & Young Han Young	Review and audit of the financial statements	510	5,100	510	4,950

(The 9th Audit Period)

Classification	Schedule	
Q1 of the 9th period	Separately reviewed	2025-04-16 — 2025-04-22
	Reviewed on a consolidated basis	2025-04-23 — 2025-04-29
Q2 of the 9th period	Separately reviewed	2025-07-16 — 2025-07-22
	Reviewed on a consolidated basis	2025-07-30 — 2025-08-06
Q3 of the 9th period	Separately reviewed	2025-10-17 — 2025-10-23
	Reviewed on a consolidated basis	2025-10-24 — 2025-10-30
Q4 of the 9th period	Separately reviewed	2026-01-20 — 2026-01-23
	Reviewed on a consolidated basis	2026-02-06

C. Status of the contracts for non-audit services executed with the auditor

Business Year	Contract Execution Date	Details of services	Period of service performance	Remuneratio n for services	Note
The 9th period (current period)	-	-	-	-	-
	-	-	-	-	-
The 8th period (previous period)	-	-	-	-	-
	-	-	-	-	-
The 7th period (period before previous period)	-	-	-	-	-
	-	-	-	-	-

D. Status of contracts for non-audit services with the audit firm's network firms

Business Year	Network accounting firm name	Contract Execution Date	Details of services	Period of service performance	Remuneration for services	Note
The 9th period (current period)	-	-	-	-	-	-
	-	-	-	-	-	-
The 8th period (previous period)	-	-	-	-	-	-
	-	-	-	-	-	-
The 7th period (period before previous period)	-	-	-	-	-	-
	-	-	-	-	-	-

E. Details of the discussions by and between the internal audit organization and the auditor

Classification	Date	Attendees	Method	Key details discussed
1	2023-01-22	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Results of the audit of financial statements and internal audit for the fiscal year of 2022
2	2023-05-24	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- 2023 audit performance plan
3	2023-08-23	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Review results for Q2 2023 and internal accounting control system audit progress status
4	2023-11-22	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Review results for Q3 2023 and internal accounting control system audit progress status
5	2024-02-21	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Audit results for 2023 and internal accounting control system audit progress status
6	2024-05-22	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- 2024 audit performance plan
7	2024-08-21	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Review results for Q2 2024 and internal accounting control system audit progress status
8	2024-11-27	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Review results for Q3 2024 and internal accounting control system audit progress status
9	2025-02-20	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Report on the audit results for the 2024 fiscal year
10	2025-05-22	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Review results for Q1 2025

11	2025-08-21	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Review results for Q2 2025, progress of the audit of internal accounting control system, and audit plans
12	2025-11-19	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Review results for Q3 2025
13	2026-02-27	Audit Committee / Accounting Team and External Audit Team	Non-face-to-face meeting	- Report on the results of the audit for the fiscal year 2025

F. Change of auditor

– Not applicable

G. Audit opinion of the auditor for the subsidiary

– Not applicable

H. Change of the auditor for the subsidiary

Subsidiary	Fiscal year of change	Before change	After change	Reason for the Relevant Change Made
SK Multi-Utility Co., Ltd.	2025	Ernst & Young Han Young	Samjong Accounting Corporation	Newly appointed

2. Matters Concerning Internal Controls

Our external auditor conducted an audit of the internal accounting control system as of December 31, 2025. [Audit opinion] As of December 31, 2025, the Company's internal accounting control system is effectively designed and operated from the perspective of materiality in line with the "Conceptual System for the Design and Operation of the Internal Accounting Control System."

The Company conducts an annual audit of its internal accounting control system.

Business Year	Auditor	Review opinion and audit opinion	Matters pointed out
The 9th period (current period)	Samjong Accounting Corporation	[Audit opinion] As of December 31, 2025, the Company's internal accounting control system is effectively designed and operated from the perspective of materiality in line with the "Conceptual System for the Design and Operation of the Internal Accounting Control System."	Not applicable
The 8th period (previous period)	Ernst & Young Han Young	[Audit opinion] As of December 31, 2024, the Company's internal accounting control system is effectively designed and operated from the perspective of materiality in line with the "Conceptual System for the Design and Operation of the Internal Accounting Control System."	Not applicable
The 7th period (period before previous period)	Ernst & Young Han Young	[Audit opinion] As of December 31, 2023, the Company's internal accounting control system is effectively designed and operated from the perspective of materiality in line with the "Conceptual System for the Design and Operation of the Internal Accounting Control System."	Not applicable

A. Management's assessment of the effectiveness of internal accounting control system

Business Year	Classification	Operational status report Date of declaration	Evaluation result:	Material weakness	Corrective action plans, etc.
The 9th period (current period)	Internal accounting control system	2026-02-27	It is assessed that the system is effectively designed and operated from a materiality perspective.	-	-
	Internal accounting control system for consolidation	-	-	-	-
The 8th period (previous)	Internal control management system	2025-02-20	It is assessed that the system is effectively designed and operated from a materiality perspective.	-	-

period)	Internal accounting control system for consolidation	-	-	-	-
The 7th period (period before previous period)	Internal control management system	2024-02-21	It is assessed that the system is effectively designed and operated from a materiality perspective.	-	-
	Internal accounting control system for consolidation	-	-	-	-

B. Results of the audit (committee) assessment of the effectiveness of internal accounting control system

Business Year	Classification	Evaluation report date	Evaluation result:	Material weakness	Corrective action plans, etc.
The 9th period (current period)	Internal accounting control system	2026-03-05	It is assessed that the system is effectively designed and operated from a materiality perspective.	-	-
	Internal accounting control system for consolidation	-	-	-	-
The 8th period (previous period)	Internal control management system	2025-03-04	It is assessed that the system is effectively designed and operated from a materiality perspective.	-	-
	Internal accounting control system for consolidation	-	-	-	-
The 7th period (period before previous period)	Internal control management system	2024-03-06	It is assessed that the system is effectively designed and operated from a materiality perspective.	-	-
	Internal accounting control system for consolidation	-	-	-	-

C. Auditor's opinion on the internal accounting control system (review conclusion)

Business Year	Classification	Auditor	Type (Audit/Review)	Audit opinion or review conclusion	Matters pointed out	The Company's response measures
The 9th period (current period)	Internal accounting control system	Samjong Accounting Corporation	Auditor	Unqualified opinion	-	-
	Internal accounting control system for consolidation	-	-	-	-	-
The 8th period (previous period)	Internal accounting control system	Ernst & Young Han Young	Auditor	Unqualified opinion	-	-
	Internal accounting control system for consolidation	-	-	-	-	-
The 7th period (period before previous period)	Internal accounting control system	Ernst & Young Han Young	Auditor	Unqualified opinion	-	-
	Internal accounting control system for consolidation	-	-	-	-	-

D. Status of personnel in the internal control management and operations organization, as well as the retention of certified public accountants

Affiliated institution or department	Total number of employees	Certified public accountant qualifications of the personnel responsible for internal control over financial reporting			The average years of experience of the personnel responsible for internal control over financial reporting
		Number of personnel responsible for internal control over financial reporting (A)	Number of certified public accountant license holders (B)	Ratio (B/A*100)	
Audit Committee	4	4	0	0	46
Board of directors meeting	7	7	0	0	53
Accounting department	10	10	0	0	34
IT operations department	23	23	0	0	63
Treasury department	5	5	0	0	61

E. Experience and training achievements of the accounting personnel

Rank (Position)	Name	Registration status of the accounting personnel	Professional experience (Unit: years, months)		Training performance (Unit: hours)	
			Years of service	Accounting-related experience	Current period	Cumulative
Internal Accounting Management	Jeong Hae Wook	Registered	24	23	1	6

(Chief accounting officer)						
Accounting personnel	Kim Dong Hui	Registered	8	14	4	9

*The years of service are based on the employee's date of joining the company.

VI. Matters Concerning the Company's Organizations Such as the Board of directors

1. Matters Concerning the Board of Directors

A. Overview of the board of directors' structure

As of the date of preparation of the disclosure documents, the board of directors of the Company consists of 2 inside directors, 4 outside directors, and 1 non-executive director. The board of directors operates the Audit Committee, the Outside Director Candidate Nomination Committee, the ESG Committee, and the Human Resources Committee, and other committees such as the Finance Committee can be formed later if needed. Furthermore, the entire Audit Committee consists of outside directors.

(Reference date: 2025-12-31)

Number of persons	Inside director	Outside director	Non-executive director
Total: 7 directors	Kim Cheol, Ahn Jae Hyun	Park Tae Jin (Note 1), Moon Sung Hwan, Cho Hong Hee, and Choi Sun Mee	Son Hyeon Ho (Note 2)

(Note 1) Outside Director Park Tae Jin was newly appointed at the 8th annual general meeting of shareholders which was held on March 26, 2025.

(Note 2) Non-Executive Director Son Hyeon Ho was newly appointed at the 8th annual general meeting of shareholders which was held on March 26, 2025.

(Outside directors and the status of their changes)

The status of changes from the date of commencement of the business year in which the

reference date of preparation of disclosure documents belongs until the date of submission of disclosure documents is as follows:

(Unit: Number of persons)

Number of directors	Number of outside directors	Status of changes in the outside directors		
		Appointment	Dismissal	Early resignation
7	4	1	-	-

*The terms of Outside Director Park Jung Soo and Non-Executive Director Jeon Kwang Hyun ended at the conclusion of the 8th annual general meeting of shareholders held on March 26, 2025, and Outside Director Park Tae Jin was newly appointed.

1) Details of the authorities of the board of directors

- The Board decides on the matters provided under the laws or the Articles of Incorporation, matters delegated by the general meeting of shareholders, and the important matters related to the Company's basic management policies and business execution.
- The Board oversees the business execution by and of the directors.

Classification	Key details
Authorities of the board of directors	1. Matters determined by the authorities of the board of directors under the laws (Commercial Act, Financial Investment Services and Capital Markets Act, and Fair Trade Act, etc.) and the Articles of Incorporation 2. Matters of major decision-making for the Company (Board regulations) - Matters concerning the general meeting of shareholders - Matters concerning the management - Matters concerning finance - Matters related to human resource and organizational management - Other important matters of management

B. Matters of important resolutions, etc.

(2025)

Meeting number	Date convened	Agenda	Inside directors		Outside directors					Non-executive directors	
			Kim Cheol	Ahn Jae Hyun	Moon Sung Hwan	Park Jung Soo (Note 1)	Cho Hong Hee	Choi Sun Mee	Park Tae Jin (Note 2)	Jeon Kwang Hyun (Note 1)	Son Hyeon Ho (Note 2)
			(rate of attendance: 92.9%)	(rate of attendance: 100%)	(rate of attendance: 100%)	(rate of attendance: 100%)	(rate of attendance: 100%)	(rate of attendance: 92.9%)	(rate of attendance: 100%)	(rate of attendance: 100%)	(rate of attendance: 100%)
			Whether approved or disapproved								
1st	2025-01-22	1. Signing of building lease agreement (amendment) 2. Plan on health and safety in 2025 *Reported Matters ① Report on major management status	Approved Approved -	Approved Approved -	Approved Approved -	Approved Approved -	Approved Approved -	Approved Approved -	Not applicable	Approved Approved -	Not applicable
2nd	2025-02-07	1. Approval of financial statements and business reports for the 8th period 2. Approval of year-end dividends and setting of the record date for the 8th period *Reported Matters ① Report on 2024 business performance results and 2025 business plans ② Report on the progress of key strategic initiatives for SKBS	Approved Approved - -	Approved Approved - -	Approved Approved - -	Approved Approved - -	Approved Approved - -	Approved Approved -		Approved Approved -	
3rd	2025-03-04	1. Granting of stock option (Eligible: Ahn Jae Hyun) 2. Convening of the annual general meeting of shareholders and confirmation of the agenda *Reported Matters ① Report on the operation status of the internal accounting control system in 2024 ② Report on the assessment results regarding the operation of the internal accounting control system in 2024	Approved Approved - -	Approved Approved - -	Approved Approved - -	Approved Approved - -	Approved Approved - -	Approved Approved -		Approved Approved -	
4th	2025-03-26	1. Appointment of committee member in the board of directors 2. Establishment of regulations on the remuneration of outside directors 3. Approval of outside directors' remuneration for 2025 *Reported Matters ① Report on evaluation results for board of directors' operation in 2024 ② Report on the results of the committee activities ③ Report on compliance activities in 2024	Approved Approved Approved - - -	Approved Approved Approved - - -	Approved Approved Approved - - -	Not applicable	Approved Approved Approved - - -	Approved Approved Approved - - -	Approved Approved Approved - - -	Not applicable	Approved Approved Approved - - -
5th	2025-04-16	1. Execution of a land sale agreement with SK Broadband	Absent	Approved	Approved		Approved	Approved	Approved		Approved
6th	2025-04-23	1. Disposal of treasury shares acquired in connection with the sale of the bioenergy business *Reported Matters ① Report on Q1 management performance and Q2 management plan ② Report on the progress of PF refinancing for subsidiary (MU) ③ Status of business operations for subsidiary (MU)	Approved - - -	Approved - - -	Approved - - -		Approved - - -	Approved - - -	Approved - - -		Approved - - -

7th	2025-05-28	1. Execution of a shareholders' agreement related to PF refinancing of subsidiary (MU) *Reported Matters ① Plan for fulfillment of remaining capital contribution obligation of subsidiary (MU) ② Progress of the recycling business initiative	Approved - -	Approved - -	Approved - -	Approved - -	Approved - -	Approved - -	Approved - -
8th	2025-06-25	1. Fulfillment of remaining capital contribution obligation of subsidiary (MU)	Approved	Approved	Approved	Approved	Approved	Approved	Approved
		2. Signing of building lease agreement (amendment) *Reported Matters ① Report on the results of the committee activities ② Review of the CEO KPIs for the first half of 2025	Approved - -	Approved - -	Approved - -	Approved - -	Approved - -	Approved - -	Approved - -
9th	2025-07-23	1. Interim dividend (dividend amount, record date) 2. Directors and officers (D&O) liability insurance 3. Revision of compliance control standards *Reported Matters ① Report on the operation of the compliance management system ② First-half management performance and second-half management plan	Approved Approved Approved - -	Approved Approved Approved - -	Approved Approved Approved - -	Approved Approved Approved - -	Approved Approved Approved - -	Approved Approved Approved - -	Approved Approved Approved - -
10th	2025-08-27	1. Signing of a service agreement with SK Gas *Reported Matters ① Report on the progress of the SKBS project implementation	Approved - -	Approved - -	Approved - -	Approved - -	Approved - -	Approved - -	Approved - -
11th	2025-09-19	1. Issuance of exchangeable bonds *Reported Matters ① Report on the results of the committee activities	Approved - -	Approved - -	Approved - -	Approved - -	Absent - -	Approved - -	Approved - -
12th	2025-10-22	1. Signing of lease agreement with SK Gas *Reported Matters ① Report on Q3 management performance and Q4 management plan ② Report on progress of the Pharma Business ③ Report on the results of the Human Resources Committee	Approved - - -	Approved - - -	Approved - - -	Approved - - -	Approved - - -	Approved - - -	Approved - - -
13th	2025-11-26	*Reported Matters ① Review of asset securitization cases ② Report on compliance effectiveness assessment results ③ Report on reorganization and appointment of executives	- - -	- - -	- - -	- - -	- - -	- - -	- - -
14th	2025-12-10	1. Changes in the committee and DX Lab operational agreement, etc. 2. Appointment of compliance officer *Reported Matters ① Report on the results of the committee activities ② 2026 CEO KPI ③ 2026 CEO individual compensation	Approved Approved - - -	Approved Approved - - -	Approved Approved - - -	Approved Approved - - -	Approved Approved - - -	Approved Approved - - -	Approved Approved - - -

(Note 1) The terms of Outside Director Park Jung Soo and Non-Executive Director Jeon Kwang Hyun expired at the conclusion of

the 8th Annual General Meeting of Shareholders held on March 26, 2025. (Note 2) Outside Director Park Tae Jin and Non-

Executive Director Son Hyeon Ho were appointed at the 8th Annual General Meeting of Shareholders held on March 26, 2025.

(Note 3) This matter is related to the approval of self-dealing. For further details, please refer to the information below.

Target company	Major shareholders	Date of resolution	Matters of approval
SK Plasma Co., Ltd.	SK discovery Co., Ltd.	2025-01-22	1. Signing of building lease agreement (amendment) - Amendment of the size of the lease area in the lease agreement previously entered into with the tenant, SK Plasma - Change in the office lease area size (increase) for Eco Lab
SK Plasma Co., Ltd.	SK discovery Co., Ltd.	2025-06-25	1. Signing of building lease agreement (amendment) - Delegation of decision-making regarding modifications to the lease agreement previously entered into with lessee SK Plasma and modifications below a certain threshold (20%) - Change in the office lease area size (increase) for Eco Lab
SK Gas Co., Ltd.	SK discovery Co., Ltd.	2025-08-27	1. Signing of a service agreement with SK Gas - Background and purpose: SCM (Supply Chain Mgmt.) of the Copoly business Consulting service contract to derive directions for improving demand planning accuracy through upgrades
SK Gas Co., Ltd.	SK discovery Co., Ltd.	2025-10-22	1. Signing of lease with SK Gas - Background and purpose: Improvement of the working environment through the relocation of the Pharma Business to the ECO Hub

*These are the details of the agenda of the board held from the date of the start of the business year in which the reference date of the preparation of disclosure documents belongs until the reference date.

*Matters of reference <Results of evaluation of the board activities in 2025 (self-evaluation)>

In January 2026, an evaluation of the board activities was conducted targeting outside directors, and the improvement needs revealed as a result of the evaluation will be actively reflected.

- Evaluation cycle: Conducted annually at the beginning of the year (covers the BOD's operations up to the end of the previous business year)
- Evaluation method and who conducts the evaluation: Individually evaluated by all outside directors (4) using a 6-item, 25-question questionnaire (5-point scale)
- Overall evaluation results: 4.9 points (out of 5 points)
-

*Evaluation items

Classification	Evaluation items (25 in total)	Evaluation results (points)
Structure of the board	- Adequacy of size	4.8
	- Expertise/experience	
	- Independence	
Role of the board	- Establish the company vision and strategy	4.9
	- Adequacy of the scope of authorities	
	- Advice to the management	
	- Enhance corporate value	
	- Risk management	

Responsibilities of the board	- Supervision of management performance	4.7
	- Confidentiality	
	- Corporate governance	
	- Corporate social responsibility	
Operation of the board	- Adequacy of the number of meetings held/agendas	4.9
	- Usefulness of management data	
	- Participation of directors	
	- Adequacy of discussions	
	- Provision of education	
	- Information collection	
Structure of the committee:	- Adequacy of the structure	4.9
	- Structure of members	
Roles/operation of the committees	- Adequacy of roles	5.0
	- Adequacy of the number of meetings held	
	- Information provision and adequacy of discussions	
Overall evaluation results:		4.9

C. Committees within the board of directors

1) Audit Committee

As for the Audit Committee, refer to "VI. Matters Concerning the Company's Organizations Such as the board of directors - 2. Matters concerning the audit system."

2) Outside Director Candidate Nomination Committee

As for the Outside Director Candidate Nomination Committee, refer to "VI. Matters Concerning the Company's Organizations Such as the board of directors - 1. Matters concerning the board of directors - D. Independence of the directors."

3) ESG Committee

– Chairman: Outside Director Park Tae Jin

- Structure of the Committee: 1 inside director (Ahn Jae Hyun), 2 outside directors (Park Tae Jin and Choi Sun Mee) - Purpose of installation and scope of authority: Conduct advance review of the key ESG related matters across business management
- Details of activities

(2025)

Name of committee	Date convened	Agenda	Whether approved	Park Tae Jin (rate of attendance: 100%)	Ahn Jae Hyun (rate of attendance: 100%)	Choi Sun Mee (rate of attendance: 100%)
				Whether approved or disapproved		
ESG Committee	2025-03-26	1. Appointment of the chairperson of the ESG Committee	Approved	Approved	Approved	Approved
	2025-04-01	1. Analysis of ESG assessment results and derivation of improvement tasks 2. Report on the materiality assessment results for 2024	Reported	-	-	-
	2025-06-25	1. Publication of the 2024 Sustainability Report 2. Publication of the 2025 TNFD Report	Reported	-	-	-
	2025-12-04	1. 2025 ESG performance and 2026 plans	Reported	-	-	-

4) Human Resources Committee

- Chairman: Outside Director Moon Sung Hwan
- Structure of the Committee: 2 outside directors (Moon Sung Hwan and Cho Hong Hee), and 1 non-executive director (Jeon Kwang Hyun)
- Purpose of establishment & authorities: Evaluating the CEO and whether to retain him or her, reviewing the appropriateness of the compensation of the inside directors, and reviewing the results of the evaluation of key executives and the determination of compensation levels
- Details of activities

(2025)

Name of committee	Date convened	Agenda	Whether approved	Moon Sung Hwan (rate of attendance: 100%)	Cho Hong Hee (rate of attendance: 100%)	Jeon Kwang Hyun (Note 1) (rate of attendance: 100 %)	Son Hyeon Ho (Note 2) (rate of attendance: 100%)
				Whether approved or disapproved			

Human Resources Committee	2025-02-20	1. Granting of stock option (eligible: Ahn Jae Hyun)	Approved	Approved	Approved	Approved	Not applicable
	2025-06-19	1. Report on the CEO KPI interim review assessment for first half of 2025	Approved	Approved	Approved	Not applicable	Approved
	2025-10-21	1. Review of CEO evaluation 2. Review of whether the CEO will remain in office	Approved	Approved Approved	Approved Approved		Approved Approved
	2025-12-09	1. Review of CEO KPIs for 2026 2. Review of the CEO's individual remuneration	Approved Approved	Approved Approved	Approved Approved		Approved Approved

(Note 1) Non-Executive Director Jeon Kwang Hyun's term expired at the conclusion of the 8th Annual General

Meeting of Shareholders held on March 26, 2025. (Note 2) Non-Executive Director Son Hyeon Ho was appointed

at the 8th Annual General Meeting of Shareholders held on March 26, 2025.

D. Independence of Directors

1) Independence standards for the election of directors, etc.

The candidates for directors to be appointed at the general meeting of shareholders are selected by the Board of Directors (inside directors) and the Outside Director Candidate Nomination Committee (outside directors)

and are confirmed as agenda items to be submitted to the general meeting of shareholders. The Outside Director Candidate Nomination Committee (3 outside directors) considers the candidates' professional experience and fields of expertise to make balanced decision-makings and management supervisions possible, and examines whether they are applicable under any of the causes for disqualification provided under the relevant regulations such as the Commercial Act and the Enforcement Decree of the Commercial Act, and finally, make recommendations to the general meeting of shareholders.

2) Background of appointment of directors, referrers, etc.

Name of position	Name	Referrer	Field of activity (task in charge)	Transaction with the Company	Relationship with the largest shareholder or major shareholders	Term of appointment	Whether retained for another term of office (number of reappointments)
Inside directors	Kim Cheol	Board of directors meeting	CEO	Not applicable	Affiliate's executive	March 2026	Y (2)
	Ahn Jae Hyun	Board of directors meeting	CEO		Affiliate's executive	March 2026	N
	Park Tae Jin	Outside Director Candidate Nomination Committee	Outside director (member of the Audit Committee)		-	March 2028	N

Outside directors	Moon Sung Hwan	Outside Director Candidate Nomination Committee	Outside director (member of the Audit Committee)	-	March 2026	Y (1)
	Cho Hong Hee	Outside Director Candidate Nomination Committee	Outside director (member of the Audit Committee)	-	March 2026	Y (1)
	Choi Sun Mee	Outside Director Candidate Nomination Committee	Outside director (member of the Audit Committee)	-	March 2027	N
Non-executive directors	Son Hyeon Ho	Board of directors meeting	Non-executive directors	Executive of the largest shareholder	March 2028	N

Name	Background of appointment
Kim Cheol	After joining SK Corp. and having served as the head of the oil development division at SK Innovation and the head of the resin business division at SK chemicals, he is currently serving as the CEO of SK chemicals. He has played a significant role in the business growth of each company, and based on his extensive experience and capabilities, it is deemed that he will greatly contribute to the execution of the Company's new business, and thus he has been recommended.
Ahn Jae Hyun	The candidate, Ahn Jae Hyun, served as CEO of SK D&D, Head of SK Gas Management Support Division and Chairman of the New Growth Energy Committee, as well as CEO of SK Ecoplant and CEO of SK discovery, leading various investments and M&A. In particular, he successfully transformed the green and new energy business structure of SK Ecoplant. He was nominated in the hope that his experience would help build our green chemicals, bio-centric portfolio and accelerate ESG management.
Park Tae Jin (Note 1)	Candidate Park Tae Jin served as Chairman of J.P. Morgan Korea and Vice Chairman of the Asia-Pacific Region. As a finance professional with knowledge and extensive practical experience accumulated through more than 20 years of work in the investment banking and finance sector. As a leader at J.P. Morgan Korea, he contributed to establishing the company as a leading global financial institution by building relationships with clients and various stakeholders, growing the business and strengthening the company's market position. His professional knowledge and competencies are considered to enhance the expertise and diversity of the board of directors, and he is therefore nominated as a candidate for outside director as he is expected to contribute to the Company's growth and development.
Moon Sung Hwan	Moon Sung Hwan was nominated as an outside director based on his knowledge and wealth of experience as a corporate management expert who has served as a CEO of a listed company for more than 10 years, and he was nominated in the hope that he would enhance diversity and provide new perspectives in making important decisions, as well as contribute to the growth and development of the Company with his professional insight and skills.
Cho Hong Hee	Cho Hong Hee was nominated as an outside director because he has knowledge and rich experience as an expert in the field of taxation for more than 30 years at the National Tax Service and has served as an outside director and audit member of a listed company for many years, and would be able to enhance the expertise and diversity of the Board and the Audit Committee and contribute to the growth and development of the Company with his professional insight and skills.
Choi Sun Mee	Currently a professor at the Department of Business Administration at Yonsei University, she is expected to contribute to the Company's growth based on her extensive insight and experience gained through various activities both domestically and internationally. Additionally, it is anticipated that she will play a significant role in strengthening the diversity of the board of directors and ensuring the transparency/independence of the Audit Committee, and thus she has been recommended.

Son Hyeon Ho (Note 1)	Candidate Son Hyeon Ho is a finance and strategic planning expert who has been recognized for his outstanding achievements through serving as Head of Finance at SK Inc. and leading the Strategic Support Team of the SUPEX Council. It is determined that, in establishing the Company's business strategies and significant management decision-making by the board of directors, he will be able to contribute to the Company's growth and development based on his extensive practical experience. Therefore, he is nominated as a candidate for non-executive director.

(Note 1) Outside Director Park Tae Jin and Non-Executive Director Son Hyeon Ho were appointed at the 8th Annual General Meeting of Shareholders held on March 26, 2025.

3) Status of the establishment and structure of the Outside Director Candidate Nomination Committee

(Reference date: 2025-12-31)

Name	Whether an outside director	Note
Cho Hong Hee	O	– Outside directors comprise 100% of the total membership of the Committee. – The requirement that the Committee should be composed of 50% or more of outside directors is met (Article 542-8 of the Commercial Act).
Park Tae Jin	O	
Choi Sun Mee	O	

4) Details of the key activities of the Outside Director Candidate Nomination Committee

(2025)

Name of committee	Date convened	Agenda	Whether approved	Cho Hong Hee	Park Jung Soo	Choi Sun Mee	Park Tae Jin (Note 1)
				(rate of attendance: 0%)	(rate of attendance: 100%)	(rate of attendance: 100%)	(rate of attendance: -)
				Whether approved or disapproved			
Outside Director Candidate Nomination Committee	2025-02-07	1. Nomination of outside director candidates	Approved	Absent	Approved	Approved	Not applicable

(Note 1) Outside director Park Tae Jin was appointed at the 8th Annual General Meeting of Shareholders held on March 26, 2025.

E. Expertise of the outside directors

1) Status of the outside director support organization

Name of department (team)	Number of employees	Position (number of years of continued service)	Details of key activities
Secretariat of the board of directors	2	Executives (23.5), Team leaders (5.2)	Providing assistance with the execution of duties for outside directors

The support organizations within the Company provide assistance to the outside directors to ensure that they can perform their professional duties at the board and the committees within the board. SK chemicals provides materials in advance so that the contents of the relevant agenda can be fully reviewed before BOD and Committee meetings are held, and if necessary, we hold a separate briefing session, and provide information on other major internal issues from time to time.

2) Status of the implementation of education and training for the outside directors

Date of education and training	Subject of the implementation of education and training	Outside directors in attendance	Reason for absence	Key details of education and training
2025-04-08	SK chemicals	Park Tae Jin	Training for specific outside directors	New outside director orientation (company overview, corporate and key business unit presentations) – Company overview and corporate strategy, financial status – Introduction to principal businesses, R&D, and overall production (green chemicals business, pharma business, functional materials business, etc.)
2025-04-17	SK chemicals	Park Tae Jin	Training for specific outside directors	New outside director orientation (company overview, corporate and key business unit presentations) – Company overview and corporate strategy, financial status – Introduction to principal businesses, R&D, and overall production (green chemicals business, pharma business, functional materials business, etc.)
2025-04-23	SK chemicals	Park Tae Jin	Training for specific outside directors	New outside director orientation (company overview, corporate and key business unit presentations) – Company overview and corporate strategy, financial status – Introduction to principal businesses, R&D, and overall production (green chemicals business, pharma business, functional materials business, etc.)
2025-04-18	SK SUPEX Council	Moon Sung Hwan	Training for specific outside directors	Board Chairman Workshop – Sharing of key group management tasks – Discussion on measures to strengthen execution capability of the board of directors 2.0
2025-04-25	SK SUPEX Council	Park Tae Jin	Training for specific outside directors	Workshop for newly appointed outside directors of the group – Sharing of the SK Group and management status, Governance Story, etc.
2025-05-28	SK chemicals	Moon Sung Hwan, Cho Hong Hee, Park Tae Jin, Choi Sun Mee	-	SK chemicals strategy and investment plan

2025-08-18	SK SUPEX Council	Moon Sung Hwan, Park Tae Jin	Training for specific outside directors	Attendance at the Icheon Forum: implementation of AI biz. and process changes
2025-11-12	SK SUPEX Council	Moon Sung Hwan, Cho Hong Hee, Park Tae Jin, Choi Sun Mee	-	SK Directors' Summit 2025 - Sharing of key group management tasks - Board-centered autonomous and accountable management and measures to strengthen compliance - Structural changes in the business environment and the role of the board of directors
2025-12-10	SK chemicals	Moon Sung Hwan, Cho Hong Hee, Park Tae Jin, Choi Sun Mee	-	SK chemicals strategic session - Discussion of 2026 business plan and key agenda - Discussion of company-wide and business-specific strategic initiatives

2. Matters Concerning the Audit System

A. Whether the Audit Committee (auditor) is established, and how it is structured, etc.

1) Establishment of the Audit Committee

Composed of 3 or more directors who satisfy the qualifications according to the relevant laws and the Articles of Incorporation (however, the number of outside directors must be two thirds or greater of the total Committee members)

(Reference date: 2025-12-31)

Whether established	Method of organization	Note
Established	4 people (All of whom are outside directors)	Performing business audits and accounting audits of the Company

Purpose of establishing the Audit Committee	The Audit Committee was established in compliance with Article 415-2 of the Commercial Act, and composed of at least 3 outside directors in accordance with the provisions of Article 415-2 Paragraph 2 of the Commercial Act.
Authorities / Responsibilities	- Audit the directors' execution of their duties - Request directors to report on business - Investigate the Company's business status and properties' status
Operational plan	Accounting and business audits are conducted on a regular basis by applying appropriate procedures such as reviewing, collation, and due diligence of related documents such as books, financial statements, and annexed

	specifications. And reports are made and corrective actions are taken in a timely manner for the matters pointed out.

2) Personal information of the Audit Committee members and whether they are outside directors

Name	Whether outside director	Professional experience	Accounting and financial experts related		
			Whether applicable	Type of expert	Relevant experience
Moon Sung Hwan	Yes	Seoul National University/Business Administration (Bachelor's), Helsinki School of Economics, Finland (MBA) Former CEO and President of Huvis Former CEO and President of Samyang Corporation	-	-	-
Cho Hong Hee	Yes	Sungkyunkwan University/International Trade (Bachelor's) University of Bath, UK/Tax Studies (Masters) Former Commissioner of the Seoul Regional Tax Service Former Outside Director at Daegyo and Celltrion Current Advisor at Bae, Kim & Lee LLC Current Outside Director of Meritz Financial Group	Yes	Financial institutions, government, securities-related institutions, etc. Experienced hires (Type 4)	- 1996 - 1997, Deputy Director, Income Tax Department, National Tax Service - 2002 - 2004, Head of Investigation Bureau 2, Investigation Bureau 4 (for Income Taxation and International Investigation), Seoul Regional Tax Service - 2009 - 2009, Director General, Income Tax Bureau, National Tax Service (in charge of income tax litigations and authoritative interpretations) - 2010 - 2010 Commissioner of Seoul Regional Tax Office ▶ Equivalent to 5 years or longer in total for the combination of the periods of service
Choi Sun Mee	Yes	Yonsei University/English Literature (Bachelor's) M.A./Ph.D., Cornell University, USA Former Vice President for International Affairs, Yonsei University Former Dean of the College of Business Administration, Vin University, Vietnam Current Professor of Business Administration, Yonsei University	-	-	-

Park Tae Jin	Yes	Seoul National University / German Language and Literature (Bachelor's)	-	-	-
		Seoul National University / Graduate School of Business (Master's)			
		Former Chairman of J.P. Morgan Korea and Vice Chairman of the Asia-Pacific Region, Korea representative and head of the investment banking division			
		Current member of the Management Advisory Committee at Hyundai Card			
		Current outside director of Amorepacific Corporation			

B. Independence of the members of the Audit Committee

1) Selection criteria

Key details of the selection criteria	Whether selection criteria are satisfied	Related laws and regulations, etc.
Composed of 3 or more directors	Satisfied (4 people)	Article 415-2 Paragraph 2 of the Commercial Act
Two thirds or more of the committee members are outside directors	Satisfied (All of them are outside directors)	
1 or more members are accounting or finance-related experts	Satisfied (Director Cho Hong Hee)	Article 542-11 Paragraph 2 of the Commercial Act
Chair of the Audit Committee is an outside director	Satisfied (Director Cho Hong Hee)	
Other requirements for disqualification (related parties of the largest shareholder, etc.)	Satisfied (not applicable)	Article 542-11 Paragraph 3 of the Commercial Act

2) Background of appointment

(Reference date: 2025-12-31)

Name	Background of appointment	Referrer	Term of appointment	Whether retained for another term of office (number of reappointments)	Relationship with the largest shareholder or major shareholders
Moon Sung Hwan	Moon Sung Hwan was nominated as an outside director based on his knowledge and wealth of experience as a corporate management expert who has served as a CEO of a listed company for more than 10 years, and he was nominated in the hope that he would enhance diversity and provide new perspectives in making important decisions, as well as contribute to the growth and development of the Company with his professional insight and skills.	Outside Director Candidate Nomination Committee	2023-03-28 — 2026-03-28	1 time	Unrelated
Cho Hong Hee	Cho Hong Hee was nominated as an outside director because he has knowledge and rich experience as an expert in the field of taxation for more than 30 years at the National Tax Service and has served as an outside director and audit member of a listed company for many years, and would be able to enhance the expertise and diversity of the Board and the Audit Committee and contribute to the growth and development of the Company with his professional insight and skills.	Outside Director Candidate Nomination Committee	2023-03-28 — 2026-03-28	1 time	Unrelated
Choi Sun Mee	Choi Sunmee was nominated as an outside director because she is a professor at the Department of Business Administration at Yonsei University and, based on her extensive insights and experience through various activities both domestically and internationally, is expected to contribute to the Company's growth.	Outside Director Candidate Nomination Committee	2024-03-26 — 2027-03-26	-	Unrelated

Park Tae Jin (Note 1)	Candidate Park Tae Jin served as Chairman of J.P. Morgan Korea and Vice Chairman of the Asia-Pacific Region. As a finance professional with knowledge and extensive practical experience accumulated through more than 20 years of work in the investment banking and finance sector. As a leader at J.P. Morgan Korea, he contributed to establishing the company as a leading global financial institution by building relationships with clients and various stakeholders, growing the business and strengthening the company's market position. His professional knowledge and competencies are considered to enhance the expertise and diversity of the board of directors, and he is therefore nominated as a candidate for outside director as he is expected to contribute to the Company's growth and development.	Outside Director Candidate Nomination Committee	2025-03-26 — 2028-03-26	-	Unrelated

(Note 1) Park Tae Jin, the outside director, was newly appointed at the 8th Annual General Meeting of Shareholders held on March 26, 2025.

C. Whether internal devices are prepared for access to the management information needed for audit work of the Audit Committee

- Can audit the Company's accounting and business in accordance with relevant laws and regulations and articles of incorporation
- Can request data and review them as needed
- Can request subsidiaries to report on business as needed **D.**

Details of the key activities of the Audit Committee

(2025)

Date convened	Agenda	Whether approved	Name of outside director				
			Moon Sung Hwan	Cho Hong Hee	Park Jung Soo (Note 1)	Choi Sun Mee	Park Tae Jin (Note 2)
			(rate of attendance: 100%)	(rate of attendance: 100%)	(rate of attendance: 100%)	(rate of attendance: 100%)	(rate of attendance: 100%)
			Whether approved or disapproved				
2025-01-22	1. Agenda for evaluation of the head of the audit department	Approved	Approved	Approved	Approved	Approved	
	2. Agenda for execution of the contract with the designated auditor		Approved	Approved	Approved	Approved	
	*Reported Matters		-	-	-	-	

	① Report on the results of the 2024 ethical management measurement system						Not applicable
2025-02-20	1. Internal audit plan *Reported Matters ① Report on the operation status of the internal accounting control system in 2024 ② Report on the audit results for the fiscal year 2024 (external auditor)	Approved	Approved - -	Approved - -	Approved - -	Approved - -	
2025-03-04	1. Approval of the report on the evaluation results of the internal accounting control system for the year 2024 2. Confirmation of the audit report	Approved	Approved Approved	Approved Approved	Approved Approved	Approved Approved	
2025-03-12	1. Confirmation of the agenda of the annual general meeting of shareholders and the results of document investigation	Approved	Approved	Approved	Approved	Approved	
2025-04-16	1. Execution of a land sale agreement with SK Broadband	Approved	Approved	Approved	Not applicable	Approved	Approved
2025-05-22	1. Number of pre-approved non-audit services provided by the auditor *Reported Matters ① Report on the results of the audit review by external auditors for the 1st quarter	Approved	Approved -	Approved -		Approved -	Approved -
2025-05-28	1. Execution of a shareholders' agreement related to PF refinancing of subsidiary (MU)	Approved	Approved	Approved		Approved	Approved
2025-06-25	1. Fulfillment of remaining capital contribution obligation of subsidiary (MU)	Approved	Approved	Approved		Approved	Approved
2025-07-23	*Reported Matters ① Review of the proposed amendments to the Commercial Act and their impact ② Report on the internal accounting design and the operation evaluation plan for 2025	-	- -	- -		- -	- -
2025-08-21	*Reported Matters ① Internal accounting control system status report ② Report on the ethical management & internal audit activities in the first half	-	- -	- -		- -	- -
	③ Report on the audit review by external auditor for the first half		-	-		-	-
2025-11-19	1. Number of pre-approved non-audit services provided by the auditor (KPMG) *Reported Matters ① Report on the activities of ethics management and internal audit for the second half of the year ② Report on the results of the audit review by external auditors for the 3rd quarter	Approved	Approved - -	Approved - -		Approved - -	Approved - -

(Note 1) Outside Director Park Jung Soo's term expired at the conclusion of the 8th Annual General Meeting of Shareholders held on March 26, 2025. (Note 2) Outside Director Park Tae Jin was appointed at the 8th Annual General Meeting of Shareholders held on March 26, 2025.

E. Status of the implementation of education and training for the Audit Committee

Date of education and training	Subject of the implementation of education and training	Audit Committee members in attendance	Reason for absence	Key details of education and training
2023-08-23	Samil PwC	Cho Hong Hee, Moon Sung Hwan, Park Jung Soo, An Yang Ho	-	Progress on the establishment of the consolidated internal accounting control system and internal accounting trends
2024-08-28	SK chemicals	Cho Hong Hee, Moon Sung Hwan, Park Jung Soo, An Yang Ho	-	Internal accounting trends (Samil PwC) - Amendments to internal accounting regulations and progress on preparing the consolidated internal accounting system
2025-07-23	SK chemicals	Cho Hong Hee, Moon Sung Hwan, Park Tae Jin, Choi Sun Mee	-	2025 Commercial Act amendment seminar (Lee & Ko) - Key amendments to the revised Act and directors' duty of loyalty to shareholders
2025-08-21	SK chemicals	Cho Hong Hee, Moon Sung Hwan, Park Tae Jin, Choi Sun Mee	-	Internal accounting control system status (Samil PwC) - Disclosure of changes in the evaluation criteria for internal accounting control system and controls related to fraud risk

F. Status of the support organizations of the Audit Committee

Name of department (team)	Number of employees	Position (number of years of continued service)	Details of key activities
Secretariat of the board of directors	2	Executives (23), Team leaders (5)	Operation of the Audit Committee
Compliance 1 Team	5	PL (30), Manager (5–23)	Ethical management, fair trade, compliance risk management, legal and regulatory change management, whistleblowing investigations
Compliance 2 Team	3	Team Leader (20), Manager (4–19)	Fair competition, marketing activity management, inspection, and whistleblower investigation

G. Matters concerning the compliance officer

Name	Date of birth (year and month)	Rank / Position	Professional experience

Yang Hui Jin	July 1975	Head of the Legal Office	– 1997 B.S. in Biochemistry, Yonsei University – 2004 Passed the 46th bar exam (training institute 36th class) – 2007 - 2009 Seoul Central District Court Judge – 2009 - 2010 Seoul Western District Court Judge – 2010 - 2022 Partner Attorney, Law Firm Lee & Ko – 2012 - 2013 FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP (Reston, VA) – 2014 American Univ. Washington College of Law, LL.M. – Current Head of the Legal Office of SK chemicals

H. Status of the support organizations such as compliance officer

Name of department (team)	Number of employees	Position (number of years of continued service)	Details of key activities
Legal Affairs Office (legal affairs)	6	Team Leader (1), Manager (1–9)	Compliance education, compliance check, contract review, legal advice
Compliance 1 Team	5	PL (30), Manager (5–23)	Ethical management, fair trade, compliance risk management, legal and regulatory change management, whistleblowing investigations
Compliance 2 Team	3	Team Leader (20), Manager (4–19)	(Pharma Business) Fair competition, marketing activity management, inspection, and whistleblower investigation

I. Details of key activities of the compliance officer and their handling results

Date/frequency	Details of key activities	Handling results
Always	*Carried out a program for dissemination of the ethical management culture – Activities to improve ethical management level *Operated the ethical management consultation/report system – Quarterly communication on whistleblowing channels and whistleblower protection program – Whistleblowing management/investigation *Compliance risk management (risk identification, assessment, control level assessment, development and implementation of improvement measures, and monitoring of corrective actions) *Evaluation of compliance control effectiveness *Management of legal and regulatory changes *Operation of legal consultation/advisory program	-
January 2025	Distribution of CEO ethics management letter to all employees and executives	Nothing significant to report

January 2025	Dispatch of letters to business partners regarding the ethical management policy	Nothing significant to report
January 2025	Established and communicated 2025 marketing compliance operating standards for the Pharma Business	Nothing significant to report
January 2025	Revised marketing fair trade voluntary compliance guidelines	Nothing significant to report
January 2025	Served as member of the official subcommittee of the Korea Pharmaceutical and Bio-Pharma Manufacturers Association (CP Working Committee) (monthly)	Nothing significant to report
January 2025	Operated the Korea Pharmaceutical and Bio-Pharma Manufacturers Association quarterly reporting robotic process automation (RPA) system	Nothing significant to report
January 2025	Completed Korea Pharmaceutical and Bio-Pharma Manufacturers Association 2024 4Q quarterly reporting	Nothing significant to report
January 2025	Conducted quarterly reporting for co-promotion partners (covering 2024 4Q activities)	Nothing significant to report
February 2025	Implemented ethics management pledge campaign for all employees	Nothing significant to report
February 2025	Conducted personal information protection training for employees	Nothing significant to report
February 2025	Reported 2025 internal audit plan to the Audit Committee	Nothing significant to report
February 2025	Collected ethics management pledge forms from Pharma Business employees	Nothing significant to report
February 2025	Conducted compliance training for marketing division leaders	Nothing significant to report
February 2025	Reviewed compliance framework and confirmed processes for new co-promotion onboarding (Viatris)	Nothing significant to report
February 2025	Filed notification with competent public health center for medical device sales promotion agents (CSO)	Nothing significant to report
February 2025	Conducted declaration of commitment to fair trade voluntary compliance	Nothing significant to report
March 2025	Reported compliance officer activities	Nothing significant to report
March 2025	Performed regular audit of partner company (Takeda Pharmaceutical Company)	Nothing significant to report
March 2025	Prepared and distributed on-site response manual for expenditure reporting of economic benefits	Nothing significant to report
March 2025	Prepared new CP guidelines for co-promotion partner companies	Nothing significant to report
March 2025	Provided guidance on anonymous reporting channels and whistleblower protection procedures for Pharma Business employees	Nothing significant to report
March 2025	Completed Korea Pharmaceutical and Bio-Pharma Manufacturers Association 2025 1Q quarterly reporting	Nothing significant to report
April 2025	Conducted compliance campaign (compliance management poster drawing contest)	Nothing significant to report
April 2025	Conducted quarterly reporting for co-promotion partners (covering 2025 1Q activities)	Nothing significant to report
April 2025	Conducted additional compliance training for marketing division leaders	Nothing significant to report
May 2025	Established 2025 compliance training plan	Nothing significant to report
May 2025	Improved consent forms for collection and provision of personal information for healthcare professional customers	Nothing significant to report
May 2025	Conducted online ethics management training for all employees	Nothing significant to report
June 2025	Conducted ethics management practice workshop for all employees	Nothing significant to report
June 2025	Issued compliance officer letter (prohibition on use of undisclosed material information)	Nothing significant to report
June 2025	Conducted regular audits of overseas subsidiaries (Yantai/Shanghai entities) (March-June)	Nothing significant to report
June 2025	Completed surveillance audit and maintained certification for ISO 37001 anti-bribery management system	Nothing significant to report

June 2025	Prepared and distributed guidance materials on marketing-related laws/regulations for healthcare professionals (e.g., product presentations)	Nothing significant to report
June 2025	Conducted online ethics management training for Pharma Business employees	Nothing significant to report
June 2025	Conducted ethics management practice workshop for Pharma Business employees	Nothing significant to report
June 2025	Conducted first-half 2025 pharmaceutical industry fair trade regular CP training	Nothing significant to report
June 2025	Reviewed and applied compliance processes for new co-promotion partner company (Clinigen)	Nothing significant to report
July 2025	Conducted company-wide self-monitoring system review	Nothing significant to report
July 2025	Conducted ethics management survey for all employees	Nothing significant to report
July 2025	Conducted greenwashing training for employees	Nothing significant to report
July 2025	Conducted training on amended Commercial Act for employees	Nothing significant to report
July 2025	Completed statutory training for all marketing division members regarding pharmaceutical sales promotion agents (CSO)	Nothing significant to report
July 2025	Revised three fair trade internal regulations (Marketing Fair Trade Voluntary Compliance Policy / Marketing Fair Trade Voluntary Compliance Guidelines / Pharmaceutical Distribution Transaction Management Guidelines (for wholesalers))	Nothing significant to report
July 2025	Conducted compliance training for marketing division leaders (Q3)	Nothing significant to report
July 2025	Completed Korea Pharmaceutical and Bio-Pharma Manufacturers Association 2025 2Q quarterly reporting	Nothing significant to report
July 2025	Conducted quarterly reporting for co-promotion partners (covering 2025 2Q activities)	Nothing significant to report
July 2025	Conducted Pharma Business-wide ethics management workshop	Nothing significant to report
July 2025	Conducted first Pharma Business compliance committee meeting	Nothing significant to report
August 2025	Conducted special audits of overseas subsidiaries (Americas/Europe/Malaysia/China/Japan) (August–November)	Nothing significant to report
August 2025	Established company-wide mid-term audit plan (3-year)	Nothing significant to report
August 2025	Responded to audit by partner company (Janssen / pharmacovigilance, etc.)	Nothing significant to report
August 2025	Conducted Pharma Business-wide ethics management practice survey	Nothing significant to report
August 2025	Conducted Pharma Business-wide self-inspection (self-internal audit)	Nothing significant to report
September 2025	Conducted trade secret protection training for employees	Nothing significant to report
September 2025	Conducted compliance campaign (webtoon contest on mutual respect among employees)	Nothing significant to report
September 2025	Conducted second Pharma Business compliance committee meeting	Nothing significant to report
September 2025	Performed semiannual audit of partner company (Takeda Pharmaceutical Company) (conducted twice annually)	Nothing significant to report
October 2025	Completed Korea Pharmaceutical and Bio-Pharma Manufacturers Association 2025 3Q quarterly reporting	Nothing significant to report
October 2025	Conducted quarterly reporting for co-promotion partners (covering 2025 3Q activities)	Nothing significant to report
October 2025	Conducted compliance training for marketing division leaders (Q4)	Nothing significant to report
November 2025	Conducted compliance effectiveness assessment	Nothing significant to report
November 2025	Newly Established fair trade internal regulation "Pharma Business Promotional Sales Outsourcing Management Guidelines (for Sales Promotion Agents)"	Nothing significant to report

November 2025	Conducted compliance training for 11 third-party business partners (external event agencies)	Nothing significant to report
November 2025	Conducted CP workshop for marketing division team leaders	Nothing significant to report
December 2025	Revised internal regulation "Marketing Management Policy"	Nothing significant to report
December 2025	Conducted second-half 2025 pharmaceutical industry fair trade regular CP training	Nothing significant to report
December 2025	Conducted implementation audit (in-depth procurement review / SK chemicals Daejeong)	Nothing significant to report

3. Matters Concerning the General Meeting of Shareholders, Etc.

A. Status of the voting system

(Reference Date: 2025-12-31)

Type of voting system	Concentrated voting system	Written voting system	Electronic voting system
Whether adopted	Excluded	Not adopted	Introduced
Whether executed	-	-	8th Annual General Meeting of Shareholders (2024) 7th Annual General Meeting of Shareholders (2023) 6th Annual General Meeting of Shareholders (2022)

*As of the date of submission of the disclosure documents, the Company has introduced and implemented a system for recommending voting via proxy, and the methods of delegation include "delivery in person," "postal mail or facsimile transmission," and "sending the Letter of Authority form via email."

B. Minority shareholders' rights

The Company has never seen the minority shareholders' rights exercised during the period subject to disclosure.

C. Competition for the management rights

During the period subject to the disclosure, the Company has never seen any

competition for the Company's management rights. **D. Status of the voting rights**

Classification	Type of Stock	Number of shares	Note
Total number of issued shares (A)	Common shares	17,298,766	-
	Preferred stocks	2,115,429	-
Number of shares without voting rights (B)	Common shares	29,909	Treasury shares
	Preferred stocks	2,115,429	Treasury shares included
Number of shares excluded from voting rights under the Articles of Incorporation (C)	Common shares	-	-
	Preferred stocks	-	-
Number of shares whose voting rights exercises have been restricted by other laws (D)	Common shares	186,808	Restrictions on the voting rights of public interest corporations
	Preferred stocks	-	-
Number of shares whose voting rights have been reinstated (E)	Common shares	-	-
	Preferred stocks	-	-
Number of stocks whose voting rights may be exercised (F = A - B - C - D + E)	Common shares	17,082,049	-
	Preferred stocks	-	-

E. Stock related affairs

	Article 10 (Issuance and Allocation of Shares) ① When the Company issues new shares by a resolution of the board of directors, one of the following methods shall be used. 1. A method of giving shareholders an opportunity to subscribe for new shares in order to allocate such shares according to the number of shares they own 2. A method of granting an opportunity to subscribe for new shares in order to allocate new shares to persons other than shareholders in a method other than those in Subparagraph 1, if it is necessary to achieve

Details of preemptive rights under the Articles of Incorporation	the Company's management purposes, such as the introduction of new technologies and improvement of financial structure, within a limit not exceeding 25% of the total number of issued shares 3. A method of granting an opportunity to subscribe for new shares to a number of unspecified persons (including shareholders of the Company) in a method other than those in Subparagraph 1, and allocating new shares to such persons who have subscribed accordingly, within a limit not exceeding 25% of the total number of issued shares. ② If allocating new shares in the method specified under Paragraph 1 Subparagraph 3, the new shares shall be allocated in any of the following methods by a resolution of the board of directors. 1. A method of allocating new shares to a number of unspecified people without classifying the type of persons to be granted an opportunity to subscribe for new shares 2. A method of allocating new shares to members of the Employee Stock Ownership Association in accordance with relevant laws and giving an opportunity to subscribe for new shares, including shares that have not been subscribed, to a number of unspecified people 3. A method of granting an opportunity to subscribe for new shares with priority to shareholders, and then granting an opportunity to be allocated new shares to a number of unspecified people if there are unsubscribed shares 4. A method of granting an opportunity to subscribe for new shares to a specific type of people in line with reasonable standards provided under relevant laws, such as demand forecast as underwriters or brokers by the investment trading business operator or investment broker. ③ In the case of allocating new shares in accordance with Paragraph 1 Subparagraphs 2 and 3, the matters stipulated in Article 416 Subparagraphs 1, 2, 2-2, 3, and 4 of the Commercial Act shall be notified to shareholders or announced by 2 weeks before the date of payment.
	However, in accordance with Article 165-9 of the Financial Investment Services and Capital Markets Act, such notification and announcement may be substituted by disclosing a report on major issues to the Financial Services Commission and the Exchange. ④ In the case of issuing new shares in any of the methods of any Subparagraphs of Paragraph 1, the type and number of shares to be issued and the issuing price, etc. shall be determined by a resolution of the board of directors. ⑤ When allocating new shares, if the Company does not subscribe for new shares by the due date or if there are shares for which the value has not been paid, the method of handling such shares shall be determined by a resolution of the board of directors in accordance with the relevant laws, such as the adequacy of the issuing price. ⑥ The Company shall determine the method of handling fractional shares generated while

	allocating new shares by a resolution of the board of directors. ⑦ When allocating new stocks in accordance with Paragraph 1 Subparagraph 1, the Company shall issue preemptive right certificates for the shareholders.		
Date of settlement	December 31	Annual general meeting of shareholders	Within 3 months from the date of settlement of accounts
Reference date	Last day of each settlement period		
Transfer agent	Securities Agency Department, Hana Bank (Gukjegeumyung-ro 72, Yeongdeungpo-gu, Seoul, 02-368-5800)		
Shareholders' privilege	None	Method of posting announcements	Corporate website: https://www.skchemicals.com/ However, if an announcement cannot be made on the Company's website due to a computing failure or another unavoidable reason, it shall be posted via Maeil Business Newspaper daily published in the city of Seoul.

F. Summary of the minutes of the general meeting of shareholders

(Reference date: 2025-12-31)

Date of the general meeting of shareholders	Agenda	Content of the resolution	Key details discussed
The 8th Annual General Meeting of Shareholders (2025-03-26)	Agendum No. 1: The 8th Period (January 1, 2024 - December 31, 2024) Approval of financial statements and consolidated financial statements Agendum No. 2: Appointment of directors - Agendum No. 2-1: Appointment of a non-executive director (Candidate: Son Hyeon Ho) - Agendum No. 2-2: Appointment of outside director (Candidate: Park Tae Jin) Agendum No. 3: Appointment of the Audit Committee member (Candidate: Park Tae Jin) Agendum No. 4: Approval of the ceiling of remuneration for directors Agendum No. 5: Approval of the granting of stock options	Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan	-
The 7th Annual General Meeting of Shareholders	Agendum No. 1: The 7th Period (January 12023 - December 31, 2023) Approval of financial statements and consolidated financial statements Agendum No. 2: Appointment of an outside director who is an	Approved as the original plan Approved as the original plan Approved as the original plan	-

(2024-03-26)	Audit Committee member (Candidate: Choi Sun Mee) Agendum No. 3: Partial changes in the Articles of Incorporation Agendum No. 4: Approval of the ceiling of remuneration for directors Agendum No. 5: Revision of executive severance pay regulations	plan Approved as the original plan plan Approved as the original plan	
The 6th Annual General Meeting of Shareholders (2023-03-28)	Agendum No. 1: The 6th Period (2022-01-01 — 2022-12-31) Approval of financial statements and consolidated financial statements Agendum No. 2: Appointment of directors – Agendum No. 2-1: Appointment of inside director (Candidate: Kim Cheol) – Agendum No. 2-2: Appointment of inside director (Candidate: Ahn Jae Hyun) – Agendum No. 2-3: Appointment of a non-executive director (Candidate: Jeon Kwang Hyun) – Agendum No. 2-4: Appointment of outside director (Candidate: Moon Sung Hwan) – Agendum No. 2-5: Appointment of outside director (Candidate: Cho Hong Hee) Agendum No. 3: Appointment of the Audit Committee member – Agendum No. 3-1: Appointment of the Audit Committee member (Candidate: Moon Sung Hwan) – Agendum No. 3-2: Appointment of the Audit Committee member (Candidate: Cho Hong Hee) AgendumNo. 4: Approval of the ceiling of remuneration for directors	Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan Approved as the original plan	

VII. Matters Concerning Shareholders

1. Status of the Share Ownership of the Largest Shareholder and Related Parties

(Reference Date: 2025-12-31)

(Unit: stocks, %)

Name	Relationship	Type of stock	Number of shares owned and equity interest				Note
			Beginning of period		End of period		
			Number of shares	Equity Interest	Number of shares	Equity Interest	

SK discovery	Largest shareholder	Common shares	7,056,899	40.90	7,056,899	40.79	Increase in total number of issued shares
Choi Chang Won	Related party	Preferred stocks	9,312	0.44	9,312	0.44	-
Choi Tae Won	Related party	Preferred stocks	67,971	3.21	67,971	3.21	-
Choi Jeong Won	Related party	Common shares	12,177	0.07	12,177	0.07	-
Choi Jeong Won	Related party	Preferred stocks	4	0.00	4	0.00	-
Choi Ji Won	Related party	Common shares	37,359	0.22	37,359	0.22	-
Choi Ji Won	Related party	Preferred stocks	649	0.03	649	0.03	-
Choi Ye Jeong	Related party	Common shares	62,389	0.36	62,389	0.36	-
Lee Yoo Mi	Related party	Common shares	903	0.01	903	0.01	-
LEE CHARLES HWAN	Related party	Common shares	762	0.00	762	0.00	-
Korea Foundation for Advanced Studies	Related party	Common shares	186,808	1.08	186,808	1.08	-
In-house employee welfare fund	Related party	Common shares	0	0.00	948	0.01	Contribution to treasury share fund
In-house employee welfare fund	Related party	Preferred stocks	0	0.00	143,767	6.80	Contribution to treasury share fund
Ahn Jae Hyun	Executive	Common shares	0	0.00	7,616	0.04	-
Kim Cheol	Executive	Common shares	3,000	0.02	3,000	0.02	-
Jeon Kwang Hyun	Executive of the largest shareholder	Common shares	775	0.00	0	0	Resignation of an executive
Total		Common shares	7,361,072	42.66	7,368,861	42.71	-
		Preferred stocks	77,936	3.68	221,703	10.48	-

*The beginning date is January 1, 2025, and the ending date is December 31, 2025.

2. Key Experience and Overview of the Largest Shareholder

A. Basic information of the largest shareholder (corporation or organization)

Name	Number of investors	CEO (Representative member)		Executive officer (Executive managing member)		Largest shareholder (Maximum contributor)	
		Name	Equity	Name	Equity	Name	Equity

			interest (%)		interest (%)		interest (%)
SK discovery Co., Ltd.	17,370	Choi Chang Won	41.69	-	-	Choi Chang Won	41.69
		-	-	-	-	-	-

*The equity interest ratio above is calculated and stated based on common shares.

*The number of contributors above is based on the data as of December 31, 2025.

(Changes in the CEO, business executive, and the largest shareholder of a corporation or organization)

Date of change	Chief executive officer (representative member)		Business executive (executive managing member)		Largest shareholder (largest investor)	
	Name	Equity interest (%)	Name	Equity interest (%)	Name	Equity interest (%)
2023-03-29	Jeon Kwang Hyun	-	-	-	Choi Chang Won	40.18
2024-03-12	Jeon Kwang Hyun	-	-	-	Choi Chang Won	40.72
2025-03-11	Jeon Kwang Hyun	-	-	-	Choi Chang Won	41.69
2025-03-26	Son Hyeon Ho	-	-	-	Choi Chang Won	41.69

*The details of the changes above are based on common shares, and as for the details such as the date, number of shares, and cause of change, refer to SK discovery's "Report on the Status of Ownership of Executives and Major Shareholders' Specific Securities" and the "Report on Changes in the Shares Owned by the Largest Shareholder, Etc.," which are disclosed via the electronic disclosure system.

B. Financial status of the largest shareholder (corporation or organization) for the latest settlement period

(Unit: KRW million)

Classification	
Name of corporation or organization	SK discovery Co., Ltd.
Total assets	16,299,659
Total liabilities	9,448,413
Total equity	6,851,246
Sales revenue	10,164,014
Operating income	361,354
Net income	144,627

*The financial status of SK discovery Co., Ltd. above has been prepared based on the consolidated financial statements of December 31, 2025. For the final consolidated financial statements, please refer to SK discovery's regular reports and published financial statements, which are scheduled to be posted on the electronic disclosure system (<http://dart.fss.or.kr>) on March 17, 2026.

C. Key details which may impact the Company's business management stability such as business status

- Not applicable

D. Representative of the largest shareholder (SK discovery Co., Ltd.)

(Reference Date: 2025-12-31)

Name	Position (whether full-time)	Year of birth	Professional Background
Choi Chang Won	CEO and Vice Chairman (full-time)	August 1964	Bachelor's in Psychology, Seoul National University Former CEO and Vice Chairman of SK Gas Concurrent Chairman of SK SUPEX Council Concurrent Inside director and Vice Chairman of SK Gas Concurrent chairman of the board of trustees of Seoul National University
Son Hyeon Ho	CEO and President (full-time)	September 1969	MBA, University of Texas, USA Former executive in charge of strategic support team at SK SUPEX Council Concurrent non-executive director of SK chemicals Concurrent non-executive director of SK Gas

E. Overview of the largest shareholder (SK discovery Co., Ltd.)

1) Legal and commercial name of the company

The company shall be called SK discovery Co., Ltd., and which shall be 에스케이디스커버리주식회사 in Korean, and SK discovery Co., Ltd. in English.

2) Date of foundation

Sunkyung Synthetic Fiber Co., Ltd., SK discovery Co., Ltd.'s former corporation, was founded on July 1, 1969, and SK discovery was listed on the securities market on June 29, 1976.

*Since Sunkyung Synthetic Fiber Co., Ltd. merged with Sunkyung Fiber Co., Ltd. in 1976, the former's date of foundation is the SK discovery's date of foundation.

SK discovery changed its trade name to SK discovery Co., Ltd. on December 1, 2017, the date of split-off, and it was split off into SK discovery Co., Ltd., which is the investment unit, and SK chemicals Co., Ltd. which is the business unit.

3) Address, phone number and website address of the head office

- Address: 332 Pangyo-ro (Sampyeong-dong), Bundang-gu, Seongnam-si, Gyeonggi-do
- Phone number: +82-2-2008-7399
- Website: www.skdiscovery.com

4) Whether applicable as an SME

SK discovery Co., Ltd. does not qualify as a small or medium-sized enterprise under Article 2 of the Framework Act on Small and Medium Enterprises.

5) Contents of the main businesses

SK discovery Co., Ltd. transitioned into a holding company through a split-off on December 1, 2017, where the investment division remained as the surviving entity and the business division was established as a new entity. SK discovery is a holding company whose purpose of business is to control another company by owning stocks of another company.

SK discovery Co., Ltd. is a pure holding company that does not engage in separate business operations, and its main revenue comes from dividend income received from subsidiaries and others.

SK discovery Co., Ltd.'s major subsidiaries and affiliated companies are engaged in the following businesses: production of eco-friendly materials and pharmaceutical business

(SK chemicals, SK bioscience), gas business selling LPG, etc. (SK Gas), plasma fractionation business (SK Plasma), real estate development business (SK D&D), renewable energy business (SK E-tonics), and other businesses such as energy generation (Ulsan GPS), district energy supply (SK Multi-Utility), and real estate solutions (Proptier Co., Ltd.).

6) Status of registered executives

(Reference Date: 2025-12-31)

(Unit: stocks)

Name	Gender	Date of birth (year and month)	Position	Whether registered as an executive officer	Whether full-time	Responsibilities	Professional Background	Number of shares owned		Relationship with the Largest Shareholder	Period of service	Term expiration
								Shares with voting rights	Shares without voting rights			
Choi Chang Won	Male	August 1964	Vice Chairman	Inside director	Full-time	CEO and Vice Chairman Human Resources Committee	Bachelor's in Psychology, Seoul National University Former vice chairman and CEO of SK Gas Concurrent chairperson of the SK SUPLEX Council Concurrent vice chairman of inside directors of SK Gas Concurrent chairman of the board of trustees of Seoul National University	7,650,128	5,782	Largest shareholder Principal	31 years and 9 months	2027-03-27
Son Hyeon Ho	Male	September 1969	President	Inside director	Full-time	CEO and President ESG Committee	MBA, University of Texas, USA Former executive in charge of the SUPLEX Council strategy support team Concurrent non-executive director of SK chemicals Concurrent non-executive director of SK Gas	-	-	Issuing company Registered executive	1 year and 1 month	2028-03-26
Nam Gi Jung	Male	January 1973	Director	Inside director	Full-time	Head of the Finance Office	MBA in Finance, KAIST Former Head of SK discovery's Management Support Office Concurrent non-executive director of SK E-tonics	-	-	Issuing company Current executive officer	5 years	2026-03-28
Koo Jae Sang	Male	July 1964	Director	Outside director	Part-time	Chairman of the Board of Directors Audit Committee Chairman of the Personnel Committee Chairman of the Outside Director Candidate Nomination Committee	Yonsei University, Business Administration (Bachelor's) Former CEO of Mirae Asset Management, CEO of K-Clavis Asset Management Current Chairman and CEO of K-Clavis, Chair Professor at Dongguk University	-	-	Issuing company Registered executive	1 year and 10 months	2027-03-27
Kim Yong Joon	Male	July 1964	Director	Outside director	Part-time	Chairman of the Audit Committee ESG Committee Outside Director Candidate Nomination Committee	Master's in Economics from Syracuse University, USA Former commissioner of the Central Regional Tax Office, Director of International Taxation at the National Tax Service Current auditor of OB Beer, Advisor at Kim & Chang Law Firm	-	-	Issuing company Registered executive	3 years and 10 months	2028-03-26
Kim Jin Il	Male	February 1967	Director	Outside director	Part-time	Audit Committee ESG Committee Outside Director Candidate Nomination Committee	Ph.D. in Economics from Yale University, USA Former Senior Economist at the Board of Governors of the Federal Reserve System, USA Current professor, department of economics, Korea University, member of the differential rating committee of the Korea Deposit Insurance Corporation	-	-	Issuing company Registered executive	2 years and 10 months	2026-03-28
Kim Hyeon Jin	Female	August 1968	Director	Outside director	Part-time	Audit Committee Chairman of the ESG Committee Human Resources Committee	Ph.D. in International Relations from the University of Tokyo, Japan Former member of the Presidential Committee on Green Growth Current professor at Seoul Science and Technology University, Member of the Ministry of Economy and Finance's Fiscal Policy Advisory Council	-	-	Issuing company Registered executive	3 years and 10 months	2028-03-26

3. Details of Changes in the Largest Shareholder

(Reference Date: 2025-12-31)

(Unit: stocks, %)

Date of change	Name of the largest shareholder	Number of shares owned	Equity Interest	Reason of change	Note
2021-09-03	SK discovery Co., Ltd. and 11 others	4,347,371	32.91	SK discovery Co., Ltd. on-market acquisition (161,544 shares)	-
2021-11-10	SK discovery Co., Ltd. and 11 others	6,521,054	33.04	Changes in number of shares due to bonus issue (2,173,683 shares)	-
2022-07-08	SK discovery Co., Ltd. and 10 others	6,519,890	33.04	CEO Park Chan Joong resigned (SK discovery)	-
2022-09-23	SK discovery Co., Ltd. and 10 others	7,439,008	37.69	SK discovery's tender offer (919,118 shares)	-
2025-03-26	SK discovery Co., Ltd. and 10 others	7,438,233	38.40	Resignation of Non-Executive Director Jeon Kwang Hyun (775 shares)	-
2025-04-03	SK discovery Co., Ltd. and 10 others	7,445,849	38.44	CEO Ahn Jae Hyun on-market acquisition (7,616 shares)	-
2025-04-23	SK discovery Co., Ltd. and 11 others	7,590,564	39.19	Acquisition of shares by the employee welfare fund (144,715 shares)	-
2025-10-24	SK discovery Co., Ltd. and 11 others	7,590,564	39.10	Change in ownership interest due to an increase in total number of issued shares arising from the exercise of share-based payment options	-

*The "number of shares owned" and the "equity interest" above are based on the total number of issued shares.

*The Company re-listed the share certificates on the securities market on January 5, 2018.

*The relationship with the largest shareholder was entered by making reference to the relationship provided under Article 3 Paragraph 1 of the Enforcement Decree of the Act on Corporate Governance of Financial Companies.

4. Distribution of Shares

A. Status of share ownership

(Reference Date: 2025-12-31)

(Unit: stocks)

Classification	Name of shareholder	Number of shares owned	Equity interest rate (%)	Note
Shareholders owning 5% or more	SK discovery Co., Ltd.	7,056,899	40.79	-
	National Pension Service	1,470,744	8.50	-
Employee Stock Ownership Association		-	-	-

*The number of shares owned and the equity interest above are based on the common shares.

*Based on the shareholders' stock ownership as of December 31, 2025, only the changes in ownership that are verifiable (publicly disclosed) have been reflected.

*Please refer to the "Large Shareholding Report" disclosed by the National Pension Service on

October 1, 2025, for the common shares held by the National Pension Service.

B. Status of minority shareholders

(Reference Date: 2025-12-31)

(Unit: stocks)

Classification	Shareholders			Shares owned			Note
	Number of minority shareholders	Total number of shareholders	Ratio (%)	Number of shares owned by minority shareholders	Total number of issued shares	Ratio (%)	
Minority shareholders	62,463	62,471	99.99	8,648,153	17,298,766	49.99	-

*The above status of minority shareholders is based on the shareholder register closing date of December 31, 2025, and the ownership shares are based on common shares.

*The minority shareholders are those who own less than 1% of the total number of issued shares, and the total number of issued shares is based on the total number of issued shares with voting rights.

5. Stock price and trading performance

The share price and the share trading performance for the last 6 months from the date of preparation of the disclosure documents are as follows:

(Unit: KRW, stocks)

Type			July 2025	August 2025	September 2025	October 2025	November 2025	December 2025
Common shares	Share price	Highest	76,700	69,000	64,900	68,900	79,800	74,900
		Lowest	68,000	59,500	57,900	56,600	65,500	65,500
		Average	72,009	62,960	61,200	62,606	72,255	70,267
	Trading volume	Highest (daily)	185,721	229,177	111,283	433,258	293,834	263,587
		Lowest (daily)	27,688	13,733	16,122	27,695	32,717	22,971
		Monthly	1,602,281	1,000,980	991,042	1,750,895	2,062,943	1,275,114
Preferred stocks	Share price	Highest	30,500	28,050	27,150	29,400	31,850	30,700
		Lowest	27,600	25,650	25,200	24,750	27,700	28,500
		Average	29,087	26,473	26,193	26,181	30,010	29,714
	Trading volume	Highest (daily)	27,194	14,659	15,049	189,289	93,602	18,939
		Lowest (daily)	4,353	998	915	1,153	5,048	3,310
		Monthly	306,099	87,736	112,413	523,283	559,589	170,106

VIII. Matters Concerning Executives and Employees, Etc.

1. Status of Executives and Employees, Etc.

A. Status of executives

(Reference Date: 2025-12-31)

(Unit: stocks)

Name	Gender	Date of birth (year and month)	Position	Registered executive Outside director	Full-time Outside director	Person in charge Task	Professional Background	Number of shares owned		Relationship with the Largest Shareholder	Period of service	Term of appointment Expiration Date
								Shares with voting rights	Shares without voting rights			
Kim Cheol	Male	May 1961	CEO and President	Inside director	Full-time	CEO	Seoul National University/Economics (Bachelor's) London School of Economics/Economics (Master's) Former Head of the Resource Development Division, SK Innovation	3,000	-	Affiliated company Executive	8 years and 1 month	2026-03-28
Ahn Jae Hyun	Male	February 1966	CEO and President	Inside director	Full-time	CEO (Member of the ESG Committee)	Yonsei University/Applied Statistics (Bachelor's) Former CEO and President of SK Ecoplant	7,616	-	Affiliated company Executive	3 years and 9 months	2026-03-28
Son Hyeon Ho	Male	September 1969	Non-executive directors	Non-executive directors	Part-time	Non-executive directors (Member of the Personnel Committee)	Korea University/Business Administration (Bachelor's) University of Texas/MBA Former executive in charge of the SUPEX Council strategy support team, SK Inc. Head of Finance Division 3 Current CEO and president of SK discovery Concurrent non-executive director of SK Gas	-	-	Largest shareholder Executive	10 months	2028-03-26
Park Tae Jin	Male	July 1961	Director	Outside director	Part-time	Outside director (Chairman of the ESG Committee, Member of the Outside Director Candidate Nomination Committee, Member of the Audit Committee)	Seoul National University / German Language and Literature (Bachelor's) Seoul National University / Graduate School of Business (Master's) Former Chairman of J.P. Morgan Korea and Vice Chairman of the Asia-Pacific Region, Korea representative and head of the investment banking division Current management advisor at Hyundai Card Current outside director of Amorepacific Corporation	-	-	Affiliated company Executive	10 months	2028-03-26
Moon Sung Hwan	Male	January 1954	Director	Outside director	Part-time	Outside director (chairman of the board of directors, member of the Audit Committee, Chairman of the Personnel Committee)	Seoul National University/Business Administration (Bachelor's), Helsinki School of Economics, Finland (MBA) Former CEO and President of Huvis Former CEO and President of Samyang Corporation	-	-	Affiliated company Executive	5 years and 9 months	2026-03-28
Cho Hong Hee	Male	July 1959	Director	Outside director	Part-time	Outside director (Chairman of the Audit Committee, Member of the Outside Director Candidate Nomination Committee, Member of the Personnel Committee)	Sungkyunkwan University/International Trade (Bachelor's) UK University of Bath/Tax Studies (Master's) Former Commissioner of Seoul Regional Tax Office Former Outside director of Daekyo Co. Ltd. and Celtrion Current Advisor of Bae, Kim & Lee LLC Current Outside Director of Meritz Financial Group	-	-	Affiliated company Executive	5 years and 9 months	2026-03-28

Choi Sun Mee	Female	February 1969	Director	Outside director	Part-time	Outside director (Chairman of the Outside Director Candidate Nomination Committee, Audit Committee member, and ESG Committee member)	Yonsei University/English Literature (Bachelor's) Master's/Ph.D. from Cornell University, USA Former Deputy Director of the Office of International Affairs at Yonsei University Former Dean of the College of Business Administration, Vin University, Vietnam Current Professor of Business Administration, Yonsei University	-	-	Affiliated company Executive	1 year and 9 months	2027-03-26
Yang Jeong Il	Male	May 1970	Executive	Unregistered	Full-time	Assistant to the President	Seoul National University/Bachelor's in Law Former Head of Legal Affairs Office, SK Gas, Head of Ethical Management Division, SK Ecoplant	-	-	-	8 years and 1 month	-
Lee Kwang Seok	Male	July 1962	Executive	Unregistered	Full-time	Assistant to the President	Pusan National University/Bachelor's in Business Administration Former Head of Public Relations at SK Ecoplant	-	-	-	8 years and 1 month	-
Kim Hyun Suk	Male	June 1966	Executive	Unregistered	Full-time	Recycling Business Division	Yonsei University/Bachelor's in Biochemistry Univ. of North Carolina at Chapel Hill (MBA)	1,024	-	-	8 years and 1 month	-
Yoo Ho Seob	Male	January 1966	Executive	Unregistered	Full-time	Head of Production Infrastructure Division	Seoul National University/Bachelor's in Chemical Engineering Concurrent Head of the Management Support Office	-	-	-	8 years and 1 month	-
Kim Han Seok	Male	February 1968	Executive	Unregistered	Full-time	Head of Chemistry Research Center	Sogang University/Bachelor's and Master's in Chemical Engineering Sogang University/PhD in Chemical Engineering Concurrent Head of Green Chemicals Research Division	477	-	-	8 years and 1 month	-
Cho Su Dong	Male	August 1971	Executive	Unregistered	Full-time	Assisting the Head of Pharma Business Unit	Suwon University (Bachelor's in Genetic Engineering), Hanyang University (MBA)	90	-	-	8 years and 1 month	-
Kim Tae Hwan	Male	March 1976	Executive	Unregistered	Full-time	Head of Pharma Business ER	Sungkyunkwan University/Bachelor's in Business Administration	-	-	-	4 years and 6 months	-
Kim Eung Soo	Male	August 1969	Executive	Unregistered	Full-time	Head of Green Chemicals Business	Sungkyunkwan University/Bachelor's in Textile Engineering	880	-	-	8 years and 1 month	-
Jung Jae Joon	Male	October 1976	Executive	Unregistered	Full-time	President of SK Shantou	Hanyang University/Bachelor's in Chemical Engineering Concurrent Head of China RHQ (Regional Headquarters)	-	-	-	8 years and 1 month	-
Kim Dong Ryul	Male	October 1969	Executive	Unregistered	Full-time	Concurrent Head of SHE Division	Inha University/Bachelor's in Chemical Engineering Concurrent Head of Plasma SHE	-	-	-	6 years and 1 month	-
An Young Il	Male	November 1972	Executive	Unregistered	Full-time	Head of Marketing Division 2, Pharma Business Unit	Daejeon University (Bachelor's in Environmental Engineering), Chungnam National University (MBA)	-	-	-	8 years and 1 month	-
Yoo Hun Seung	Male	December 1975	Executive	Unregistered	Full-time	Assisting the Head of Pharma Business Unit	Seoul University / Bachelor's in Pharmacy, Seoul University / Master's in Pharmacognosy Seoul University / Pharmacognosy (Ph.D.)	-	-	-	8 years and 1 month	-
Park Hyun Sun	Male	February 1971	Executive	Unregistered	Full-time	Head of Pharma Business Unit	Sungkyunkwan University/Pharmaceutics (Bachelor's), Sungkyunkwan University/Pharmacy (Master's), Korea University (MBA) Former Research Center Director/Sales Manager, Yonsung Fine Chemicals Former Head of Business Planning Division, Pharma Business, SK chemicals Concurrent Pharma Research Institute Director	-	-	-	3 years and 1 month	-
Koo Min Hoe	Male	December 1968	Executive	Unregistered	Full-time	Assisting the Head of Pharma Business Unit	Sungkyunkwan University/Bachelor's in Accounting	-	-	-	8 years and 1 month	-
Yang Hui Jin	Female	July 1975	Executive	Unregistered	Full-time	Head of the Legal Office	Yonsei University/Bachelor's in Biochemistry American University Washington College of Law/LLM Former Partner Attorney, Law Firm Lee & Ko	-	-	-	3 years and 1 month	-
Kang Seok Ho	Male	February 1972	Executive	Unregistered	Full-time	Assistant to the President	Seoul National University/Electronic Engineering (Bachelor's), Seoul National University/Electronic Engineering (Master's) Univ. of Chicago (MBA) Former Head of Tractor Business Division at LS Mtron Concurrent Head of Recycling M&BD/Operations	-	-	-	3 years	-

							Division					
Cho Hyun Jun	Male	July 1971	Executive	Unregistered	Full-time	Head of Recycling Process Research Division	Hanyang University/Chemical Engineering (Bachelor's), Hanyang University/Chemical Engineering (Master's) Hanyang University/Chemical Engineering (PhD)	-	-	-	8 years and 1 month	-
Son Dong Yeoul	Male	July 1968	Executive	Unregistered	Full-time	Head of the Engineering Office	University of Ulsan/Electronic Engineering (Bachelor's)	-	-	-	8 years and 1 month	-
Kim Sung Gi	Male	March 1969	Executive	Unregistered	Full-time	Head of Functional Materials Business Division	Sogang University/Bachelor's and Master's in Chemical Engineering Toledo Univ./PhD in Engineering	-	-	-	8 years and 1 month	-
Kim Hyoun Dong	Male	March 1971	Executive	Unregistered	Full-time	Head of Communications Office	Chung-Ang University / Economics (Bachelor's)	-	-	-	8 years and 1 month	-
Mun Jeong Hyun	Female	November 1975	Executive	Unregistered	Full-time	Head of Development Division, Pharma Business	B.S. in Pharmaceutical Science, Seoul National University / M.S. in Pharmacy, Seoul National University	-	-	-	8 years and 1 month	-
Nam Sung Hyun	Male	April 1976	Executive	Unregistered	Full-time	Concurrent Head of Green Chemicals Production Division	Hanyang University / Chemical Engineering (Bachelor's), Ulsan University / Industrial Engineering (Master's) Concurrent Head of Production, SK Shantou	295	-	-	8 years and 1 month	-
Yoon Won Jae	Male	July 1974	Executive	Unregistered	Full-time	Head of Application Development Division	Hanyang University / Fiber and Polymer Engineering (Bachelor's), Hanyang University / Fiber and Polymer Engineering (Master's) Hanyang University / Organic Nano Engineering (PhD)	54	39	-	6 years and 3 months	-
Sung Yoon Seok	Male	April 1979	Executive	Unregistered	Full-time	Head of the Management Support Office, Pharma Business	Kyung Hee University / Economics (Bachelor's), Northwestern University (MBA)	-	-	-	1 year	-
Chang Cheol Woong	Male	March 1977	Executive	Unregistered	Full-time	Head of Legal Affairs	Seoul University / Economics (Bachelor's), Pusan National University / Law (Master's) Current Head of Legal Affairs at SK Gas, Head of Legal Affairs at SK discovery	-	-	-	1 year	-
Go Jeong Seok	Male	May 1975	Executive	Unregistered	Full-time	Head of the Management Support Division	Yonsei University / Business Administration (Bachelor's), Northwestern University (MBA) Concurrent Head of Strategic Planning Office	-	-	-	9 months	-

*Outside Director Park Tae Jin and Non-Executive Director Son Hyeon Ho were appointed at the 8th Annual General Meeting of Shareholders held on March 26, 2025.

*The relationship with the largest shareholder was entered by making reference to the relationship provided under Article 3 Paragraph 1 of the Enforcement Decree of the Act on Corporate Governance of Financial Companies.

*The "number of shares owned" above is the number excluding the number of employee stock ownership shares.

(Newly appointed and retired executives on or after the date of preparation)

Classification	Name	Gender	Date of birth (year and month)	Position	Whether a registered executive	Whether full-time	Responsibilities	Professional Background	Number of shares owned		Relationship with the largest shareholder
									Shares with voting rights	Shares without voting rights	
Appointment	Jeong Hee Seok	Male	December 1979	Executive	Unregistered	Full-time	Head of Recycling Business Division	Indiana University Bloomington / Bachelor's in Business Administration	-	-	-
								Concurrent Head of the Americas regional headquarters (RHQ)			
Appointment	Jeong Sang Min	Male	April 1974	Executive	Unregistered	Full-time	Head of Copolyester Business Division	Pusan National University / Naval Architecture and Ocean Engineering (Bachelor's), Pusan National University / Noise and Vibration Engineering (Master's)	15	-	-
Appointment	Jeong Ji Hyo	Male	March 1975	Executive	Unregistered	Full-time	Head of Green Chemicals Business/Operations Division	Pusan National University/Chemistry (Bachelor's)	112	21	-
Appointment	Kwon Oh Jun	Male	April 1980	Executive	Unregistered	Full-time	Head Of Digital Transformation and Corporate Culture Division	Hongik University/Bachelor's in Chemical Engineering	-	-	-
Appointment	Jeong Hae	Male	September	Executive	Unregistered	Full-time	Head of the Finance Office	Korea University/Business Administration (Bachelor's)	-	-	-

ment	Wook		1974								
Appointment	Kang Min Je	Male	July 1974	Executive	Unregistered	Full-time	Head of Marketing Division 1, Pharma Business Unit	Hallym University / Business Administration (Bachelor's), Hanyang University / Healthcare Management (MBA)	-	-	-
Appointment	Ryu Ju Yeon	Male	August 1974	Executive	Unregistered	Full-time	Head of Marketing Division 3, Pharma Business Unit	Dankook University / Industrial Chemistry (Bachelor's)	-	-	-
Appointment	Baek Eun Young	Female	August 1974	Executive	Unregistered	Full-time	Head of Pharma Quality Unit, Pharma Business	Chungbuk National University / Pharmaceutical Sciences (Bachelor's), Chungbuk National University / Pharmacy (Master's)	-	-	-
Appointment	Lee Ho Jin	Male	January 1975	Executive	Unregistered	Full-time	Head of the Cheongju Plant, Pharma Business	Pusan National University (Bachelor's), Chungbuk National University / Pharmaceutical Sciences (Master's)	-	-	-
Appointment	Choi Seung Young	Male	February 1977	Executive	Unregistered	Full-time	Head of Marketing Division 4, Pharma Business Unit	Kyung Hee University / Public Administration (Bachelor's), Hanyang University / Healthcare Management (MBA)	-	-	-
Appointment	Go Jung Hwa	Female	March 1977	Executive	Unregistered	Full-time	Head of Marketing Planning Division, Pharma Business	Korea University / Biology (Bachelor's), Korea University (MBA)	16	-	-
Retired	Cho Su Dong	Male	August 1971	Executive	Unregistered	Full-time	Head of Marketing Division 1, Pharma Business Unit	Suwon University (Bachelor's in Genetic Engineering), Hanyang University (MBA)	90	-	-
Retired	Koo Min Hoe	Male	December 1968	Executive	Unregistered	Full-time	Head of the Management Support Office, Pharma Business	Sungkyunkwan University/Bachelor's in Accounting	-	-	-
Retired	Yoo Hun Seung	Male	December 1975	Executive	Unregistered	Full-time	Head of Pharma Research Institute, Pharma Business Unit	Seoul University / Bachelor's in Pharmacy, Seoul University / Master's in Pharmacognosy Seoul University / Pharmacognosy (Ph.D.)	-	-	-
Retired	Kang Seok Ho	Male	February 1972	Executive	Unregistered	Full-time	Head of the Strategy Center Concurrent Head of Recycling M&BD/Operations Division	Seoul National University/Electronic Engineering (Bachelor's), Seoul National University/Electronic Engineering (Master's) Univ. of Chicago (MBA) Former LS Mtron Tractor Business Division Head and Head of Recycling M&BD and Operations Division	-	-	-

*The relationship with the largest shareholder was entered by making reference to the relationship provided under Article 3 Paragraph 1 of the Enforcement Decree of the Act on Corporate Governance of Financial Companies.

*The "number of shares owned" above is the number excluding the number of employee stock ownership shares.

B. Status of candidates for the appointment and dismissal of registered executives

(Reference Date: 2025-12-31)

Classification	Name	Gender	Date of birth (year and month)	Whether an outside director candidate	Professional Background	Scheduled date of appointment or dismissal	Relationship with the largest shareholder
Appointment	Ahn Jae Hyun	Male	February 1966	-	Yonsei University/Applied Statistics (Bachelor's) Former CEO and President of SK Ecoplant	2026-03-24	Affiliate's executive
Appointment	Park Hyun Sun	Male	February 1971	-	Sungkyunkwan University/Pharmaceutics (Bachelor's), Sungkyunkwan University/Pharmacy (Master), Korea University (MBA) Former Head of research institute / Head of Sales Division, Yeonseong	2026-03-24	Affiliate's executive

					Precision Chemical; Former Head of Business Planning Division, SK chemicals Pharma Business		
Appointment	Oh Sung Hoon	Male	January 1969	Applicable	Yonsei University/Economics (Bachelor's) Former Deloitte Anjin LLC M&A Group Leader; Former Head Of Client Industries Division at Deloitte Anjin LLC; Current Chief Executive Officer Of Quantum Advisory Co., Ltd.	2026-03-24	-
Appointment	Lee Jeong Seok	Male	December 1965	Applicable	Seoul National University / Law (Bachelor's), Dankook University / Master of Laws (LL.M.) University of Pennsylvania Law School/LL.M., former presiding judge of the Seoul High Court Current managing partner, Law Firm Yulwoo Current outside director, Union Materials	2026-03-24	-

C. Status of the registered executives' concurrent positions held

(Reference date: 2025-12-31)

Classification		Status of concurrent positions held			
Name	Position	Company Name	Position	Time of appointment	Whether full-time or not
Son Hyeon Ho	Non-executive directors	SK Gas	Non-executive directors	2025-03-20	Part-time
		SK discovery	CEO and President	2025-03-26	Full-time
Ahn Jae Hyun	CEO and President	SK bioscience	Non-executive directors	2023-03-27	Part-time
Park Tae Jin	Outside director	Amorepacific Corporation	Outside director	2025-03-25	Part-time
Cho Hong Hee	Outside director	Meritz Financial Group	Outside director	2022-03-24	Part-time

*The date of appointment above is the latest date of appointment.

D. Status of employees, etc.

(1) Status of employees, etc.

(Reference Date: 2025-12-31)

(Unit: KRW million)

Employees										Non-affiliated employees			Note
Business Division	Gender	Number of employees					Average number of years of continuous service	Total amount of annual salaries	Average compensation per employee	Male	Female	Total	
		Employees without a fixed term		Fixed-term employees		Total							
		Overall	(Part-time employees)	Overall	(Part-time employees)								
Management Support Division	Male	70	-	7	7	77	8.8	7,971	104	220	75	295	-
Management Support Division	Female	43	-	11	4	54	7.0	3,586	66				-
Green Chemicals Biz	Male	487	-	36	-	523	12.2	57,117	109				-
Green Chemicals Biz	Female	126	-	12	-	138	10.3	11,378	82				-
Life Science Biz	Male	520	-	46	6	566	10.6	47,619	84				-
Life Science Biz	Female	160	-	29	1	189	8.2	11,445	61				-
Genders combined	Male	1,077	-	89	13	1,166	11.2	112,707	99				-
Genders combined	Female	329	-	52	5	381	8.8	26,410	70				-
Total		1,406	-	141	18	1,547	10.6	139,117	90				-

*The "Average number of years of continuous service" above includes years of service prior to the split-off from SK discovery on December 1, 2017.

*The details above were prepared including the unregistered executives, and the registered executives are excluded.

*According to Article 20 of the Income Tax Act, the employees' salaries above are based on the earned income of the statement of earned income payment submitted to the competent tax office.

*The "average compensation per employee" above is the sum of the average monthly salaries, and the average monthly salary is the total salary for the relevant month divided by the average number of employees in service of the relevant month.

(2) Status of parental support program usage

(Reference Date: 2025-12-31)

(Unit: Number of persons)

Classification	The 9th period (current)	The 8th period (previous)	The 7th period (previous)

	nt perio d)	ous perio d)	period)
Number of parental leave users (male)	9	4	4
Number of parental leave users (female)	15	13	10
Number of parental leave users (overall)	24	17	14
Parental leave usage rate (male)	14.75%	10.3%	8.9%
Parental leave usage rate (female)	24.59%	81.3%	90.9%
Parental leave usage rate (total)	39.34%	30.9%	25.0%
Employees who returned after parental leave and have been employed for 12 months or more (male)	5	4	4
Employees who returned after parental leave and have been employed for 12 months or more (female)	7	13	8
Employees who returned after parental leave and have been employed for 12 months or more (total)	12	17	12
Number of users of the reduced working hours system for childcare	6	1	2
Number of users of spousal maternity leave	32	40	44

Data: provided by the company

(3) Usage rate of reduced working hours during pregnancy and childcare periods

(Reference Date: 2025-12-31)

(Unit: Number of persons)

Classification	The 9th period (current period)	The 8th period (previo us period)	The 7th period (period before previous period)
Reduced working hours system during pregnancy (A)	5	10	3
Reduced working hours system during childcare (B)	6	1	2
Total (A+B)	11	11	5
Pregnancy-related reduced working hours usage rate	0.21	62.5%	27.3%

Childcare-related reduced working hours usage rate	0.25	1.8%	3.6%
Usage rate of reduced working hours during pregnancy and childcare periods	0.46	64.3%	30.8%

Data: provided by the company

(4) Flexible working arrangement usage status

(Reference Date: 2025-12-31)

(Unit: Number of persons)

Classification	The 9th period (current period)	The 8th period (previous period)	The 7th period (period before previous period)
Usage of flexible working arrangements	O	O	O
Number of users of staggered working hours system	538	510	502
Number of users of selected working hours system	425	518	499
Number of users of remote working system (including telecommuting)	665	698	675

Data: provided by the company

E. Status of the unregistered executives' remuneration

(Reference Date: 2025-12-31)

(Unit: KRW million)

Classification	Number of persons	Total amount of annual salaries	Average compensation per employee	Note
Unregistered executive	26	8,150	313	-

*The above "number of personnel" is based on the current executives serving as of the date of preparation of the disclosure document.

*The above "total annual salary" and "average compensation per employee" include retired executives.

2. Remuneration of the Executives, Etc.

<Status of the remuneration for all directors and auditors>

A. Amount approved by the general meeting of shareholders

(Unit: KRW million)

Classification	Number of persons	Amount approved by the general meeting of shareholders	Note
Registered executive	7	5,000	Inside and outside directors combined

*The "number of persons" above is as of the date of preparation of the disclosure documents.

*The amount approved by the general meeting of shareholders for directors and auditors is the total compensation for both internal and outside directors, and it was approved by the annual general meeting of shareholders held on March 26, 2025.

*No remuneration is paid to non-executive directors.

B. Amount of remuneration paid

(1) For all directors and auditors

(Unit: KRW million)

Number of persons	Total amount of remuneration	Average amount of remuneration per person	Note
8	2,949	369	Including one retired outside director

*The "number of persons" above is as of the date of preparation of the disclosure documents.

*According to Article 20 of the Income Tax Act, the salaries above are based on the earned income of the statement of earned income payment submitted to the competent tax office.

*The above total compensation includes the compensation of executive directors, outside directors, and audit committee members who served or retired during the relevant fiscal year.

*The above "average compensation per person" is calculated by simply averaging the total compensation by the number of personnel.

(2) By type

(Unit: KRW million)

Classification	Number of persons	Total amount of remuneration	Average amount of remuneration per person	Note
Registered director (excluding outside directors and members of the Audit Committee)	3	2,521	840	-
Outside director (excluding members of the Audit Committee)	-	-	-	-
Member of the Audit Committee	5	428	86	Including 1 retired executive
Auditor	-	-	-	-

*The "number of persons" above is as of the date of preparation of the disclosure documents.

*According to Article 20 of the Income Tax Act, the salaries above are based on the earned income of the statement of earned income payment submitted to the competent tax office.

*The above total compensation includes the compensation of executive directors, outside directors, and audit committee members who served or retired during the relevant fiscal year.

*The above "average compensation per person" is calculated by simply averaging the total compensation by the number of personnel.

*The above audit committee members are outside directors who serve as audit committee members.

(3) Criteria for remuneration payment

Classification	Grounds of payment
Registered director (excluding outside directors and members of the Audit Committee)	The base salary was determined by comprehensively considering factors such as duties, expertise, and contributions to the company, within the scope of the director compensation limit for 2025. In addition, the performance-based bonus may be granted by comprehensively considering both quantitative evaluation results, such as the company's revenue and operating profit, and qualitative evaluation results, such as the achievement of strategic goals and leadership.

(excluding outside directors and members of the Audit Committee)	-
Member of the Audit Committee	The base salary was determined by comprehensively considering factors such as duties, expertise, and the company's business environment, within the scope of the director compensation limit for 2025.
Auditor	-

<Status of the individual remuneration for directors and auditors whose remuneration paid is KRW 500 million or greater>

(1) Individual remuneration

(Unit: KRW million)

Name	Position	Total amount of remuneration	Remuneration not included in the total amount of remuneration
Ahn Jae Hyun	CEO and President	1,700	Grant of 140,000 share options for SK chemicals common shares (Exercise price: KRW 42,570, exercise period: 2028-03-27 — 2032-03-26)
Kim Cheol	CEO and President	808	-

(2) Criteria and method of calculation

(Unit: KRW million)

Name	Type of remuneration		Total amount	Criteria and method of calculation
Ahn Jae Hyun	Earned income	Salary	1,000	In accordance with the executive compensation guidelines, the base salary of KRW 950 million was determined by comprehensively considering factors such as position (CEO), title (President), leadership, expertise, and contributions to the company. The base salary was determined to be KRW 1 billion, and a monthly payment of KRW 83 million, which is 1/12 of the total, was made.
		Bonus	700	Remuneration was paid within 0 - 200% of the base salary by comprehensively evaluating the quantitative indicators consisting of sales, operating income, pre-tax income, and net income, etc. and non-quantitative indicators consisting of leadership, expertise, and contribution to the

				Company. Considering quantitative indicators such as 2024 revenue of KRW 1.74 trillion and operating loss of KRW 45.2 billion (on a consolidated basis), and with respect to non-quantitative indicators, a bonus of KRW 700 million was calculated and paid in recognition of contributions to growth, including securing stable financial performance despite a challenging business environment and visualizing the recycling business through the stable operation of SK Shantou.
		Income from the exercise of stock option	-	-
		Other earned income	-	-
		Retirement income	-	-
		Other income	-	-
Kim Cheol	Earned income	Salary	808	Until February of the period, salaries were paid based on the 2024 annual base salary of KRW 950 million. Subsequently, in accordance with the executive compensation standards, the annual base salary was determined to be KRW 760 million, comprehensively reflecting factors such as position (CEO), rank (President), leadership, expertise, and contribution to the Company; accordingly, 1/12 of this amount, KRW 63 million, was paid monthly.
		Bonus	-	-
		Income from the exercise of stock option	-	-
		Other earned income	-	-
		Retirement income	-	-
		Other income	-	-

<Status of the individual remuneration for the top 5 individuals among those who were paid KRW 500 million or greater for remuneration>

(1) Individual remuneration

(Unit: KRW million)

Name	Position	Total amount of remuneration	Remuneration not included in the total amount of remuneration

Ahn Jae Hyun	CEO and President	1,700	Grant of 140,000 share options for SK chemicals common shares (Exercise price: KRW 42,570, exercise period: 2028-03-27 — 2032-03-26)
Kim Cheol	CEO and President	808	-
Kang Seok Ho	Unregistered executive	795	-
Yang Hui Jin	Unregistered executive	664	-
Kim Eung Soo	Unregistered executive	607	-

(2) Criteria and method of calculation

(Unit: KRW million)

Name	Type of remuneration		Total amount	Criteria and method of calculation
Ahn Jae Hyun	Earned income	Salary	1,000	In accordance with the executive treatment standards, the annual base salary was set at a total of KRW 1 billion by comprehensively reflecting the position (CEO), rank (President), leadership, expertise and contribution to the Company, and KRW 83 million, 1/12th of the total, was paid monthly.
		Bonus	700	Remuneration was paid within 0 - 200% of the base salary by comprehensively evaluating the quantitative indicators consisting of sales, operating income, pre-tax income, and net income, etc. and non-quantitative indicators consisting of leadership, expertise, and contribution to the Company. Considering quantitative indicators such as 2024 revenue of KRW 1.74 trillion and operating loss of KRW 45.2 billion (on a consolidated basis), and with respect to non-quantitative indicators, a bonus of KRW 700 million was calculated and paid in recognition of contributions to growth, including securing stable financial performance despite a challenging business environment and visualizing the recycling business through the stable operation of SK Shantou.
		Income from the exercise of stock option	-	-
		Other earned income	-	-
	Retirement income		-	-
	Other income		-	-

Kim Cheol	Earned income	Salary	808	Until February of the period, salaries were paid based on the 2024 annual base salary of KRW 950 million. Subsequently, in accordance with the executive compensation standards, the annual base salary was determined to be KRW 760 million, comprehensively reflecting factors such as position (CEO), rank (President), leadership, expertise, and contribution to the Company; accordingly, 1/12 of this amount, KRW 63 million, was paid monthly.
		Bonus	-	-
		Income from the exercise of stock option	-	-
		Other earned income	-	-
	Retirement income		-	-
	Other income		-	-
Kang Seok Ho	Earned income	Salary	361	In accordance with the executives' treatment standards, the base salary was decided at a total of KRW 360 million by comprehensively reflecting the duty, leadership, expertise, and contribution to the Company, and KRW 30 million, 1/12 of the total, was paid monthly.
		Bonus	160	The performance-based bonus is granted within the range of 0 to 200% of the base salary, based on a comprehensive evaluation of quantitative indicators such as revenue, operating profit, pre-tax profit, and net income, as well as qualitative indicators such as leadership, expertise, and other contributions to the Company. Considering the overall contribution to expanding CR-PET sales, scaling Vertical Solution customers, and establishing the value chain, a bonus of KRW 160 million was calculated and paid.
		Income from the exercise of stock option	-	-
		Other earned income	4	Approximately KRW 4 million was paid as the remainder of the Benefit Points, which is part of executive welfare benefits.
	Retirement income		270	In accordance with the executive severance pay regulations, an amount of KRW 270 million was calculated and paid, considering the monthly salary of KRW 30 million at the time of retirement, the length of service of 3 years, the average payment rate, and contributions. Among this amount, the severance pay limit under the Income Tax Act was applied, and KRW 270 million was paid as retirement income.
	Other income		-	-
		Salary	490	In accordance with the executives' treatment standards, the base salary was decided at a total of KRW 490 million by comprehensively reflecting the duty, leadership, expertise, and contribution to the Company, and KRW 41 million, 1/12 of the total, was paid monthly.

Yang Hui Jin	Earned income	Bonus	166	The performance-based bonus is granted within the range of 0 to 200% of the base salary, based on a comprehensive evaluation of quantitative indicators such as revenue, operating profit, pre-tax profit, and net income, as well as qualitative indicators such as leadership, expertise, and other contributions to the Company. Considering the comprehensive contribution to the normalization of recycling production infrastructure and the enhancement of the intellectual property management system, a bonus of KRW 166 million was calculated and paid.
		Income from the exercise of stock option	-	-
		Other earned income	8	Approximately KRW 8 million was paid as the remainder of the Benefit Points, which is part of executive welfare benefits.
	Retirement income		-	-
	Other income		-	-
Kim Eung Soo	Earned income	Salary	330	In accordance with the executives' treatment standards, the base salary was decided at a total of KRW 330 million by comprehensively reflecting the duty, leadership, expertise, and contribution to the Company, and KRW 28 million, 1/12 of the total, was paid monthly.
		Bonus	270	The performance-based bonus is granted within the range of 0 to 200% of the base salary, based on a comprehensive evaluation of quantitative indicators such as revenue, operating profit, pre-tax profit, and net income, as well as qualitative indicators such as leadership, expertise, and other contributions to the Company. In consideration of the achievement of profit before tax in the Green Chemicals business and contributions to expanding the high-value-added portfolio of Copolyester, a bonus of KRW 270 million was calculated and paid.
		Income from the exercise of stock option	-	-
		Other earned income	7	Approximately KRW 7 million was paid as the remainder of the Benefit Points, which is part of executive welfare benefits.
	Retirement income		-	-
	Other income		-	-

C. Status of stock option subsidies and exercises

(1) Stock options granted to directors and auditors

(Unit: KRW 1,000)

Classification	Number of persons to whom	Total fair value of stock options	Note

	stock options were granted		
Registered director (excluding outside directors and members of the Audit Committee)	1	-	-
(excluding outside directors and members of the Audit Committee)	-	-	-
Member of the Audit Committee or auditor	-	-	-
Person who instructs another person to conduct business, etc.	-	-	-
Total	1	-	-

[Fair value measurement method and significant assumptions]

Period of exercise	Number of exercisable shares by period	Exercise price	Volatility	Discount rate	Risk-free interest rate	Dividend yield	Method of calculation
2028-03-27 — 2032-03-26	140,000 shares	KRW 42,570	28.79%	2.840%	2.840%	1.87%	T-F model

(3) Status of the stock options granted and exercised

(Reference Date: 2025-12-31)

(Unit: KRW, stocks)

Grantee	Relationship	Date of grant	Method of grant	Type of stock	Initial quantity granted	Quantity changed during the current period		Total quantity changed		Quantity unexercised at the end of period	Period of exercise	Exer cise price	Whe ther man dator y holdi ng	Man dator holdi ng Period
						Exercised	Revoke d	Exercise d	Revoke d					
Ahn Jae Hyun	Registered executive	2025-03-26	Decided by the board of directors among delivery of new shares, delivery of treasury shares, and compensation of difference	Common shares	140,000	-	-	-	-	140,000	2028-03-27 — 2032-03- 26	42,570	X	-

*Closing price as of the disclosure document preparation date (December 31, 2025): KRW 65,500

IX. Matters Concerning Affiliates, Etc.

A. Name of the corporate group and the number of affiliates

- affiliated companies status (summary)

(Reference Date: 2025-12-31) (Unit: company)

Name of corporate group	Number of affiliates		
	Listed	Unlisted	Total
SK	20	731	751

*For the detailed status, refer to "Detailed Table-2. Status of Affiliates (Details)."

*This includes overseas affiliates, with overseas affiliates classified as unlisted.

[Status of investments between the affiliates]

As of December 31, 2025 (Based on common shares)

Investee \ Investor	SK Innovation	Korea Oil Pipeline Corporation	Happy Kiwoom	SK Energy	Nae Truck	Jeju SKFC	Happy Didim	SK Geo Centric	Ulsan Aromatics
SK Co., Ltd.	52.1%								
SK Innovation		41.0%	100.0%	100.0%				100.0%	
SK Energy					100.0%	100.0%	100.0%		
SK Geo Centric									50.0%
SK On									
E&S City Gas									
E&S City Gas Busan									
SK Telecom									
SK Broadband									
SK Square									
One Store									
Incross									
Tmap Mobility									
SK Hynix									
SKC									
SK Enpulse									
ISC									
SK Networks									

SK Intellix									
SK Ecoplant									
RenewUs									
RenewOne									
SK Oceanplant									
SK discovery									
SK Gas									
Lotte SK Eneroot									
SK D&D									
SK Eternix									
SK chemicals									
SK Forest									
Hweechan									
SK Materials Performance									
SK Consigned Management Real Estate Investment Company									
SK Siltron									
UNA Digital									
SK Planet									
SK Airplus									
Affiliates Total	52.1%	41.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	50.0%

Investee \ Investor	Happy Moeum	Wonpol	STAC	U-Base Manufacturing Asia	SK On	SK On Tech Plus	Happy Midum	SK Earthon	SK Incheon Petrochemical
SK Co., Ltd.									
SK Innovation					89.6%			100.0%	100.0%
SK Energy									
SK Geo Centric	100.0%	100.0%	50.0%						
SK On				70.0%		100.0%	100.0%		
E&S City Gas									
E&S City Gas Busan									
SK Telecom									
SK Broadband									
SK Square									
One Store									
Incross									
Tmap Mobility									
SK Hynix									
SKC									
SK Enpulse									
ISC									
SK Networks									
SK Intellix									
SK Ecoplant									
RenewUs									

RenewOne									
SK Oceanplant									
SK discovery									
SK Gas									
Lotte SK Eneroot									
SK D&D									
SK Eternix									
SK chemicals									
SK Forest									
Hweechan									
SK Materials Performance									
SK Consigned Management Real Estate Investment Company									
SK Siltron									
UNA Digital									
SK Planet									
SK Airplus									
Affiliates Total	100.0%	100.0%	50.0%	70.0%	89.6%	100.0%	100.0%	100.0%	100.0%
Investee \ Investor	SK IE Technology	Paju Energy Service	Narae Energy Service	Yeoju Energy Service	Jeonnam Offshore Wind Power	Sinan Jeungdo Solar	Haetssal Solar Power	Solis	Ariul Happy Solar
SK Co., Ltd.									
SK Innovation	53.4%	51.0%	100.0%	100.0%	51.0%	60.8%	100.0%	62.0%	100.0%
SK Energy									
SK Geo Centric									
SK On									
E&S City Gas									
E&S City Gas Busan									
SK Telecom									
SK Broadband									
SK Square									
One Store									
Incross									
Tmap Mobility									
SK Hynix									
SKC									
SK Enpulse									
ISC									
SK Networks									
SK Intellix									
SK Ecoplant									
RenewUs									
RenewOne									
SK Oceanplant									
SK discovery									
SK Gas									
Lotte SK Eneroot									
SK D&D									
SK Eternix									
SK chemicals									
SK Forest									
Hweechan									

SK Materials Performance									
SK Consigned Management Real Estate Investment Company									
SK Siltron									
UNA Digital									
SK Planet									
SK Airplus									
Affiliates Total	53.4%	51.0%	100.0%	100.0%	51.0%	60.8%	100.0%	62.0%	100.0%

Investee \ Investor	Ensolve	IGE	Jeonnam 2 Offshore Wind Power	Jeonnam 3 Offshore Wind Power	Dangjin Happiness Solar	Haesola Energy	lparking	SK Plug Hyverse	Lake Busa Happy Nanum Solar	Boryeong BlueHy
SK Co., Ltd.										
SK Innovation	100.0%	100.0%	55.0%	55.0%	50.0%	50.0%	44.4%	51.0%	70.0%	100.0%
SK Energy										
SK Geo Centric										
SK On										
E&S City Gas										
E&S City Gas Busan										
SK Telecom										
SK Broadband										
SK Square										
One Store										
Incross										
Tmap Mobility										
SK Hynix										
SKC										
SK Enpulse										
ISC										
SK Networks										
SK Intellix										
SK Ecoplant										
RenewUs										
RenewOne										
SK Oceanplant										
SK discovery										
SK Gas										
Lotte SK Eneroot										
SK D&D										
SK Eternix										
SK chemicals										
SK Forest										
Hweechan										
SK Materials Performance										

SK Consigned Management Real Estate Investment Company										
SK Siltron										
UNA Digital										
SK Planet										
SK Airplus										
Affiliates Total	100.0%	100.0%	55.0%	55.0%	50.0%	50.0%	44.4%	51.0%	70.0%	100.0%

Investee \ Investor	E&S City Gas	Cowon Energy Service	Chungcheong Energy Service	Yeongnam Energy Service	Jeonnam City Gas	Kangwon City Gas	Jeonbuk Energy Service	E&S City Gas Busan	Busan City Gas	SK Telecom
SK Co., Ltd.										30.6%
SK Innovation	100.0%							100.0%		
SK Energy										
SK Geo Centric										
SK On										
E&S City Gas		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
E&S City Gas Busan									100.0%	
SK Telecom										
SK Broadband										
SK Square										
One Store										
Incross										
Tmap Mobility										
SK Hynix										
SKC										
SK Enpulse										
ISC										
SK Networks										
SK Intellix										
SK Ecoplant										
RenewUs										
RenewOne										
SK Oceanplant										
SK discovery										
SK Gas										
Lotte SK Eneroot										
SK D&D										
SK Eternix										
SK chemicals										
SK Forest										
Hweechan										
SK Materials Performance										
SK Consigned Management Real Estate Investment Company										

SK Siltron										
UNA Digital										
SK Planet										
SK Airplus										
Affiliates Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	30.6%

Investee \ Investor	PS & Marketing	SK O&S	Service Ace	Service Top	SK Telink	Happy Hanwool	SK Stoa	SK Broadband	Home & Service	Media S
SK Co., Ltd.										
SK Innovation										
SK Energy										
SK Geo Centric										
SK On										
E&S City Gas										
E&S City Gas Busan										
SK Telecom	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%		
SK Broadband									100.0%	100.0%
SK Square										
One Store										
Incross										
Tmap Mobility										
SK Hynix										
SKC										
SK Enpulse										
ISC										
SK Networks										
SK Intellix										
SK Ecoplant										
RenewUs										
RenewOne										
SK Oceanplant										
SK discovery										
SK Gas										
Lotte SK Eneroot										
SK D&D										
SK Eternix										
SK chemicals										
SK Forest										
Hweechan										
SK Materials Performance										
SK Consigned Management Real Estate Investment Company										
SK Siltron										
UNA Digital										
SK Planet										
SK Airplus										
Affiliates Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%

Investee \ Investor	SK Square	Dreamus Company	FSK L&S	11st	SK Planet	One Store	Incross	Mind Knock	SK Telecom CST1
SK Co., Ltd.	31.5%								
SK Innovation									
SK Energy									
SK Geo Centric									
SK On									
E&S City Gas									
E&S City Gas Busan									
SK Telecom									
SK Broadband									
SK Square		22.2%	60.0%		99.5%	45.8%	36.1%		55.4%
One Store									
Incross								100.0%	
Tmap Mobility									
SK Hynix									
SKC									
SK Enpulse									
ISC									
SK Networks									
SK Intellix									
SK EcoPlant									
RenewUs									
RenewOne									
SK Oceanplant									
SK discovery									
SK Gas									
Lotte SK Eneroot									
SK D&D									
SK Eternix									
SK chemicals									
SK Forest									
HweeChan									
SK Materials Performance									
SK Consigned Management Real Estate Investment Company									
SK Siltron									
UNA Digital									
SK Planet				100.0%					
SK Airplus									
Affiliates Total	31.5%	22.2%	60.0%	100.0%	99.5%	45.8%	36.1%	100.0%	55.4%

Investee \ Investor	Tmap Mobility	YLP	SK Hynix	SK Hystec	SK HyENG	Happy-More	SK Hynix System IC
SK Co., Ltd.							
SK Innovation							

SK Energy							
SK Geo Centric							
SK On							
E&S City Gas							
E&S City Gas Busan							
SK Telecom							
SK Broadband							
SK Square	63.2%		20.1%				
One Store							
Incross							
Tmap Mobility		100.0%					
SK Hynix				100.0%	100.0%	100.0%	100.0%
SKC							
SK Enpulse							
ISC							
SK Networks							
SK Intellix							
SK Ecoplant							
RenewUs							
RenewOne							
SK Oceanplant							
SK discovery							
SK Gas							
Lotte SK Eneroot							
SK D&D							
SK Eternix							
SK chemicals							
SK Forest							
Hweechan							
SK Materials Performance							
SK Consigned Management Real Estate Investment Company							
SK Siltron							
UNA Digital							
SK Planet							
SK Airplus							
Affiliates Total	62.4%	100.0%	20.1%	100.0%	100.0%	100.0%	100.0%

Investee \ Investor	Happy Narae	SK Key Foundry	SKC	SK Nexilis	SK PIC Global	SK Leaveo	ISC	SK Networks
SK Co., Ltd.			40.6%					43.9%
SK Innovation								
SK Energy								
SK Geo Centric								
SK On								
E&S City Gas								
E&S City Gas Busan								
SK Telecom								
SK Broadband								
SK Square								
One Store								
Incross								

Tmap Mobility								
SK Hynix	100.0%	100.0%						
SKC				100.0%	51.0%	82.4%	45.0%	
SK Enpulse								
ISC								
SK Networks								
SK Intellix								
SK Ecoplant								
RenewUs								
RenewOne								
SK Oceanplant								
SK discovery								
SK Gas								
Lotte SK Eneroot								
SK D&D								
SK Eternix								
SK chemicals								
SK Forest								
Hweechan								
SK Materials Performance								
SK Consigned Management Real Estate Investment Company								
SK Siltron								
UNA Digital								
SK Planet								
SK Airplus								
Affiliates Total	100.0%	100.0%	40.6%	100.0%	51.0%	82.4%	45.0%	43.9%

Investee \ Investor	SK Networks Service	Mintit	Katini	SK Intellix	SK Intellix Service	Happy Namu	En-core	SK Speedmate	Glowide Co.,	SK Ecoplant	Seongju Tech
SK Co., Ltd.										69.1%	
SK Innovation											
SK Energy											
SK Geo Centric											
SK On											
E&S City Gas											
E&S City Gas Busan											
SK Telecom											
SK Broadband											
SK Square											
One Store											
Incross											
Tmap Mobility											
SK Hynix											
SKC											
SK Enpulse											
ISC											
SK Networks	100.0%	100.0%	100.0%	100.0%			93.4%	100.0%	100.0%		

SK Intellix					100.0%	100.0%						
SK Ecoplant												100.0%
RenewUs												
RenewOne												
SK Oceanplant												
SK discovery												
SK Gas												
Lotte SK Eneroot												
SK D&D												
SK Etemix												
SK chemicals												
SK Forest												
Hweechan												
SK Materials Performance												
SK Consigned Management Real Estate Investment Company												
SK Siltron												
UNA Digital												
SK Planet												
SK Airplus												
Affiliates Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	93.4%	100.0%	100.0%	69.1%	100.0%	

Investee \ Investor	SK Ecoengin eering	Gangdong Green Complex	Southeast Coast Offshore Wind Power	AP Development	SK Oceanplant	Samkang S&C	Changwon SG Energy	Renewenergy Chungbuk	RenewUs	Bloom SK Fuel Cell
SK Co., Ltd.										
SK Innovation										
SK Energy										
SK Geo Centric										
SK On										
E&S City Gas										
E&S City Gas Busan										
SK Telecom										
SK Broadband										
SK Square										
One Store										
Incross										
Tmap Mobility										
SK Hynix										
SKC										
SK Enpulse										
ISC										
SK Networks										
SK Intellix										
SK Ecoplant	100.0%	78.8%	100.0%	100.0%	35.6%		65.1%	96.3%	100.0%	60.0%
RenewUs										
RenewOne										
SK Oceanplant						100.0%				

SK discovery										
SK Gas										
Lotte SK Eneroot										
SK D&D										
SK Eternix										
SK chemicals										
SK Forest										
Hweechan										
SK Materials Performance										
SK Consigned Management Real Estate Investment Company										
SK Siltron										
UNA Digital										
SK Planet										
SK Airplus										
Affiliates Total	100.0%	78.8%	100.0%	100.0%	35.6%	100.0%	65.1%	96.3%	100.0%	60.0%

Investee \ Investor	SK Airplus	Renewenergy Gyeonggi	Renewenergy Gyeongin	Renewenergy Chungcheong	Renewland Gyeongju	Renewenergy Gyeongbuk	Renew Liquid Seonam	Renew Liquid Honam	Renewland Sin-Gyeongju
SK Co., Ltd.									
SK Innovation									
SK Energy									
SK Geo Centric									
SK On									
E&S City Gas									
E&S City Gas Busan									
SK Telecom									
SK Broadband									
SK Square									
One Store									
Incross									
Tmap Mobility									
SK Hynix									
SKC									
SK Enpulse									
ISC									
SK Networks									
SK Intellix									
SK Ecoplant	100.0%								
RenewUs		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
RenewOne									
SK Oceanplant									
SK discovery									
SK Gas									
Lotte SK Eneroot									
SK D&D									
SK Eternix									
SK chemicals									
SK Forest									

Hweechan									
SK Materials Performance									
SK Consigned Management Real Estate Investment Company									
SK Siltron									
UNA Digital									
SK Planet									
SK Airplus									
Affiliates Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Investee \ Investor	Green Hwasoon	Gokseong Environment	Dalseong Clear Water	Gyeongsan Clear Water	Renewlogis Industry	RenewOne	Renewlogis	Renewcon Daewon	Renewland Cheongju	Renewenergy Green
SK Co., Ltd.										
SK Innovation										
SK Energy										
SK Geo Centric										
SK On										
E&S City Gas										
E&S City Gas Busan										
SK Telecom										
SK Broadband										
SK Square										
One Store										
Incross										
Tmap Mobility										
SK Hynix										
SKC										
SK Enpulse										
ISC										
SK Networks										
SK Intellix										
SK Ecoplant						100.0%				
RenewUs	100.0%	100.0%	100.0%	100.0%	100.0%					
RenewOne							100.0%	100.0%	100.0%	100.0%
SK Oceanplant										
SK discovery										
SK Gas										
Lotte SK Eneroot										
SK D&D										
SK Eternix										
SK chemicals										
SK Forest										
Hweechan										
SK Materials Performance										
SK Consigned Management Real Estate Investment Company										
SK Siltron										

UNA Digital										
SK Planet										
SK Airplus										
Affiliates Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Investee \ Investor	Renewenergy Daewon	Renewenergy Metro	Renewenergy Saehan	Renewenergy Jeonnam	Renewenergy Chungnam	SK Plasma	SK Gas	SK Advanced	Ulsan GPS	Dangjin Eco Power
SK Co., Ltd.										
SK Innovation										
SK Energy										
SK Geo Centric										
SK On										
E&S City Gas										
E&S City Gas Busan										
SK Telecom										
SK Broadband										
SK Square										
One Store										
Incross										
Tmap Mobility										
SK Hynix										
SKC										
SK Enpulse										
ISC										
SK Networks										
SK Intellix										
SK Ecoplant										
RenewUs										
RenewOne	100.0%	100.0%	100.0%	100.0%	100.0%					
SK Oceanplant										
SK discovery						80.7%	72.1%			
SK Gas								45.0%	100.0%	66.0%
Lotte SK Eneroot										
SK D&D										
SK Eternix										
SK chemicals										
SK Forest										
Hweechan										
SK Materials Performance										
SK Consigned Management Real Estate Investment Company										
SK Siltron										
UNA Digital										
SK Planet										
SK Airplus										
Affiliates Total	100.0%	100.0%	100.0%	100.0%	100.0%	80.7%	72.1%	45.0%	100.0%	66.0%

Investee \ Investor	G-Energy	Eco Marine Fuel Solution	Lotte SK Eneroot	Ulsan Eneroot 2	SK D&D	D&D Investment	DDIOS108
SK Co., Ltd.							
SK Innovation							
SK Energy							
SK Geo Centric							
SK On							
E&S City Gas							
E&S City Gas Busan							
SK Telecom							
SK Broadband							
SK Square							
One Store							
Incross							
Tmap Mobility							
SK Hynix							
SKC							
SK Enpulse							
ISC							
SK Networks							
SK Intellix							
SK Ecoplant							
RenewUs							
RenewOne							
SK Oceanplant							
SK discovery					31.3%		
SK Gas	50.0%	100.0%	50.0%				
Lotte SK Eneroot				100.0%			
SK D&D						100.0%	100.0%
SK Eternix							
SK chemicals							
SK Forest							
Hweechan							
SK Materials Performance							
SK Consigned Management Real Estate Investment Company							
SK Siltron							
UNA Digital							
SK Planet							
SK Airplus							
Affiliates Total	50.0%	100.0%	50.0%	100.0%	31.3%	100.0%	100.0%

Investee \ Investor	D&D Property Solutions	SK Eternix	Jindo Sanwol Solar Power	SK chemicals	SK bioscience	Entis	JSI	SK chemicals Daejeong	SK Multi-Utility
SK Co., Ltd.									
SK Innovation									
SK Energy									
SK Geo Centric									
SK On									

E&S City Gas									
E&S City Gas Busan									
SK Telecom									
SK Broadband									
SK Square									
One Store									
Incross									
Tmap Mobility									
SK Hynix									
SKC									
SK Enpulse									
ISC									
SK Networks									
SK Intellix									
SK Ecoplant									
RenewUs									
RenewOne									
SK Oceanplant									
SK discovery		31.0%		40.8%					
SK Gas									
Lotte SK Eneroot									
SK D&D	85.1%								
SK Eternix			100.0%						
SK chemicals					66.4%	50.0%	40.0%	50.0%	100.0%
SK Forest									
Hweechan									
SK Materials Performance									
SK Consigned Management Real Estate Investment Company									
SK Siltron									
UNA Digital									
SK Planet									
SK Airplus									
Affiliates Total	85.1%	31.0%	100.0%	40.8%	66.4%	50.0%	40.0%	50.0%	100.0%

Investee \ Investor	Proptier	SK Biopharmaceuticals	SK Forest	Hweechan	SK Pinx	SK REITs Management	SK Trichem	SK Resonac	SK Materials Performanc e	JS1
SK Co., Ltd.		64.0%	100.0%	100.0%		100.0%				
SK Innovation										
SK Energy										
SK Geo Centric										
SK On										
E&S City Gas										
E&S City Gas Busan										
SK Telecom										
SK Broadband										
SK Square										
One Store										
Incross										

Tmap Mobility										
SK Hynix										
SKC										
SK Enpulse										
ISC										
SK Networks										
SK Intellix										
SK Ecoplant							65.0%	51.0%	100.0%	
RenewUs										
RenewOne										
SK Oceanplant										
SK discovery	66.5%									
SK Gas										
Lotte SK Eneroot										
SK D&D										
SK Eternix										
SK chemicals										
SK Forest										
Hweechan					100.0%					
SK Materials Performance										50.0%
SK Consigned Management Real Estate Investment Company										
SK Siltron										
UNA Digital										
SK Planet										
SK Airplus										
Affiliates Total	66.5%	64.0%	100.0%	100.0%	100.0%	100.0%	65.0%	51.0%	100.0%	50.0%

Investee	SK Materials JNC	SK Consigned Management Real Estate Investment	Clean Energy Consigned Management Real Estate	Total Value No. 1 Consigned Management	Clean Industrial REITs Co.,Ltd	SK Siltron	Happy Chaewoom
\		Company	Investment Company	Real Estate Investment Company			
Investment Company							
SK Co., Ltd.		29.2%				51.0%	
SK Innovation							
SK Energy							
SK Geo Centric							
SK On							
E&S City Gas							
E&S City Gas Busan							
SK Telecom							
SK Broadband							
SK Square							
One Store							
Incross							
Tmap Mobility							
SK Hynix							
SKC							
SK Enpulse							
ISC							
SK Networks							
SK Intellix							
SK Ecoplant	51.0%						
RenewUs							

RenewOne							
SK Oceanplant							
SK discovery							
SK Gas							
Lotte SK Eneroot							
SK D&D							
SK Eternix							
SK chemicals							
SK Forest							
Hweechan							
SK Materials Performance							
SK Consigned Management Real Estate Investment Company			100.0%	100.0%	100.0%		
SK Siltron							100.0%
UNA Digital							
SK Planet							
SK Airplus							
Affiliates Total	51.0%	29.2%	100.0%	100.0%	100.0%	51.0%	100.0%

Investee \\ Investme nt Company	Ackerton Technology Service	UNA Engineering	TIMOR HOLDINGS	TES AX	SK Air Core	Lumina Mask
SK Co., Ltd.	50.0%					
SK Innovation						
SK Energy						
SK Geo Centric						
SK On						
E&S City Gas						
E&S City Gas Busan						
SK Telecom						
SK Broadband						

SK Square						
One Store						
Incross						
Tmap Mobility						
SK Hynix						
SKC						100.0%
SK Enpulse						
ISC						
SK Networks						
SK Intellix						
SK Ecoplant				100.0%		
RenewUs						
RenewOne						
SK Oceanplant						
SK discovery						
SK Gas						
Lotte SK Eneroot						
SK D&D						
SK Eternix						
SK chemicals						
SK Forest			90.9%			
Hweechan						
SK Materials Performance						
SK Consigned Management Real Estate Investment Company						
SK Siltron						
UNA Digital		98.0%				
SK Planet						
SK Airplus					100.0%	
Affiliates Total	50.0%	98.0%	90.9%	100.0%	100.0%	100.0%

Note 1) Prepared based on actual ownership as of the reporting date at the end of December.

Note 2) Lumina Mask was included in the scope of consolidation as of 2026-01-02.

Note 2) Effective of 2026-01-27, SK Enpulse was absorbed into SKC in a merger by absorption and was dissolved.

Note 3) Effective 2026-01-30, RenewUs and its 13 subsidiaries (Renewland Gyeongju, Renewland Sin-Gyeongju, Renewenergy Chungcheong, Renewlogis Industry, Renewenergy Gyeonggi, Renewenergy Gyeongin, Renewenergy Gyeongbuk, Renewliquid Seonam, Renewliquid Honam, Green Hwasun, Gokseong Environment, Dalseong Clean Waterway, and Gyeongsan Clean Waterway) were deconsolidated from the group.

Note 4) Effective 2026-01-30, RenewOne and its nine subsidiaries (Renewlogis Industry, Renewcon Daewon, Renewland Cheongju,

Renewenergy Green, Renewenergy Daewon, Renewenergy Metro, Renewenergy Saehan, Renewenergy Jeonnam, Renewenergy Chungnam) were deconsolidated from the group.

Note 5) Effective 2026-01-30, Renewenergy Chungbuk was deconsolidated.

B. Name of the affiliated company

- Name of the affiliated company: SK chemicals Co., Ltd. (corporate registration number: 131111-0501021)

C. An ownership structure chart which allows for the identification of the status of control, subordination and investment among the affiliated companies

☞ Refer to "XII. Detailed Table - 2. Status of Affiliates (Details) - (Status of Investments

between Affiliates)." **D.** Where there is a body or an organization that adjusts the

business or interests between affiliates, their status

- Not applicable

E. Where there is a company which directly or indirectly influences the management of the Company among the affiliates, the relevant company's name and details

- Not applicable

F. Status of the concurrent positions held by the executives between the Company and the affiliates

(Reference date: 2025-12-31)

Classification		Status of concurrent positions held			
Name	Position	Company Name	Position	Time of appointment	Whether full-time or not
Son Hyeon Ho	Non-executive directors	SK Gas	Non-executive directors	2025-03-20	Part-time
		SK discovery	CEO and President	2025-03-26	Full-time
Ahn Jae Hyun	CEO and President	SK bioscience	Non-executive directors	2023-03-27	Part-time

Park Tae Jin	Outside director	Amorepacific Corporation	Outside director	2025-03-25	Part-time
Cho Hong Hee	Outside director	Meritz Financial Group	Outside director	2022-03-24	Part-time

*The date of appointment above is the latest date of appointment.

G. Status of Investments in Other Corporations (Summarized)

(Reference Date: 2025-12-31)

(Unit: KRW million)

Purpose of Investment	Number of Companies Invested In			Total Amount of Investment			
	Listed	Unlisted	Total	Increase (Decrease)			Carrying amount at end of period
				Carrying amount at beginning of period	Acquisition (Disposal)	Measurement Gains and Losses	
Management Participation	1	11	12	441,378	59,100	-	500,478
General Investment	-	-	-	-	-	-	-
Simple Investment	1	7	8	63,477	2,024	6,741	72,242
Total	2	18	20	504,855	61,124	6,741	572,720

*For the detailed status, refer to "Detailed Table-3. Status of Investment in Other Corporations (Details)."

X. Details of Transactions with Major Shareholders, Etc.

1. Credit Extensions for major shareholders, etc.

A. Credit extensions for major shareholders, etc.

– Not applicable

B. Credit extensions, etc., parties other than major shareholders

[SK chemicals]

The details of the payment guarantees provided for the related parties as of the end of the reporting period are as follows:

(Reference date: 2025-12-31)

(Unit: RMB 1,000)

	Related party		Amount of debt		Details of transaction

Name of related parties		Creditor	guaranteed		Period of debt guarantee	(balance)		
	Classification		Currency	amount		Beginnin g of Period	Change	End of Period
SK chemicals (Yantai) Co., Ltd.	Subsidiary	KEB Hana Bank (China)	RMB	-	2022-11-29 — 2025-11-28	76,800	-76,800	-
			RMB	40,823	2025-04-08 — 2026-04-07	54,000	-13,177	40,823
			RMB	49,200	2025-05-21 — 2026-08-20	49,200	-	49,200
	Subtotal		RMB	90,023	-	180,000	-89,977	90,023
Shuye-SK chemicals (Shantou) Co., Ltd.	Subsidiary	KB Limited Guangzhou Branch	RMB	60,000	2024-10-31 — 2027-11-12	60,000	-	60,000
			RMB	70,000	2024-10-31 — 2026-11-13	70,000	-	70,000
		Bank of China Shantou Branch	RMB	40,000	2024-12-13 — 2029-12-31	40,000	-	40,000
	Subtotal		RMB	170,000	-	170,000	-	170,000

*In addition to the above guarantees, the Company has entered into an agreement to guarantee the unpaid fuel costs and related liabilities arising

from the LNG supply contract between its subsidiaries, SK Multi-Utility Co., Ltd. and SK Gas International, PTE., Ltd.

*The Company has entered into agreements for cash deficiency support and collateral provisions for the project financing of its subsidiary, SK Multi-Utility Co., Ltd.

2. Transfer of Assets with Major Shareholders, Etc.

– Not applicable

3. Business Transactions with Major Shareholders

– Not applicable

4. Transactions with Stakeholders Other Than Major Shareholders

A. Details of key transactions with related parties

The details of major transactions conducted with related parties for the current and previous periods are as follows:

<Current period>

(Unit: KRW 1,000)

Classification	Name of related parties	Sales	Other income, asset sales, etc. (Note 2)	Purchase	Other expenses, capital expenditures, etc. (Note 1)
Parent company	SK discovery Co., Ltd.	343,567	525,604	-	1,419,501
Associates and joint ventures	Entis Co., Ltd.	1,682,771	1,289,348	-	1,266
	JSI Co., Ltd.	31,360	98,580	-	61,560
	HDC Polyall Co., Ltd.	6,319,875	-	-	9,451
	SK Gas Co., Ltd.	2,194,136	50,602,169	5,242,831	39,851,179

Other	SK Plasma Co., Ltd.	1,347,683	2,284,170	-	6,688
	SK Advanced Co., Ltd.	4,644,887	-	5,372,890	280,207
	Huvis Co., Ltd.	1,259,434	-	17,306,688	-
	SK Ecoplant Co., Ltd.	-	-	-	119,149,438
	SK Ecoengineering Co., Ltd.	205,010	142,261	-	82,524,773
	SK Networks Co., Ltd.	147,117	-	-	981,637
	SK NETWORKS HONGKONG	-	-	21,598,138	-
	SK Energy Co., Ltd.	18,006,148	-	-	473,150
	SK Geo Centric Co., Ltd.	-	-	2,219,671	675
	SK Co., Ltd.	-	94,000	-	28,148,245
	Happy Narae Co., Ltd.	-	-	1,283,904	9,086,493
	SK Broadband Co., Ltd.	-	19,706,301	-	46,677
	Glowide Co. Ltd.	1,371,879	-	12,097,429	-
	SK Gas International Pte. Ltd.	-	-	118,431,309	-
	Other	8,108,192	92,837	225,410	9,210,819
	Total	45,662,059	74,835,270	183,778,270	291,251,759

(Note 1) The consolidated companies have acquired fixed assets worth KRW 226,114,283,000 from SK Ecoengineering Co., Ltd., etc. during the current period.

(Note 2) The consolidated companies have disposed of tangible assets worth KRW 70,306,301,000 to SK Broadband Co., Ltd., etc. during the current period.

<Previous period>

(Unit: KRW 1,000)

Classification	Name of related parties	Sales	Other income, asset sales, etc. (Note 1)	Purchase	Other expenses, capital expenditures, etc. (Notes 1, 2)
Parent company	SK discovery Co., Ltd.	251,051	443,471	-	1,421,232
Associates and joint ventures	Entis Co., Ltd.	1,976,246	5,194,172	-	2,704
	JSI Co., Ltd.	158,760	129,588	82,596	77,127
	HDC Polyall Co., Ltd.	8,857,217	-	-	-
	SK Gas Co., Ltd.	1,069,242	28,396	39,033,936	6,193,338
	SK Plasma Co., Ltd.	2,103,721	953,359	-	3,009

Other	SK Advanced Co., Ltd.	5,030,855	39,791	7,158,466	262,434
	Huvis Co., Ltd.	398,400	-	7,090,141	-
	SK Ecoplant Co., Ltd.	-	-	-	96,069,734
	SK Ecoengineering Co., Ltd.	238,933	417,868	-	134,084,147
	SK Networks Co., Ltd.	4,418,590	-	13,130,285	141,195
	SK NETWORKS HONGKONG	-	-	22,436,024	-
	SK Energy Co., Ltd.	18,850,136	25,507,048	-	534,352
	SK Geo Centric Co., Ltd.	-	-	2,948,095	-
	SK Co., Ltd.	-	-	-	21,335,902
	SK Hynix Co., Ltd.	-	-	-	27,800
	Happy Narae Co., Ltd.	-	-	1,223,173	8,825,635
	Other	4,995,995	51,179,810	799,280	81,391,676
	Total	48,349,146	83,893,503	93,901,996	350,370,285

(Note 1) Other income and other expenses include exchanges of inventories arising from liquefied natural gas (LNG) volume swap contracts.

(Note 2) The consolidated companies acquired tangible assets amounting to KRW 244,050,740,000 from SK Eco Engineering Co., Ltd. and others during the prior period.

B. Key receivables and liabilities concerning the related parties

The details of major receivables and liabilities concerning the related parties as of the end of the reporting period are as follows:

<End of the current period>

(Unit: KRW 1,000)

Classification	Name of related parties	Receivables		Payables	
		Trade receivables	Other receivables	Trade payables	Other payables
Parent company	SK discovery Co., Ltd.	90,894	91,478	-	229,106
Associates and joint ventures	Entis Co., Ltd.	91,818	66,853	-	303
	JSI Co., Ltd. (Note 1)	-	1,940,000	-	-
	HDC Polyall Co., Ltd.	970,915	-	-	9,451
	SK Gas Co., Ltd.	210,746	825,883	330,587	1,418,798
	SK Plasma Co., Ltd.	142,676	341,615	-	2,871
	SK Advanced Co., Ltd.	379,900	-	900,563	2,391,266
	Huvis Co., Ltd.	291,244	-	417,602	-
	SK Ecoengineering Co., Ltd.	-	-	-	12,022,964

Other	SK Ecoplant Co., Ltd.	-	164,426	-	12,406,327
	SK Networks Co., Ltd.	-	-	-	20,000
	SK NETWORKS HONGKONG	-	830,888	2,092,918	-
	SK Energy Co., Ltd.	4,219,872	3,330,106	-	-
	SK Geo Centric Co., Ltd.	-	-	151,042	-
	SK Co., Ltd.	-	-	-	2,442,835
	Happy Narae Co., Ltd.	-	-	193,182	771,275
	Ulsan GPS, Co., Ltd.	-	1,423,581	-	1,178,889
	SK Gas International Pte. Ltd.	-	-	47,227,848	-
	Other	808,106	8,145	1,374,996	976,049
Total		7,206,171	9,022,975	52,688,738	33,870,134

(Note 1) The consolidated companies have placed an allowance for bad debts for the loan to JSI Co., Ltd. worth KRW 1.94 billion in full. The consolidated companies have set up an allowance for doubtful accounts for the full amount of the loan of KRW 1.94 billion to JSI Co., Ltd.

<End of the previous period>

(Unit: KRW 1,000)

Classification of the relationship of special interest	Name of related parties	Receivables		Payables	
		Trade receivables	Other receivables	Trade payables	Other payables
Parent company	SK discovery Co., Ltd.	35,000	30,195	-	225,999
Associates and joint ventures	Entis Co., Ltd.	184,898	871,675	-	-
	JSI Co., Ltd. (Note 1)	-	2,440,000	12,778	8,762
	HDC Polyall Co., Ltd.	870,465	-	-	-
Other	SK Gas Co., Ltd.	34,037	831,911	619,724	1,543,115
	SK Plasma Co., Ltd.	117,223	171,969	-	305,269

	SK Advanced Co., Ltd.	526,877	-	438,187	2,733,875
	Huvis Co., Ltd.	97,152	-	-	-
	SK Ecoplant Co., Ltd.	-	164,426	-	5,077,681
	SK Ecoengineering Co., Ltd.	19,412	21,142	-	5,668,266
	SK Networks Co., Ltd.	72,606	-	1,556,203	-
	SK NETWORKS HONGKONG	-	428,029	3,098,484	-
	SK Energy Co., Ltd.	2,478,218	6,666,947	-	256,450
	SK Geo Centric Co., Ltd.	-	-	197,851	-
	SK Co., Ltd.	-	-	-	3,323,735
	Happy Narae Co., Ltd.	-	-	54,293	913,289
	Other	947,371	-	-	1,504,354
	Total	5,383,259	11,626,294	5,977,520	21,560,795

(Note 1) The consolidated companies have placed an allowance for bad debts for the loan to JSI Co., Ltd. worth KRW 2.44 billion in full. The consolidated companies have set up an allowance for doubtful accounts for the full amount of the loan of KRW 2.44 billion to JSI Co., Ltd.

C. Capital expenditure agreement amount with related parties

As of the end of the reporting period, the unincurred capital expenditure agreement amount with related parties is as follows:

Classification	Name of related parties	End of the Current Period	End of the Previous Period
Other related parties	SK Ecoengineering Co., Ltd. (Note 1)	-	51,000,000
	SK Ecoplant Co., Ltd. (Note 1)	-	130,922,000

(Note 1) It is an agreed amount in accordance with the tangible asset construction contract.

D. Key fund transactions with the related parties

The details of fund transactions with related parties during the current and previous period are as follows:

① Loan of funds

<Current period>

(Unit: KRW 1,000)

Classification	Name of related parties	Beginning of Period	Recovered	End of Period

Associates and joint ventures	JSI Co., Ltd. (Note 1)	2,440,000	(500,000)	1,940,000

(Note 1) The consolidated companies have placed an allowance for bad debts for the loan to JSI Co., Ltd. worth KRW 1.94 billion in full.

<Previous period>

(Unit: KRW 1,000)

Classification	Name of related parties	Beginning of Period	Recovered	End of Period
Associates and joint ventures	JSI Co., Ltd. (Note 1)	3,040,000	(600,000)	2,440,000

(Note 1) The consolidated companies have placed an allowance for bad debts for the loan to JSI Co., Ltd. worth KRW 2.44 billion in full.

② Payment of dividends

(Unit: KRW 1,000)

Classification	Name of related parties	Current period	Previous period
Other	Eastman Fiber Korea Ltd.	1,190,000	1,190,000

③ Payment of dividends

(Unit: KRW 1,000)

Classification	Name of related parties	Current period	Previous period
Parent company	SK discovery Co., Ltd.	8,115,434	4,586,985

XI. Other Matters Required for the Investor Protection

1. Progress of and Changes in the Disclosure Content

A. Progress and changes in the disclosure content

- Not applicable

B. Progress of disclosure on the conclusion of single sales and supply contracts

[SK chemicals]

(1) Status of progress

(Unit:KRW million)

Date of reporting	Details of agreements	Contract Amount	Sales and supply amount		Amount received for payment	
		Total amount	Current period	Cumulative	Current period	Cumulative
2023-07-20	Contract: Counterparty to supply contract for diabetes combination therapy Sidapvia: ASTRAZENECA UK LIMITED Contract period: 2023-07-19 — 2029-12-31	-	-	-	-	-
2025-03-04	Contract: Analgesic drug supply contract counterparty: Viartis Korea Contract period: 2025-03-01 — 2027-12-31	-	-	-	-	-

*The contract amount, sales and supply amount, and payment receipt amount are withheld from disclosure due to business confidentiality reasons and are therefore omitted.

(2) Reason for non-receipt of payment

(Unit:KRW million)

Date of reporting	Contract	Total contract value	Reason for non-receipt of payment
2023-07-20	Supply contract for diabetes combination therapy Sidapvia	-	-
2025-03-04	Analgesic drug supply contract	-	-

*The supply for the production volume has been carried out in accordance with the previously disclosed supply contract, and the details will be provided once the disclosure withholding period ends.

(3) Future plans for implementation

Date of reporting	Contract	Total contract value	Future plans for implementation		Possibility of change
			Sales and supply completion	Payment received	
2023-07-20	Supply contract for diabetes combination therapy Sidapvia	-	-	-	-

2025-03-04	Analgesic drug supply contract	-	-	-	-

*For the 2025 production volume, production and supply will be carried out in accordance with the supply contract between the Company and contractual counterparty

[SK bioscience]

(1) Status of progress

Date of reporting	Details of agreements	Contract Amount	Sales and supply amount		Amount received for payment	
		Total amount	Current period	Cumulative	Current period	Cumulative
2023-08-21	- Contract: Supply contract for cell culture influenza vaccine bulk - Counterparty: Thailand GPO (Government Pharmaceutical Organization), Thailand BGT (Biogenetech Co., Ltd.) - Contract period: 2023-08-18 — 2033-08-18 - Main contractual terms and conditions: Supply of cell culture influenza vaccine bulk	USD 50,680,000	USD 491,397	USD 491,397	USD 491,397	USD 491,397
2022-03-21	- Contract: Government advance purchase contract for the COVID-19 vaccine (Skycovione) - Counterparty: Republic of Korea (Korea Disease Control and Prevention Agency) - Contract period: 2022-03-21 — 2026-12-31 - Main contractual terms and conditions: COVID-19 vaccine (Skycovione) developed and produced by SK bioscience or supply of Nuvaxovid developed by Novavax, Inc.	KRW 200 billion	-	KRW 178.382 billion	-	KRW 200 billion
2025-06-04	- Contract: 2025-2026 season influenza vaccine supply contract - Counterparty: Republic of Korea Public Procurement Service - Contract period: 2025-06-04 — 2026-06-30 - Main contractual terms and conditions: 2025-2026 season influenza vaccine supply	KRW 22.728 billion	KRW 22.005 billion	KRW 22.005 billion	KRW 20.533 billion	KRW 20.533 billion

(2) Future plans for implementation

Date of reporting	Contract	Total contract value	Future plans for implementation		Possibility of change
			Sales and supply completion	Payment received	

2023-08-21	Supply contract for cell culture influenza vaccine bulk	USD 50,680,000	(Note 1)	(Note 1)	-
2022-03-21	Government advance purchase contract for the COVID-19 vaccine (Skycovione)	KRW 200 billion	(Note 1)	(Note 1)	-
2025-06-04	2025-2026 season influenza vaccine supply contract	KRW 22.728 billion	(Note 1)	(Note 1)	-

(Note 1) production and supply are scheduled to be carried out in accordance with the supply contract entered into between the Company and the counterparty.

2. Matters Concerning Contingent Liabilities, Etc.

A. Important litigations

[SK chemicals]

(Reference Date: 2025-12-31)

Classification	Date the suit was filed	Parties to the suit	Details of litigations	Litigation value (KRW 100 million)	Status of progress	Future litigation schedule and response plan
Indemnity claims (Seoul Central District Court Case 2014GAHAP588147)	2014-12-01	Plaintiff: Korea Environmental Industry and Technology Institute Defendant: SK chemicals and 12 others	The government will provide medical expenses and other support to victims who have suffered health damage due to Humidifier Mate, and will then file a subrogation claim after acquiring the claims for damages from the victims.	15.3	First trial in progress	-
Claim for damages (Seoul Central District Court Case 2016GAHAP527467)	2016-05-16	Plaintiff: Kang Chan Ho and 295 others Defendant: SK chemicals and 19 others	Claims for damages of the victims of health damages caused due to Humidifier Mate	112.0	First trial in progress	-
Indemnity claims (Seoul Central District Court Case 2016GAHAP574210)	2016-12-01	Plaintiff: National Health Insurance Service Defendant: SK chemicals and 12 others	Claims for reimbursement of insurance benefits paid by the National Health Insurance Service for the victims of health damages caused due to Humidifier Mate	107.8	First trial in progress	-
Indemnity claims (Seoul Central District Court Case 2023GAHAP56291)	2023-04-04	Plaintiff: Republic of Korea Defendant: SK chemicals and 19 others	The government will provide medical expenses and other support to victims who have suffered health damage from humidifier disinfectants, and will then file a subrogation claim after acquiring the claims for damages from the victims.	49.1	First trial in progress	-
Patent infringement and damages claim (Supreme Court case number 2024Da224300)	2016-03-02	Plaintiff: Novartis AG Defendant: SK chemicals	The plaintiff company filed a claim for the prohibition of patent infringements and the damages for the production and sale of dementia patches.	178.5	Third trial in progress	-

Petition for cancellation of corrective order, etc. (Seoul High Court Case 2022NU67069)	2022-11-15	Plaintiff: SK chemicals and 1 other Defendant: Fair Trade Commission	Petitioned for the cancellation of the correction order, publication order, and penalty payment imposed by the Fair Trade Commission for the unfair labeling of humidifier disinfectant products	1.6	Second trial in progress	-
Indemnity claims (Seoul Central District Court Case 2020GAHAP607964)	2020-12-23	Plaintiff: Korea Environmental Industry and Technology Institute Defendant: SK chemicals and 12 others	The government will provide medical expenses and other support to victims who have suffered health damage due to Humidifier Mate, and will then file a subrogation claim after acquiring the claims for damages from the victims.	2.9	First trial in progress	-
Claim for damages (Seoul Central District Court case number 2023GaHap102415)	2023-12-13	Plaintiff: The relevant government authority of the Republic of Korea, the Korea Disease Control and Prevention Agency (KDCA) Defendant: SK chemicals and 26 others	On August 30, 2023, the Fair Trade Commission issued a decision on unfair concerted conduct, finding that the defendants engaged in collusive conduct relating to vaccines, etc. The Korea Disease Control and Prevention Agency filed a claim for damages on the grounds of violation of the prohibition on unfair collusive acts under the Enforcement Decree of the National Contracts Act.	364.0	First trial in progress	-
Indemnity claims (Seoul Central District Court Case 2025GAHAP1454)	2025-09-04	Plaintiff: Aekyung Industrial Co., Ltd. Defendant: SK chemicals	Recourse claim of KRW 34.3 billion filed by Aekyung Industrial against SK chemicals for costs incurred in relation to Humidifier Mate-related damages.	343.0	First trial in progress	-

*The date of filing suit above is the date on which the suit was filed against the Company.

*The above litigation amount is the total amount claimed by the plaintiff against the joint defendants as of the filing date. It may differ from the actual amount claimed by the plaintiff against the Company, and the litigation amount may change during the course of the lawsuit.

*In connection with Seoul Central District Court Case 2014GAHAP588147 on the indemnity claim case and Seoul Central District Court Case 2016GAHAP574210 on the indemnity claim case, a part of the Company's land has been provisionally seized.

*In addition to the above litigation, the Company is currently undergoing criminal proceedings for violating the Special Act on Remedy for Damage Caused by Humidifier Disinfectants, on the grounds of submitting inaccurate opinions in response to the Ministry of Environment's request for data submission.

*All of the lawsuits above may have a financial impact on the Company depending on their results, and accordingly, the Company plans to minimize its losses by efficiently responding to the lawsuits.

*The details above include the litigation cases of SK chemicals before the split-off of the Company.

[SK bioscience]

(Reference date: 2025-12-31)

Classification	Date the suit was filed	Plaintiff	Defendant	Details of litigations	Litigation value	Status of progress
Prohibition of patent infringement related lawsuit	2024-12-19	Wyeth LLC, Pfizer Korea Co., Ltd.	SK bioscience Co., Ltd.	Prohibition of patent infringement and claim for damages related to 13-valent pneumococcal vaccine	KRW 100 million	Final judgment (Company prevailed)
Claims for damages	2023-12-13	Republic of Korea (Korea Disease Control and Prevention Agency)	SK bioscience Co., Ltd.	Claim for damages related to pre split-off activities from SK discovery, and SK chemicals	KRW 20,000 (Note 1)	First trial in progress
Lawsuit seeking revocation of unfair trade practice determination,	2024-03-21	SK bioscience Co., Ltd.	Trade Commission	Related to the 13-valent pneumococcal vaccine Request for the cancellation of the corrective order issued by the Trade	KRW 105 million	Final judgment (Company prevailed)

etc.				Commission		
Lawsuit for revocation of waste treatment corrective order disposition	2025-10-21	SK bioscience Co., Ltd.	Mayor of Andong City	Cancellation of waste treatment corrective action order disposition	KRW 50 million	First trial in progress

(Note 1) The litigation amount for this lawsuit is the total amount claimed by the plaintiff against SK discovery, SK bioscience, and other joint debtors as of the filing date. The litigation amount may change during the course of the lawsuit.

[SK Multi-Utility]

(Reference Date: 2025-12-31)

Classification	Date the suit was filed	Parties to the suit	Details of litigations	Litigation value (KRW 100 million)	Status of progress	Future litigation schedule and response plan
Violation of the Serious Accident Punishment Act (Ulsan District Court case number 2024GoDan205)	2024-01-23	Plaintiff: Prosecution Defendant: SK Multi-Utility Co., Ltd. and 2 others	Criminal trial for the industrial accident caused by the overturning of a coal transport vehicle at the SKMU factory.	-	Acquitted in first and second trials, appealed and third trial currently being assigned to a panel at the Supreme Court.	Preparation for third trial in progress

B. Status of the notes and checks for pledge or security

- Not applicable

C. Status of debt guarantee

Refer to "III. Matters Concerning Finance - 3. Notes to the Consolidated Financial Statement - 18. Contingencies and Agreements" and "X. Details of Transactions with Major Shareholders, Etc. - 1.

Credit Extensions for major shareholders, etc. - A. Credit extensions for those other than major shareholders, etc."

[SK bioscience]

(Unit: KRW million)

Debtor (relationship with the Company)	Creditor	Amount of debt	Amount of debt guaranteed	Period of debt guarantee	Conditions for debt guarantee
IDT Biologika GmbH (Subsidiary)	Korea Development Bank, etc. KDB Ireland, NongHyup Bank	185,186	222,224	2024-10-11 — 2029-10-11	Borrower's loan amount to be fully repaid until completion

*The above amounts of debt and debt guarantees are translated into KRW using the Seoul Foreign Exchange Brokerage base exchange rate of KRW

1,481.49/EUR as of 11 September 2024, the related disclosure submission date.

D. Other contingent liabilities, etc.

(1) Details of the agreement

[SK chemicals] (Based on separate financial statements)

The details of the other agreements executed by the Company with financial institutions as of the date of preparation of disclosure documents are as follows:

Counterparty to the agreement	Details of the agreement
Hana Bank, etc.	Agreement with a limit of KRW 277 billion
	Trade finance agreement with a limit of USD 120 million and EUR 46.8 million
	Derivative product margin exemption agreement with a limit of USD 210.5 million and KRW 24 billion
Seoul Guarantee Insurance	A contractual performance payment guarantee with a limit of KRW 799 million, etc.

[SK bioscience]

(1) Details of the agreement

As of the report preparation date, the agreements entered into by SK bioscience with financial institutions are as follows:

(Reference date: 2025-12-31)

Financial institution	Classification	Amount of limit	Amount executed
Hana Bank	Loans secured by accounts receivable	KRW 4 billion	-
	Agreement on exemption of security deposit for derivatives	USD 31,200,000	-
Shinhan Bank	Loans secured by accounts receivable	KRW 3 billion	-
	General corporate loan for working capital	KRW 5 billion	-
	Derivatives (revolving	USD 16,013,000	-

	transaction)		
Woori Bank	General corporate loan for working capital	KRW 5 billion	-
	Facility capital loan	KRW 250 billion	KRW 130 billion
Suhyup Bank	Derivatives (revolving transaction)	KRW 15 billion	KRW 4,515 billion USD 3,150,520
Korea Development Bank / NongHyup Bank	Acquisition financing (Note 1)	EUR 74,000,000	EUR 74,000,000
	General capital loan (Note 2)	EUR 125,000,000	EUR 125,000,000
JP Morgan Chase Bank (Note 3)	Derivatives (revolving transaction)	-	KRW 21.921 billion
			USD 13,355,742 EUR 1,298,243 AUD 503,817

(Note 1) SK bioscience Germany GmbH, a subsidiary of SK bioscience, pledged equity securities of its subsidiaries, IDT Biologika GmbH and Technik-Energie-Wasser Servicegesellschaft mbH, as collateral.

(Note 2) The Company has provided a financial guarantee over borrowings of EUR 125,000,000 held by IDT Biologika GmbH within the consolidated group, covering payment of principal and interest until final repayment.

(Note 3) The limit per payment date is USD 100,000,000, and the executed amount is the total transaction amount for December 2025.

(2) Collateral provided and other status

As of the report preparation date, the collateral provided by SK bioscience is as follows:

(Reference date: 2025-12-31)

(Unit: KRW 1,000)

Classification	Details	amount
Time deposit	Provision of collateral for Employee Stock Ownership Association loans	1,600,000

[SK Multi-Utility]

(1) Details of the agreement

The details of the other agreements executed by SK Multi-Utility with financial institutions

as of the date of preparation of disclosure documents are as follows:

(Reference date: 2025-12-31)

(Unit: KRW 1,000)

Financial institution	Classification	Amount of limit	Amount executed
Kookmin Bank and 6 other financial institutions	Long-term loan agreement I	285,000,000	285,000,000
Kyobo Life Insurance and 6 other financial institutions	Long-term loan agreement II	325,000,000	325,000,000
Lotte Capital	Short-term loan agreement	50,000,000	50,000,000

(2) Collateral provision and other status

As of the date of preparation of the disclosure document, the status of SK Multi-Utility's provision of collateral for loans from financial institutions and contractual obligations is as follows:

(Reference date: 2025-12-31)

(Unit: KRW 1,000)

Security right holder	Assets provided for collateral	Details	amount
Kookmin Bank and 13 other financial institutions	Right to collateral security for deposits	Collateral for debt	610,000,000
	Right to collateral security for insurance		
	Proof of beneficiary right under the real estate security trust contract		

3) Status of future trade receivables' securitization

– Not applicable

3. Matters Related to Sanctions, Etc.

A. Sanction status

[SK chemicals]

Date	Institution of sanction	Target of sanction	Details of punishment or action	Monetary penalty amount	Reason	Applicable laws and regulations	Status of performance	Countermeasure
2023-04-06	Cheongju District Court	SK chemicals Co., Ltd. and employees of the Company	Penalty imposed	KRW 2 million	Violation of disclosure requirements, failure to perform self-inspection and failure to maintain inspection log records, failure to obtain change approval	Article 34-2, Paragraph 1, Subparagraphs 5, 6, and 8 of the Chemical Substances Control Act	Penalty paid	Efforts made to prevent a recurrence

2023-07-12	Personal Information Protection Commission	SK chemicals	Fines imposed / corrective order issued	KRW 1 million	Violation of the Personal Information Protection Act	Article 26 of the Personal Information Protection Act	Corrective action / early payment of fines	Efforts made to prevent a recurrence
2023-08-29	Central Regional Employment and Labor Office Seongnam Branch	SK chemicals Pangyo Research Center	Fines imposed / corrective order issued	KRW 500,000	Failure to complete specialized safety education	Article 29, paragraph 3 of the Occupational Safety and Health Act	Early payment of fines	Efforts made to prevent a recurrence
2024-04-24	Daejeon Food and Drug Administration	SK chemicals	Suspension of manufacturing for the relevant item for 1 month	-	Failure to comply with administrative instructions (Omission of reporting shipment information for GMP evaluation-targeted items before market release)	Pharmaceutical Affairs Act article 38 paragraph 1, article 69 paragraph 1 and Regulation on Safety of Drugs, Etc. article 48 item 14, Pharmaceutical Affairs Act article 76 and Regulation on Safety of Drugs, Etc. article 95 related [Annex Table 8] II. Individual standards item 47	Suspension of manufacturing for the relevant item	Efforts made to prevent a recurrence

[SK bioscience]

Date	Institution of sanction	Target of sanction	Details of punishment or action	Monetary penalty amount	Reason	Applicable laws and regulations	Compliance status with the punishment or action	Company measures for recurrence prevention
2023-07-12	Personal Information Protection Commission	SK bioscience Co., Ltd.	Fines imposed / corrective order issued	KRW 1 million	Violation of the Personal Information Protection Act	Article 26 of the Personal Information Protection Act (Limitation to Personal Information Processing Subsequent to Outsourcing of Work)	Voluntary payment of administrative fines completed and corrective order implementation completed	Provided privacy training and established oversight procedures
2025-07-22	Andong City Hall	SK bioscience Co., Ltd.	Corrective action order, completion of corrective actions and submission of implementation results report	-	Some non-compliance with waste storage management standards	Article 13, paragraph 1 of the Waste Management Act, etc. (waste treatment standards, etc.), article 48 of the Waste Management Act, article 68-3 of the enforcement decree (orders for corrective measures related to waste treatment, etc.)	Corrective action order, completion of corrective actions and submission of implementation results report	Strengthening monitoring of waste storage management and process improvement, and filing an administrative lawsuit to clarify applicability of laws and regulations, with litigation ongoing

*SK bioscience had previously received a publication order of corrective measures, a corrective order, and an administrative penalty surcharge from the Korea Trade Commission on February 22, 2024, in relation to alleged unfair trade practices concerning the 13-valent pneumococcal vaccine. However, in administrative litigation seeking the cancellation of the Commission’s disposition, the Company ultimately prevailed with a final judgment, as a result of which all measures imposed by the Korea Trade Commission were cancelled, and the full amount of the previously paid penalty surcharge was refunded.

[IDT Biologika]

– Not applicable

[SK Multi-Utility]

– Not applicable

B. Sanctions received from the Korea Exchange, etc.

[SK chemicals]

- Not applicable

[SK bioscience]

Date	Institution of sanction	Target of sanction	Details of punishment or action	Monetary penalty amount	Reason	Applicable laws and regulations	Compliance status with the punishment or action	Company measures for recurrence prevention
2023-07-11	Korea Exchange	SK bioscience Co., Ltd.	Disclosure violation penalties	KRW 8 million	Late disclosure of conclusion of a single sales and supply contract	Articles 35 and 38.2 of the KSE Disclosure Regulation	Payment of sanctions for disclosure violations	Implementation of internal training and establishment of a related disclosure system

[IDT Biologika]

- Not applicable

[SK Multi-Utility]

- Not applicable

C. Status of uncollected short-term trading profits

- Not applicable

D. Occurrence of a serious accident

- Not applicable

4. Other Matters Such as Major Issues Which Arose After the Reference Date of Preparation

A. Major issues which arose after the reference date of preparation

[SK chemicals]

- Not applicable

[SK bioscience]

- Not applicable

[IDT Biologika]

– Not applicable

[SK Multi-Utility]

– Not applicable

B. Post-merger information

1) Split-off of the utility supply business division

Based on the resolution of the board of directors on September 13, 2021, the Company decided to split off the utility supply business division as of February 1, 2021, the date of split-off, and the split-off was completed as of this date.

[Related disclosure: Report on major issues (decision of split-off), 2021-09-13 (Amended: 2021-12-01)]

1. Method of split-off	(1) In accordance with the provisions of Articles 530-2 to 530-12 of the Commercial Act, the division of the business segment subject to the split-off will be carried out by establishing a new company through a physical split-off method, where the divided company remains in existence and receives 100% of the newly issued shares of the newly established company. After the split-off, the company to be split off shall remain as a listed corporation, and the newly established company shall be an unlisted corporation. – Company to be split off: SK chemicals Co., Ltd. – Business divisions of the Company to be split off: All business divisions except for those subject to split-off – Company newly established: SK Multi-Utility Co., Ltd. – Newly established company's business division: Utility supply business division such as electricity and steam (2) The date of split-off shall be December 1, 2021 (00:00). However, the date of split-off may be changed by a resolution of the board of directors of the company to be split off. (3) The split-off shall be effected by a special resolution of the general meeting of shareholders pursuant to Article 530-3, Paragraphs 1 and 2 of the Commercial Act. Under Article 530-9, Paragraph 2 of the same Act, the newly established company shall, unless otherwise specified in the

	split-off plan, bear only the debts (including liabilities; hereinafter the same shall apply in the split-off plan) transferred to it from the company to be split off. The newly established company shall not bear joint and several liability for any debts of the company to be split off that are not transferred to the newly established company. The company to be split off shall not be liable to jointly repay the debts transferred to the newly established company, and shall only be liable for repaying the debts that are not transferred to the newly established company. In connection with this, the company to be split off shall proceed with creditor protection procedures in accordance with the provisions of Articles 530-9 and 527-5 of the Commercial Act. (4) Unless otherwise specified in the split-off plan, any and all active and passive assets belonging to the company to be split off, other rights and duties including the rights and duties under the public law, and the factual relationships with asset value (including licenses and authorizations, labor relations, contract relations, litigations, etc.) shall in principle be reverted the newly established company if they relate to the business division subject to split-off, and if they relate to divisions other than those subject to split-off, shall be reverted to the company to be split off, respectively. However, among the rights and obligations belonging to the business division subject to split-off, those whose transfer is prohibited by law or by their nature due to the split-off shall be deemed to remain with the company to be split off, and if a transfer to the newly established company is necessary, it shall be handled through consultations between the company to be split off and the new company. The same shall apply where (i) approval/authorization/acceptance of reports from government agencies, etc. is required before the transfer due to split-off yet it is not possible to receive such, or (ii) where the contract to which the company to be split off is a party related to both the business subject to split-off and the other business divisions, and where it is impossible to separate the portion related to the business division subject to split-off from the portion related to the other business divisions of the contract. The date of split-off shall be December 1, 2021 (00:00). However, the date of split-

	off may be changed by a resolution of the board of directors of the company to be split off. (5) Unless otherwise agreed upon between the company to be split off and the newly established company, if due to any act or fact prior to the date of split-off in relation to the business of the company to be split off, debts arising or confirmed after the date of split-off or debts incurred or confirmed before the date of split-off due to circumstances such as a lack of recognition are not reflected in the split-off plan (including contingent debts under the public and private laws and any and all other debts), they shall be reverted to the newly established company if the act or fact imputable to such is related to the business division subject to split-off, and shall be reverted to the company to be split off if such is related to any division other than the business division subject to split-off. If it is difficult to determine to which business division such debt is related to, it shall belong to the new company and the company to be split off, each respectively, at the ratio of the net asset value to be divided by the division, but the company to be split off and the newly established company may make different agreements regarding its handling. (6) If the newly established company is exempted from liabilities as the company to be split off repays the debts that the newly established company succeeded to, or due to the investment of the company to be split off, the company to be split off may exercise the right to indemnify the newly established company. The same shall apply where the newly established company repays the debts reverted to the company to be divided, or the company to be divided is exempted by the investment of the newly established company. (7) Unless otherwise agreed upon between the company to be divided and the newly established company, bonds or other rights acquired after the date of split-off due to any act or fact prior to the date of split-off in relation to the business of the company to be divided, or other rights acquired before the date of split-off due to bonds and other rights (including contingent liabilities and any other claims under the public and private law) (j)which are not reflected in the split-off plan due to any

	circumstances such as a lack of recognition shall be handled in the same manner as provided in Paragraph 5. (8) The method of determining the assets, liabilities and equity of a newly established company shall, in principle, allocate assets and liabilities belonging to or directly or indirectly related to the business division subject to split-off to the newly established company, and the decision shall be made by considering the operations and investment plan of the new company in the future and the requirements of the related laws and regulations.

2. Purpose of split-off	(1) To enhance business expertise, strengthen management efficiency, and actively respond to the rapidly growing global market based on the split-off of the utility supply business division including electricity and steam (hereinafter "business division subject to split-off") among the businesses operated by the company to be divided. (2) A governance structure system will be established that enables quick and professional decision-making in line with the characteristics of each business segment, allowing for rapid responses to market and regulatory changes, strengthening competitiveness, and focusing the company's capabilities on specialized business areas to pursue the diversification of management risks. (3) Facilitate restructuring and intensive investment in core businesses and realize business advancement through the specialization of each business division. (4) Ultimately, enhance the corporate value and shareholder value via the changes of the governance structure described in the above.
3. Material impact and effect of the split-off	The split-off in this case is carried out through a simple/physical split-off method as provided under Articles 530-2 through 530-12 of the Commercial Act. Accordingly, there is no change made in the shares owned by the largest shareholder of the company to be divided before and after the split-off in this matter and the ratio of equity interest. Furthermore, since the split-off in this case proceeds in the manner of a simple/physical split-off, the split-off itself has no effect on the consolidated financial

	statements.
4. Split-off ratio	The split-off ratio is not calculated since the newly established company to be split off is being split off through a simple/physical split-off method by which 100% of the issued shares of the new company are allocated.
5. Details of the business and assets to be transferred via split-off	(1) The company to be divided shall have any and all active and passive assets belonging to the newly established company as provided under the split-off plan, and other rights and obligations including the rights and obligations under the public law, as well as the factual relationships of asset value (including licenses and authorizations, labor relations, contractual relations, litigations, etc.) transferred to the newly established company. (2) The list and value of the assets to be transferred due to the split-off shall be in accordance with the statement of financial position as of June 30, 2021 and the list of assets as provided in [Attachment 1] Split-Off Statement of Financial Position and [Attachment 2] List of Assets Subject to Succession, and (i) by the date of split-off, if there is any change in the assets or liabilities of the division to be split off due to the business or financial activities of the division to be split off, or if the value of the liabilities changes, the increase or decrease shall be reflected in the separate statement of financial position and the list of assets subject to succession, and (ii) as for the cash and cash equivalents to be transferred on the date of split-off, after the split-off in this case, if the amount must be increased or decreased, provided that the amount of such increase or decrease by the decision of the chief executive officer of the company split off does not exceed KRW [3,000,000,000] in consideration of the demand for the funds required for the business of the newly established company after the split-off, the amount may be increased or decreased. (3) Where necessary, the final value of the assets subject to transfer pursuant to the preceding paragraph may be finalized after being evaluated by a publicly trusted appraisal firm or reviewed by a certified public accountant.

	(4) Among the rights and obligations belonging to the business division subject to split-off, those whose transfer is prohibited by law or by their nature due to the split-off shall be deemed to remain with the company to be split off, and if a transfer to the newly established company is necessary, it shall be handled through consultations between the company to be split off and the new company. The same shall apply where (i) approval/authorization/acceptance of reports from government agencies, etc. is required before the transfer due to split-off yet it is not possible to receive such, or (ii) where the contract to which the company to be split off is a party related to both the business subject to split-off and the other business divisions, and where it is impossible to separate the portion related to the business division subject to split-off from the portion related to the other business divisions of the contract. (5) The rights to collateral such as mortgages placed to secure movable property, real estate, and contractual relationships arising from the business division subject to split-off and the rights and obligations resulting from the division before the date of split-off, as well as the rights related to the guarantee of the bond and contractual relationships arising from the transaction and the guarantee-related contractual relationships shall belong to the newly established company, and yet shall be in accordance with the split-off plan. (6) Of the lawsuits filed against the company to be divided before the date of split-off, any matters related to the business division subject to split-off shall be succeeded by the newly established company. (7) Upon the establishment of the new company, the company to be split off shall provide any cooperation required including the execution of a related contract to ensure that the newly established company can conduct business in the manner it conducts business for the business division subject to split-off before the split-off.

6. Surviving company after split-off	Company Name	SK chemicals Co., Ltd.			
	Financial details after split-off (KRW)	Total assets	2,034,064,466,737	Total liabilities	800,048,065,082
		Total equity	1,234,016,401,655	Capital stock	66,050,330,000
		June 30, 2021		As of the present	
	Surviving business division's sales for the latest business year (KRW)	883,823,850,615			
	Main Business	Manufacturing, processing, sale, import and export of synthetic resins and related products, etc.			
7. Company established after split-off	Company Name	SK Multi-Utility Co., Ltd.			
	Financial details upon establishment (KRW)	Total assets	171.457.003.471	Total liabilities	14.254.006.139
		Total equity	157.202.997.332	Capital	5.000.000.000
		June 30, 2021		As of the present	
	Newly established business division's sales for the latest business year (KRW)	37,309,763,841			

	Main Business		Production, transportation, distribution of collective energy and related businesses, etc.
	Whether re-listing has been petitioned for		No
8. Matters concerning capital reduction	Capital reduction ratio (%)		-
	Period for submission of old share certificates	Start Date	-
		End Date	-
	Expected period of trading suspension	Start Date	-
		End Date	-
	New share allocation requirements		-
	- Whether proportional to the number of shares of shareholders and reason		-
	Record date for new share allotment		-
	Scheduled delivery date of new share certificates		-
	Scheduled listing date of new shares		-
9. Scheduled date of general meeting of shareholders			October 25, 2021
10. Period for filing statement of objections by creditors		Start Date	October 26, 2021
		End Date	November 26, 2021

11. Date of split-off		December 1, 2021
12. Scheduled date of split-off registration		December 2, 2021
13. Date of board resolution (decision date)		September 13, 2021
- Whether outside directors were in attendance	Attended (number of persons)	4
	Absent (number of persons)	0
- Whether auditors were in attendance (members of the Audit Committee who are not outside directors)		-
14. Whether contracts such as put option were executed		No
- Details of agreements		-
15. Whether subject to filing of securities registration statement		No
- Reasons for exemption from filing securities registration statement, if exempted		Simple/physical split-off

16. Other matters to consider for investment judgments

(1) Revision and change of the split-off plan

The split-off plan may be changed in the process of consultations with related institutions or in the process of securing approval under related laws and regulations and the general meeting of shareholders.

Furthermore, if the split-off plan is approved by the general meeting of shareholders, the list below may be changed without any additional approval from the general meeting of shareholders by the date before the date of split-off registration, (i) where the relevant revision or change is reasonably necessary, and the revision or change does not cause any disadvantage to the shareholders of the company to be divided or the newly established company, and (ii) where it is a revision or change within the scope that does not impair its homogeneity by a resolution of the board of directors of the company to be divided or the authority of the chief executive officer, and such revision or change shall enter into force and become effective when such is announced or disclosed in accordance with the relevant laws and regulations.

- ① Trade names of the company to be divided and the newly established company
- ② Split-off schedule
- ③ Assets to be transferred due to split-off and their value
- ④ Financial structure before and after split-off
- ⑤ Total number of issued shares by the newly established company at the time of split-off
- ⑥ Matters concerning directors and auditors of the newly established company
- ⑦ Articles of incorporation of the newly established company and the company to be split off
- ⑧ Among the real estate to be transferred, specify after the subdivision procedure is confirmed

(2) Shareholders' appraisal right: Not applicable since it is a simple split-off.

(3) Matters requiring takeover and handover between companies

The matters required for the takeover and handover between the company to be split off and the newly established company through a split-off in relation to the implementation of the split-off plan (including the documents, data, etc. of the target business division and various data and facts) are

subject to a separate agreement by and between the company to be split off and the newly established company through a split-off.

(4) Employee succession and retirement benefits, etc.

The newly established company shall succeed to the employees and related legal relationships (their retirement benefits, etc.) serving for the business subject to split-off as of December 1, 2021 (the date of split-off). However, for any employee who refuses succession or an employee who is also related to another business division other than the business division subject to split off, the newly established company may not succeed to such employee after carrying out consultations with the company to be split off, and any other matters related to employee succession shall be handled via consultations by and between the company to be split off and the newly established company.

(5) Transfer of personal information

As of the date of split-off, any and all personal information related to the business division subject to split-off shall be transferred to the newly established company under the personal information related laws and regulations, including the Personal Information Protection Act, and the company to be divided shall undergo the procedures required within the deadline provided in the related laws and regulations such as the notice on the transfer of personal information following split-off.

[Attachment 1] Split-off statement of financial position (as of June 30, 2021)

(Unit: KRW)

Account	Before split-off	After split-off	
		Surviving company	Newly established company
Assets			
I . Current assets	884,067,488,269	823,600,613,420	60,466,874,849
Cash and cash equivalents	107,130,229,692	50,130,229,692	57,000,000,000
Short-term financial assets	285,214,195,564	285,214,195,564	-
Trade and other receivables	276,420,174,225	273,775,383,730	2,644,790,495
Inventories	164,679,060,308	163,989,441,063	689,619,245
Other current assets	50,623,828,480	50,491,363,371	132,465,109
II.Non-current assets	1,164,250,984,607	1,210,463,853,317	110,990,128,622
Investment assets	254,428,702,112	411,631,699,444	-
Tangible assets	883,040,848,759	772,050,720,137	110,990,128,622
Intangible assets	26,237,735,574	26,237,735,574	-
Other non-current assets	543,698,162	543,698,162	-
Deferred income tax assets	-	-	-
Total assets	2,048,318,472,876	2,034,064,466,737	171,457,003,471
Liabilities			
I . Current liabilities	486,500,821,990	477,344,725,145	9,156,096,845
Trade and other payables	253,848,484,235	245,506,262,891	8,342,221,344
Short-term borrowings	2,941,037,206	2,941,037,206	-
Current portion of long-term liabilities	79,915,462,256	79,915,462,256	-
Current portion of lease liabilities	1,534,978,312	721,102,811	813,875,501
Current income tax liabilities	122,899,311,880	122,899,311,880	-
Current portion of contract liabilities	10,658,040,120	10,658,040,120	-
Other current liabilities	14,703,507,981	14,703,507,981	-
II.Non-current liabilities	327,801,249,231	322,703,339,937	5,097,909,294
Debenture	310,301,251,026	310,301,251,026	-

Lease liabilities	5,691,357,505	593,448,211	5,097,909,294
Defined benefit obligations	4,516,752,428	4,516,752,428	-
Deferred income tax liabilities	5,546,152,272	5,546,152,272	-
Other non-current liabilities	1,745,736,000	1,745,736,000	-
Total liabilities	814,302,071,221	800,048,065,082	14,254,006,139
Equity			
I. Capital stock	66,050,330,000	66,050,330,000	5,000,000,000
II. Capital surplus	189,208,756,911	189,208,756,911	152,202,997,332
III. Other capital items	(9,207,095,874)	(9,207,095,874)	-
IV. Accumulated other comprehensive income	-	-	-
V. Retained earnings	987,964,410,618	987,964,410,618	-
Total equity	1,234,016,401,655	1,234,016,401,655	157,202,997,332
Total liabilities and stockholders' equity	2,048,318,472,876	2,034,064,466,737	171,457,003,471

Note 1) The statement of financial position above is prepared based on the carrying amount on the Company's statement of financial position as of June 30, 2021, and may differ from the split-off statement of financial position to be prepared on the actual date of split-off.

[Attachment 2] List of Assets Subject to Succession (as of June 30, 2021)

(Unit: KRW)

Name of account	Details	amount
Assets		
I. Current assets		60,466,874,849
Cash and cash equivalents	Business division subject to split-off's cash	57,000,000,000
Trade and other receivables	Business division subject to split-off's trade receivables and accounts receivable, etc.	2,644,790,495
Inventories	Business division subject to split-off's inventories	689,619,245
Other current assets	Business division subject to split-off's prepaid expenses	132,465,109
II. Non-current assets		110,990,128,622
Tangible assets	Business division subject to split-off's tangible assets	110,990,128,622
Total assets		171,457,003,471
Liabilities		
I. Current liabilities		9,156,096,845
Trade and other payables	Business division subject to split-off's trade payables, accounts payable, and accrued expenses	8,342,221,344
Current portion of long-term liabilities	Business division subject to split-off's financial lease liabilities	813,875,501
II. Non-current liabilities		5,097,909,294
Non-current portion of long-term liabilities	Business division subject to split-off's financial lease liabilities	5,097,909,294
Total liabilities		14,254,006,139

Note 1) The list of assets and liabilities subject to succession above is prepared based on the carrying amount on the statement of financial position of the company to be divided as of June 30, 2021, and on the actual date of split-off, they may differ from the amounts of assets and liabilities which will be succeeded by the newly established company.

***Related disclosure:**

- Not applicable

[Related disclosure: Report on the closing of merger, etc. (split-off), 2021-12-02]

I. Schedule

Classification	Date
Date of board resolution	September 13, 2021
Date of shareholders' confirmation for the general meeting of shareholders for split-off	September 28, 2021
Date of general meeting of shareholders for approval of split-off plan	October 25, 2021
Date of split-off	December 1, 2021
Date of general meeting for reporting split-off or the date of general meeting for incorporation (Note 1)	December 1, 2021
Date of split-off registration	December 2, 2021

(Note 1) Among the details above, the general meeting of shareholders for reporting split-off was substituted by an announcement of the resolution of the board of directors

II. Changes in the equity interest such as the largest shareholder

It is not applicable since this is a case of a simple split-off under Articles 530-2 through 530-12 of the Commercial Act.

III. Exercise of the appraisal right

It is not applicable since this is a case of a simple/physical split-off under Articles 530-2 through 530-12 of the Commercial Act.

IV. Matters concerning the creditor protection

On October 26, 2021, the Company posted the "Advisory on the Creditors' Statement of Objection" on the Company's website (<http://www.skchemicals.com>) and advised each creditor accordingly. The Company set the period for the creditors' submission of objection from

October 26, 2021 to November 26, 2021, and there was no objection from the creditors during this period.

V. Status of related lawsuits

As of the date of submission of this report, no lawsuit has been filed in connection with this split-off, which may affect the effectiveness of the split-off.

VI. Matters concerning the allocation of new shares, etc.

This split-off is a simple/physical split-off, and 100% of the total number of issued shares by the newly established company through the division are allocated for the company to be split off.

VII. [Merger, etc.] Summary of financial information before and after the merger

(Unit: KRW)

Account	Before split-off	After split-off	
		Surviving company	Newly established company
Assets			
I. Current assets	884,067,488,269	823,600,613,420	60,466,874,849
Cash and cash equivalents	107,130,229,692	50,130,229,692	57,000,000,000
Short-term financial assets	285,214,195,564	285,214,195,564	-
Trade and other receivables	276,420,174,225	273,775,383,730	2,644,790,495
Inventories	164,679,060,308	163,989,441,063	689,619,245
Other current assets	50,623,828,480	50,491,363,371	132,465,109
II. Non-current assets	1,164,250,984,607	1,210,463,853,317	110,990,128,622
Investment assets	254,428,702,112	411,631,699,444	-
Tangible assets	883,040,848,759	772,050,720,137	110,990,128,622

			2
Intangible assets	26,237,735,574	26,237,735,574	-
Other non-current assets	543,698,162	543,698,162	-
Deferred income tax assets	-	-	-
Total assets	2,048,318,472,876	2,034,064,466,737	171,457,003,471
Liabilities			
I . Current liabilities	486,500,821,990	477,344,725,145	9,156,096,845
Trade and other payables	253,848,484,235	245,506,262,891	8,342,221,344
Short-term borrowings	2,941,037,206	2,941,037,206	-
Current portion of long-term liabilities	79,915,462,256	79,915,462,256	-
Current portion of lease liabilities	1,534,978,312	721,102,811	813,875,501
Current income tax liabilities	122,899,311,880	122,899,311,880	-
Current portion of contract liabilities	10,658,040,120	10,658,040,120	-
Other current liabilities	14,703,507,981	14,703,507,981	-
II.Non-current liabilities	327,801,249,231	322,703,339,937	5,097,909,294
Debenture	310,301,251,026	310,301,251,026	-
Lease liabilities	5,691,357,505	593,448,211	5,097,909,294
Defined benefit obligations	4,516,752,428	4,516,752,428	-
Deferred income tax liabilities	5,546,152,272	5,546,152,272	-
Other non-current liabilities	1,745,736,000	1,745,736,000	-
Total liabilities	814,302,071,221	800,048,065,082	14,254,006,139
Equity			
I . Capital stock	66,050,330,000	66,050,330,000	5,000,000,000

II.Capital surplus	189,208,756,911	189,208,756,911	152,202,997,332
III.Other capital items	(9,207,095,874)	(9,207,095,874)	-
IV. Accumulated other comprehensive income	-	-	-
V.Retained earnings	987,964,410,618	987,964,410,618	-
Total equity	1,234,016,401,655	1,234,016,401,655	157,202,997,332
Total liabilities and stockholders' equity	2,048,318,472,876	2,034,064,466,737	171,457,003,471

*The above balance sheet is based on the carrying amount of the divided company as of June 30, 2021, and may differ from the balance sheet to be prepared on the actual split-off date.

C. Green management

Before the split-off, SK chemicals was designated as a management company pursuant to Article 42 Paragraph 6 of the Framework Act on Low Carbon, Green Growth, and was designated as the business entity eligible for allocation of the emission permit pursuant to Article 8 of the Act on the Allocation and Trading of Greenhouse-Gas Emission Permits from 2015 onwards. The Company reports the matters on the greenhouse gas emissions and energy consumption that have been verified by the third party to the external verification agency in accordance with Article 24 of the same Act and the government's instruction. The Company's greenhouse gas emissions and energy consumption for the past 3 years are as follows:

[SK chemicals Co., Ltd.]

(2025)

Name of workplace	Annual greenhouse gas emissions (tCO ₂ e)			Annual energy consumption (TJ)			
	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total emissions	Fuel consumption	Electricity consumption	Steam consumption	Total emissions
SK Petrochemical	14,385	60,838	75,224	467	176	724	585
Ulsan	27,701	104,377	132,078	758	970	888	1,319
Cheongju	1,714	5,615	7,328	34	122	0	77
Eco Lab 1	258	4,998	5,257	4	81	32	52
LS regional office	0	24	24	0	1	0	0

Dongtan Forming Processing Lab	0	222	222	0	5	0	3
Total	44,059	176,075	220,133	1,262	1,354	1,643	2,036

*The greenhouse gas emissions for 2025 are estimates and may vary upon confirmation at a later time.

(2024)

Name of workplace	Annual greenhouse gas emissions (tCO ₂ e)			Annual energy consumption (TJ)			
	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total emissions	Fuel consumption	Electricity consumption	Steam consumption	Total emissions
SK Petrochemical	16,148	59,084	75,232	493	179	698	1,369
Ulsan	29,524	104,664	134,188	807	963	839	2,609
Cheongju	1,806	5,769	7,575	35	126	0	160
Eco Lab 1	278	4,890	5,167	5	85	24	113
LS regional office	-	20	19	0	0	0	0
Dongtan Forming Processing Lab	-	211	210	0	4	0	4
Total	47,757	174,637	222,391	1,341	1,357	1,561	4,255

(2023)

Name of workplace	Annual greenhouse gas emissions (tCO ₂ e)			Annual energy consumption (TJ)			
	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total emissions	Fuel consumption	Electricity consumption	Steam consumption	Total emissions
SK Petrochemical	19,213	60,714	79,926	349	180	709	1,237
Ulsan	25,035	103,091	128,125	692	898	818	2,407
Cheongju	1,694	5,795	7,489	33	121	-	154
Eco Lab 1	297	4,780	5,077	5	81	25	111
LS regional office	-	19	18	-	-	-	-
Dongtan Forming Processing Lab	-	207	206	-	4	-	4
Total	46,239	174,606	220,841	1,079	1,285	1,552	3,913

[SK bioscience]

SK bioscience is classified as a managed entity under article 27, paragraph 1 of the framework act on carbon neutrality and green growth for responding to the climate crisis, and the greenhouse gas emissions and energy consumption reported to the government pursuant to paragraph 3 of the same article are as follows:

Classification	Name of workplace	Annual greenhouse gas emissions (tCO ₂ e)			Annual energy consumption (TJ)			
		Direct emissions	Indirect emissions	Total quantity	Fuel consumption	Electricity consumption	Steam consumption	Total quantity
2025	L HOUSE	5,642	14,135	19,777	111	295	0	406
2024	L HOUSE	5,165	12,187	17,352	101	255	0	356

*The greenhouse gas emissions for 2025 are estimates and may vary upon confirmation at a later time.

[SK Multi-Utility] (2025)

Name of workplace	Annual greenhouse gas emissions (tCO ₂ e)			Annual energy consumption (TJ)			
	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total emissions	Fuel consumption	Electricity consumption	Steam consumption	Total emissions
Ulsan	675,580	18,543	694,123	11,477	387	19	11,884

*The greenhouse gas emissions for 2025 are estimates and may vary upon confirmation at a later time.

(2024)

Name of workplace	Annual greenhouse gas emissions (tCO ₂ e)			Annual energy consumption (TJ)			
	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total emissions	Fuel consumption	Electricity consumption	Steam consumption	Total emissions
Ulsan	326,443	29,600	356,042	3,620	619	48	4,286

(2023)

Name of workplace	Annual greenhouse gas emissions (tCO ₂ e)			Annual energy consumption (TJ)			
	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total emissions	Fuel consumption	Electricity consumption	Steam consumption	Total emissions
Ulsan	302,459	32,393	334,853	3,302	677	34	4,013

D. Status of escrow

- Not applicable

XII. Detailed Tables

1. Status of Consolidated Subsidiaries (Details)

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(Unit: KRW million)

Trade name	Date of incorporation	Address	Main Business	End of the most recent fiscal year Total assets	Grounds for controlling relationship	Whether a major subsidiary
SK bioscience Co., Ltd.	2018-07-01	310 Pangyo-ro (Sampyeong-dong), Bundang-gu, Seongnam-si, Gyeonggi-do	Pharmaceutical manufacturing	2,184,995	Equity interest 66%	O
SK Multi-Utility Co., Ltd.	2021-12-01	718 Cheoyong-ro, Nam-gu, Ulsan (Hwangseong-dong)	Manufacturing	964,674	Equity interest 100%	O
Shuye-SK Chemicals(Shantou) Co., Ltd.	2023-03-06	10th Floor of Finance Building, Yi Ming Road of Cheng hai District, Shantou, Guangdong province, P. R. China	Plastic manufacturing business	208,451	Equity interest 100%	O
SK Chemicals (Yantai) Co., Ltd.	2020-06-15	C-35, Chemical Industry Park, Economic and Technological Development Zone, Yantai City, Shandong Province	Resin manufacturing	74,774	Equity interest 100%	X
SK chemicals GmbH	2008-06-20	Kolner Str. 3, 65760 Eschborn, Germany	Wholesale	53,911	Equity interest 100%	X
SK chemicals America	2002-07-19	3 Park Plaza Suite 430, Irvine CA 92614	Wholesale	40,709	Equity interest 100%	X
SK chemicals Daejeong Co., Ltd.	2020-04-01	310 Pangyo-ro (Sampyeong-dong), Bundang-gu, Seongnam-si, Gyeonggi-do	Organic solvent manufacturing	17,508	Equity interest 50%	X
SK bioscience USA, Inc.	2022-12-19	43 Thorndike St, STE 2-1, Cambridge, MA 02141	Biotechnology development	5,706	Equity interest 100%	X
SK chemicals (Shanghai) Co., Ltd.	2018-11-02	Shanghai Mart 2407-2408, Yanan West Rd. 2299, Shanghai, China	Management consulting	6,953	Equity interest 100%	X
SK chemicals Malaysia	2020-08-25	Suite 19-03, G Tower, 199 Jalan Tun Razak, 50450 Kuala Lumpur, Malaysia	Management consulting	744	Equity interest 100%	X
SK bioscience Germany GmbH	2024-04-11	Karl-Hermann-Flach-Straße 25, 61440 Oberursel (Taunus)	Holding Company	1,147,120	Equity interest 100%	O
IDT Biologika GmbH	1993-03-01	Am Pharmapark, 06861 Dessau-Roßlau, Germany	Pharmaceuticals manufacturing	1,079,709	Equity interest 61%	O
IDT Biologika Corporation (Note 1)	2009-03-12	1405 Research Blvd, Rockville, MD 20850	Pharmaceuticals manufacturing	833	Equity interest 61%	X
Technik-Energie-Wasser Servicegesellschaft mbH	1993-03-01	Am Pharmapark, 06861 Dessau-Roßlau, Germany	Other Services	108,802	Equity interest 60%	O

(Note 1) It is a subsidiary of IDT Biologika GmbH.

*The "Total assets at the end of latest business year" above was prepared as of the end of 2025, and is based on the financial statements adjusted for consistency with the accounting policies of consolidated subsidiaries to those of the parent company.

*The ratio of interest owned of the "Grounds for the controlling relationship" above was prepared based on the effective equity interest ratio of the parent company.

*The criterion for determining whether a subsidiary is a major subsidiary is that the total assets of the subsidiary at the end of the latest business year are 10% or more of the controlling company's total assets or KRW 75 billion or more.

2. Status of Affiliates (Detailed)

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(Reference Date: 2025-12-31)

(Unit: company)

Whether listed	Number of companies	Company Name	Corporate registration number
		Dreamus Company	110111-1637383
		ISC	131111-0057876

Listed	20	SK Co., Ltd.	110111-0769583
		SK Gas	110111-0413247
		SK Networks	130111-0005199
		SK discovery	130111-0005727
		SK D&D	110111-3001685
		SK bioscience	131111-0523736
		SK Biopharmaceuticals	110111-4570720
		SK Square	110111-8077821
		SKC	130111-0001585
		SK IE Technology	110111-7064217
		SK Oceanplant	191311-0003485
		SK Consigned Management Real Estate Investment Company	110111-7815446
		SK Innovation	110111-3710385
		SK Eternix	131111-0729441
		SK chemicals	131111-0501021
		SK Telecom	110111-0371346
		SK Hynix	134411-0001387
		Incross	110111-3734955
		Korea Oil Pipeline Corporation	110111-0671522
		DDIOS108	110111-8092150
		Busan City Gas	180111-0039495
		Sinan Jeungdo Solar	201111-0052938
		Solis	205711-0024452
		Ackerton Technology Service	131111-0718676
		En-core	110111-1484263
		YLP	110111-5969229
		Ulsan Eneroot 2	230111-0381522
		Wonpol	165011-0032888
		Yugwan	110111-8856043
		UNA Digital	110111-3066861
		UNA Engineering	135111-0077367
		JSI	124611-0261880
		Hweechan	110111-1225831
		Gangdong Green Complex	171211-0127207
		Kangwon City Gas	140111-0002010
		Gyeongsan Clear Water	120111-0701848
		Gokseong Environment	200111-0187330
		Green Hwasoon	160111-0199459
		Global AI Platform Corporation Korea	131111-0710903
		Glowide	130111-1215523

Unlisted	731	Narae Energy Service	110111-4926006
		Nae Truck	110111-3222570
		Dalseong Clear Water	160111-0317770
		Dangjin Eco Power	165011-0069097
		Dangjin Happiness Solar	110111-8022925
		Southeast Coast Offshore Wind Power	110111-8180335
		D&D Investment	110111-6618263
		D&D Property Solutions	110111-8150924
		Lotte SK Eneroot	110111-8436374
		Renewland Gyeongju	170111-0397522
		Renewland Sin-Gyeongju	170111-0804791
		Renewland Cheongju	150111-0355285
		Renewlogis	121111-0414789
		Renewlogis Industry	165011-0093070
		Renew Liquid Seonam	184611-0017968
		Renew Liquid Honam	160111-0523369
		RenewUs	134111-0486452
		Renewenergy Gyeonggi	134211-0058473
		Renewenergy Gyeongbuk	176011-0055291
		Renewenergy Gyeongin	134811-0279340
		Renewenergy Green	161511-0347158
		Renewenergy Daewon	161511-0347140
		Renewenergy Metro	284311-0028506
		Renewenergy Saehan	161511-0347166
		Renewenergy Jeonnam	201211-0018780
		Renewenergy Chungnam	161311-0069053
		Renewenergy Chungbuk	150111-0034251
		Renewenergy Chungcheong	165011-0013078
		RenewOne	161511-0134795
		Renewcon Daewon	161511-0197397
		Mind Knock	110111-6638873
		Media S	110111-7739191
		Mintit	124411-0057457
		Boryeong BlueHy	164511-0042010
		Boryeong LNG Terminal	164511-0021527
		Lake Busa Happy Nanum Solar	200111-0654256
		Busan Jeongkwan Energy	180111-0484898
		Bloom SK Fuel Cell	176014-0002163
		Samkang S&C	191211-0000681
		Service Ace	110111-4368688
		Service Top	160111-0281090

	Seongju Tech	284411-0087386
	11st	110111-6861490
	Ariul Happy Solar	110111-7725041
	IGE	120111-1134494
	lparking	110111-4221258
	SK Networks Service	135811-0141788
	SK Nexilis	110111-6480232
	SK Resonac	175611-0018553
	SK Leaveo	135811-0433028
	SK REITs Management	110111-7832127
	SK Magic	110111-5125962
	SK Magic Service	134811-0039752
	SK Materials JNC	134811-0595837
	SK Materials Performance	164711-0095338
	SK Multi-Utility	230111-0363760
	SK Bio Tech	160111-0395453
	SK Broadband	110111-1466659
	SK Stoa	110111-6585884
	SK Speedmate	130111-1198836
	SK Siltron	175311-0001348
	SK Siltron CSS Korea	110111-8298922
	SK Advanced	230111-0227982
	SK Earthon	110111-8042361
	SK Energy	110111-4505967
	SK Air Core	150111-0043288
	SK Airplus	230111-0134111
	SK Ecoengineering	110111-8061337
	SK Ecoplant	110111-0038805
	SK Enpulse	134711-0014631
	SK O&S	110111-4370708
	SK On	110111-8042379
	SK On Tech Plus	161511-0076070
	SK Incheon Petrochemical	120111-0666464
	SK Forest	134811-0174045
	SK Geo Centric	110111-4505975
	SK chemicals Daejeong	131111-0587675
	SK Key Foundry	150111-0285375
	SK Telecom CST1	110111-7170189
	SK Telink	110111-1533599
	SK Trichem	164711-0060753
	SK Plasma	131111-0401875

		SK Planet	110111-4699794
		SK Plug Hyverse	110111-8171657
		SK PIC Global	230111-0324803
		SK Pinx	224111-0003760
		SK Hynix System IC	150111-0235586
		SK Hynix System IC Wuxi Solutions	150111-0371124
		SK Hystec	134411-0037746
		SK HyENG	134411-0017540
		STAC	230111-0379436
		AP Development	201111-0068498
		Eco Marine Fuel Solution	131111-0076009
		FSK L&S	131111-0462520
		Entis	130111-0021658
		Yeoju Energy Service	110111-6897817
		Yeongnam Energy Service	175311-0001570
		Ulsan Aromatics	110111-4499954
		Ulsan GPS	165011-0035072
		One Store	131111-0439131
		U-Base Manufacturing Asia	230111-0168673
		E&S City Gas	110111-9019145
		E&S City Gas Busan	110111-9019012
		Jeonnam 2 Offshore Wind Power	110111-7985661
		Jeonnam 3 Offshore Wind Power	110111-7985934
		Jeonnam City Gas	201311-0000503
		Jeonnam Offshore Wind Power	110111-7400817
		Jeonbuk Energy Service	214911-0004699
		JS1	206211-0086790
		Jeju SKFC	224111-0015012
		G-Energy	110111-7788750
		Jindo Sanwol Solar Power	206111-0009926
		Changwon SG Energy	194211-0370578
		Chungcheong Energy Service	150111-0006200
		Katini	110111-7983392
		Cowon Energy Service	110111-0235617
		Clean Energy Consigned Management Real Estate Investment Company	110111-7815602
		Clean Industrial REITs Co.,Ltd	110111-8665840
		Total Value No. 1 Consigned Management Real Estate Investment Company	110111-8384672
		TES AX	130111-0126818
		Tmap Mobility	110111-7733812
		TIMOR HOLDINGS	134414-0002628
		Paju Energy Service	110111-4629501

		Proptier	110111-2493601
		PS & Marketing	110111-4072338
		Korea Nexlen LLC.	230114-0003328
		Haesola Energy	201111-0050106
		Haetssal Solar Power	161411-0049376
		Happy Narae	110111-2016940
		Happy Namu	130111-0125488
		Happy Didim	110111-6984325
		Happy-More	150111-0226204
		Happy Moeum	230111-0318187
		Happy Midum	110111-8079215
		Happy Chaewoom	176011-0130902
		Happy Kiwoom	110111-6984672
		Happy Hanwool	110111-7197167
		Home & Service	110111-6420460
		S&G Technology	-
		SK AX Beijing Co., Ltd.	-
		SK C&C India Pvt., Ltd.	-
		SK AX USA, INC.	-
		Abrasax Investment Inc.	-
		AMPAC Fine Chemicals Texas, LLC	-
		AMPAC Fine Chemicals, LLC	-
		Fine Chemicals Holdings Corp.	-
		SK Biotek Ireland Limited	-
		SK Pharmteco Inc.	-
		Crest Acquisition LLC	-
		YPOSKESI, SAS	-
		Dogus SK Finansal ve Ticari Yatirim ve Danismanlik A.S.	-
		EM Holdings (Cayman) L.P.	-
		EM Holdings (US) LLC	-
		Gemini Partners Pte. Ltd.	-
		Hermed Alpha Industrial Co., Ltd.	-
		Hermed Capital	-
		Hermed Capital Health Care (RMB) GP Limited	-
		Hermed Capital Health Care Fund L.P.	-
		Hermed Capital Health Care GP Ltd.	-
		Hermed Equity Investment Management (Shanghai) Co., Ltd.	-
		Hermeda Industrial Co. Ltd.	-
		Prostar APEIF GP Ltd.	-
		Prostar APEIF Management Ltd.	-
		Prostar Asia Pacific Energy Infrastructure SK Fund L.P.	-

		Prostar Capital (Asia-Pacific) Ltd.	-
		Prostar Capital Ltd.	-
		Prostar Capital Management Ltd.	-
		Shanghai Hermed Equity Investment Fund Enterprise	-
		Solaris GEIF Investment	-
		Solaris Partners Pte. Ltd.	-
		SK Investment Management Co., Limited.	-
		SK Semiconductor Investments Co., Ltd.	-
		SL (Beijing) Consulting and Management Co., Ltd.	-
		SL Capital Management (Hong Kong) Ltd.	-
		SL Capital Management Limited	-
		SL Capital Partners Limited	-
		SLSF I GP Limited	-
		Wuxi Junhai Xinxin Investment Consulting Ltd.	-
		Wuxi United Chips Investment Management Limited (Wuxi Junhai Lianxin Investment Management Ltd.)	-
		Beijing Junhai Tengxin Consulting and Management Co., Ltd.	-
		SK SOUTH EAST ASIA INVESTMENT PTE., LTD.	-
		SK INVESTMENT VINA I Pte., Ltd.	-
		SK INVESTMENT VINA II Pte., Ltd.	-
		SK INVESTMENT VINA III Pte., Ltd.	-
		Imexpharm Corporation	-
		SK INVESTMENT VINA IV Pte., Ltd.	-
		MSN INVESTMENT Pte. Ltd.	-
		SK MALAYSIA INVESTMENT I PTE. LTD.	-
		SK INVESTMENT VINA VI PTE. LTD.	-
		Cong Thang Alpha Joint Stock Company	-
		EASTERN VISION INVESTMENT JOINT STOCK COMPANY	-
		Truong Luu Chi Invest Joint Stock Company	-
		An Nam Phu Investment Joint Stock Company	-
		Zion Son Kim Joint Stock Company	-
		SUNRISE KIM INVESTMENT JOINT STOCK COMPANY	-
		Lihn Nam Ventures Joint Stock Company	-
		Lien Khuong International Joint Stock Company	-
		Dong Kinh Capital Joint Stock Company	-
		Lac Son Investment Joint Stock Company	-
		KBA Investment Joint Stock Company	-
		SK GI Management	-
		SOCAR MOBILITY MALAYSIA SDN. BHD.	-
		Future Mobility Solutions SDN. BHD.	-
		EINSTEIN CAYMAN LIMITED	-

		ZETA CAYMAN LIMITED	-
		Golden Pearl EV Solutions Limited	-
		Shanghai SKY Real Estate Development Co.,Ltd.	-
		SK Auto Service Hong Kong Ltd.	-
		SK China Company, Ltd.	-
		SK China Investment Management Company Limited	-
		SK (China) Enterprise Management Co., Ltd.	-
		SK Industrial Development China Co., Ltd.	-
		SK International Agro-Products Logistics Development Co., Ltd.	-
		SK Jinzhou International Agro-Sideline Products Park Co., Ltd.	-
		SK Property Investment Management Company Limited	-
		SKY Enterprise Management Co., Ltd.	-
		Skyline Auto Financial Leasing Co., Ltd.	-
		Beijing LIZHIWEIXIN Technology Company Limited	-
		SKY (ZHUHAI HENGQIN) TECHNOLOGY CO., LTD.	-
		SK (Liaoning) Logistics Co., Ltd.	-
		Hudson Energy NY II, LLC	-
		Hudson Energy NY III, LLC	-
		Hudson Energy NY, LLC	-
		Plutus Capital NY, Inc.	-
		Grove Energy Capital, LLC	-
		Grove Energy Capital II, LLC	-
		Grove Energy Capital III, LLC	-
		Digital Center Capital Inc.	-
		Martis Capital, LLC	-
		I CUBE CAPITAL INC	-
		Tellus Investment Partners, Inc.	-
		TERRA INVESTMENT PARTNERS II LLC	-
		Terra Investment Partners LLC	-
		Primero Protein LLC	-
		SK Mobility Investments Company Limited	-
		I Cube Capital Hong Kong 1. LP	-
		Castanea bioscience Inc.	-
		AUXO CAPITAL INC.	-
		AUXO CAPITAL MANAGERS LLC	-
		TELLUS (HONG KONG) INVESTMENT CO., LIMITED	-
		Saturn Agriculture Investment Co., Limited	-
		Leiya Dahe (Tianjin) Equity Investment Limited Partnership	-
		Roca Capital Inc. (Formerly SK Japan Inc.)	-
		Energy Solution Group, Inc.	-
		OGLE TECHNOLOGY INC.	-

		GigaX Europe kft.	-
		Center for Breakthrough Medicines Holdings, LLC	-
		SK Jinhzhou real estate development Co., Ltd.	-
		MiraiTech Inc.	-
		PLANETA PTE. LTD.	-
		SK Innovation Insurance (Bermuda), Ltd.	-
		SK Americas, Inc.	-
		SK Innovation America Inc.	-
		SK Innovation Outpost Corporation	-
		Grove Energy Capital IV, LLC	-
		KCE AZ 1, LLC	-
		KCE NM 2, LLC	-
		KCE AZ 2, LLC	-
		KCE AZ 3, LLC	-
		KCE ID 7, LLC	-
		KCE Project Holdings, LLC	-
		Ark2, LLC	-
		SK South East Asia Investment Pte., Ltd.	-
		Gemini Partners Pte. Ltd.	-
		KCE NV 4, LLC	-
		Pledgor 2025 NY LC Facility, LLC	-
		Borrower 2025 NY LC Facility, LLC	-
		Mobile Energy Battery America, LLC	-
		Yancheng Yandu District M Energy Consulting Limited Company	-
		Asia Bitumen Trading Pte, Ltd.	-
		Shandong SK Hightech Oil Co., Ltd.	-
		SK Energy Hong Kong Co., Ltd.	-
		SK Energy Road Investment (HK) Co., Ltd.	-
		SK Shanghai Asphalt Co., Ltd.	-
		Green & Connect Capital, Inc.	-
		Ningbo SK Performance Rubber Co., Ltd.	-
		SABIC SK Nexlene Company Pte. Ltd.	-
		Sino-Korea Green New Material (JiangSu) Ltd.	-
		SK Functional Polymer, S.A.S	-
		SK GC Americas, Inc.	-
		SK Geo Centric (Beijing) Holding Co., Ltd.	-
		SK Geo Centric China Ltd.	-
		SK Geo Centric International Trading (Shanghai) Co., Ltd.	-
		SK Geo Centric Investment Hong Kong Ltd.	-
		SK Geo Centric Japan Co., Ltd.	-
		SK Geo Centric Singapore Pte. Ltd.	-

		SK Primacor Americas LLC	-
		SK Primacor Europe, S.L.U.	-
		CHONGQING HAPPYNARAE Co., Ltd.	-
		HAPPYNARAE AMERICA LLC.	-
		HAPPYNARAE HUNGARY KFT.	-
		SUZHOU HAPPYNARAE Co., Ltd.	-
		SK Hi-Tech Battery Materials (Jiangsu) Co., Ltd.	-
		SK Hi-Tech Battery Materials Poland sp. z o.o.	-
		SK On Technology Center (Jiangsu) Co., Ltd.	-
		SK Battery America, Inc.	-
		SK Battery Manufacturing Kft.	-
		SK On (Shanghai) Co., Ltd.	-
		SK On Hungary Kft.	-
		SK On Jiangsu Co., Ltd.	-
		SK On Yancheng Co., Ltd.	-
		Blueoval SK LLC	-
		HSAGP ENERGY LLC	-
		Route on Delaware, Inc.	-
		Voltcycle On Kft	-
		SK Energy International Pte. Ltd.	-
		SK Energy Europe, Ltd.	-
		SK Energy Americas Inc.	-
		Iberian Lube Base Oils Company, S.A.	-
		PT. Patra SK	-
		SK Enmove (Tianjin) Co., Ltd.	-
		SK Enmove India Pvt. Ltd.	-
		SK Enmove Americas, Inc.	-
		SK Enmove Europe B.V.	-
		SK Enmove Japan Co., Ltd.	-
		SK Enmove Russia Limited Liability Company	-
		SK earthon Australia Pty Ltd.	-
		Earthon North Ketapang Pte. Ltd.	-
		EO BINAIYA PTE. LTD.	-
		EO SERPANG PTE. LTD.	-
		AI ALLIANCE, LLC	-
		Atlas Investment Ltd.	-
		Deutsche Telekom Capital Partners Venture Fund II Parallel GmbH &	-
		Co. KG	
		SK TELECOM (CHINA)HOLDING CO., Ltd.	-
		SKTA Innopartners, LLC	-
		ULand Company Limited	-

	SK Telecom Americas, Inc.	-
	SK Telecom Innovation Fund, L.P.	-
	SK Telecom Venture Capital, LLC	-
	SK Latin America Investment S.A.	-
	SK MENA Investment B.V.	-
	SK Technology Innovation Company	-
	Global Opportunities Breakaway Fund	-
	SAPEON Inc.	-
	FREEDOM CIRCLE CAPITAL, INC.	-
	Montague ESG CAPITAL, LLC.	-
	Global AI Platform Corporation	-
	ASTRA AI Infra LLC	-
	Forest AI Investment	-
	Gauss Labs Inc.	-
	HITECH Semiconductor (Wuxi) Co., Ltd. (HITECH)	-
	SK APTECH Ltd.	-
	SK Hynix (Wuxi) Education Service Development Co., Ltd.	-
	SK Hynix (Wuxi) Education Technology Co., Ltd.	-
	SK Hynix (Wuxi) Industry Development Ltd.	-
	SK Hynix (Wuxi) Investment Ltd.	-
	SK Hynix (Wuxi) Semiconductor Sales Ltd.	-
	SK Hynix America Inc.	-
	SK Hynix Asia Pte.Ltd.	-
	SK Hynix Cleaning (Wuxi) Ltd.	-
	SK Hynix Deutschland GmbH	-
	SK Hynix Happiness (Wuxi) Hospital Management Ltd.	-
	SK Hynix Japan Inc.	-
	SK Hynix Memory Solutions America, Inc.	-
	SK Hynix Memory Solutions Taiwan, Inc.	-
	SK Hynix NAND Product Solutions (Beijing) Co., Ltd.	-
	SK Hynix NAND Product Solutions (Shanghai) Co., Ltd.	-
	SK Hynix NAND Product Solutions Asia Pacific LLC	-
	SK Hynix NAND Product Solutions Canada Ltd.	-
	SK Hynix NAND Product Solutions Corp.	-
	SK Hynix NAND Product Solutions International LLC	-
	SK Hynix NAND Product Solutions Israel Ltd.	-
	SK Hynix NAND Product Solutions Malaysia Sdn. Bhd.	-
	SK Hynix NAND Product Solutions Mexico, S. DE R.L. DE C.V.	-
	SK Hynix NAND Product Solutions Poland sp. Z o.o.	-
	SK Hynix NAND Product Solutions Singapore Pte. Ltd.	-
	SK Hynix NAND Product Solutions Taiwan Co., Ltd.	-

SK Hynix NAND Product Solutions UK Limited	-
SK Hynix Semiconductor (China) Ltd.	-
SK Hynix Semiconductor (Chongqing) Ltd.	-
SK Hynix Semiconductor (Dalian) Co., Ltd.	-
SK Hynix Semiconductor Hong Kong Ltd.	-
SK Hynix Semiconductor India Private Ltd.	-
SK Hynix Semiconductor Taiwan Inc.	-
SK Hynix U.K. Ltd.	-
SK Hynix Ventures Hong Kong Limited	-
SK Japan Inc.	-
SK Hynix Semiconductor West Lafayette LLC	-
SK Hynix Memory Solutions Poland sp. z o.o.	-
Intel NDTM US LLC	-
SK Hynix Semiconductor Storage Technology (Dalian) Co., Ltd.	-
SK Americas, Inc.	-
SK South East Asia Investment Pte. Ltd.	-
Gemini Partners Pte. Ltd.	-
SK China Company Limited	-
Hystars Semiconductor (Wuxi) Co., Ltd.	-
SK Hynix System IC (Wuxi) Co., Ltd.	-
SK Keyfoundry America Inc.	-
SK Keyfoundry Shanghai Co., Ltd.	-
LIFE DESIGN COMPANY INC.	-
11STREET CHINA CO., LTD.	-
T1 Esports US, Inc.	-
NEW&COMPANY ONE PTE. LTD.	-
BU12 Australia Pty. Ltd.	-
BU13 Australia Pty. Ltd.	-
CAES, LLC	-
China Gas-SK E&S LNG Trading Ltd.	-
DewBlaine Energy, LLC	-
Electrodes Holdings, LLC	-
Energy Solution Holdings, Inc.	-
Grid Solution II LLC	-
Grid Solution LLC	-
KCE Brushy Creek Holdings, LLC	-
KCE CT 1, LLC	-
KCE CT 10, LLC	-
KCE CT 2, LLC	-
KCE CT 5, LLC	-
KCE CT 7, LLC	-

		KCE CT 8, LLC	-
		KCE CT 9, LLC	-
		KCE Global Holdings, LLC	-
		KCE IL 1, LLC	-
		KCE IL 2, LLC	-
		KCE IN 1, LLC	-
		KCE IN 2, LLC	-
		KCE IN 3, LLC	-
		KCE Land Holdings, LLC	-
		KCE Market Operations, LLC	-
		KCE ME 1, LLC	-
		KCE ME 2, LLC	-
		KCE MI 1, LLC	-
		KCE MI 2, LLC	-
		KCE NY 1, LLC	-
		KCE NY 10, LLC	-
		KCE NY 14, LLC	-
		KCE NY 18, LLC	-
		KCE NY 19, LLC	-
		KCE NY 2, LLC	-
		KCE NY 21, LLC	-
		KCE NY 22, LLC	-
		KCE NY 26, LLC	-
		KCE NY 27, LLC	-
		KCE NY 28, LLC	-
		KCE NY 29, LLC	-
		KCE NY 3, LLC	-
		KCE NY 32, LLC	-
		KCE NY 5, LLC	-
		KCE NY 6, LLC	-
		KCE NY 8, LLC	-
		KCE OK 1, LLC	-
		KCE OK 2, LLC	-
		KCE OK 4, LLC	-
		KCE PF Holdings 2021, LLC	-
		KCE PF Holdings 2022, LLC	-
		KCE Texas Holdings 2020, LLC	-
		KCE TX 10, LLC	-
		KCE TX 11, LLC	-
		KCE TX 12, LLC	-
		KCE TX 13, LLC	-

		KCE TX 14, LLC	-
		KCE TX 15, LLC	-
		KCE TX 16, LLC	-
		KCE TX 19, LLC	-
		KCE TX 2, LLC	-
		KCE TX 21, LLC	-
		KCE TX 24, LLC	-
		KCE TX 25, LLC	-
		KCE TX 26, LLC	-
		KCE TX 28, LLC	-
		KCE TX 7, LLC	-
		KCE TX 8, LLC	-
		Key Capture Energy, LLC	-
		LNG Americas, Inc.	-
		LAI CCS, LLC	-
		PassKey, Inc.	-
		PNES Investments, LLC	-
		PRISM DARWIN PIPELINE PTY LTD	-
		PRISM DLNG PTE. LTD.	-
		Prism Energy International China Limited	-
		Prism Energy International Hong Kong Limited	-
		Prism Energy International Pte. Ltd.	-
		Prism Energy International Zhoushan Limited	-
		PT PRISM Nusantara International	-
		PT Regas Energitama Infrastruktur	-
		RNES Holdings, LLC	-
		Roughneck Storage LLC	-
		PRISM Energy International Americas, Inc.	-
		PRISM Energy International Australia Pty Ltd.	-
		SK E&S Dominicana S.R.L.	-
		NEW RENEWABLE ENERGY NO.1 JSC	-
		KCE MI 4, LLC	-
		KCE IN 5, LLC	-
		KCE IA 1, LLC	-
		KCE IL 3, LLC	-
		KCE MA 4, LLC	-
		KCE ID 1, LLC	-
		KCE ID 2, LLC	-
		KCE ID 3, LLC	-
		KCE NY 30, LLC	-
		KCE NY 31, LLC	-

		KCE NY 34, LLC	-
		KCE NE 1, LLC	-
		KCE NE 2, LLC	-
		KCE CA 1, LLC	-
		KCE CA 2, LLC	-
		KCE CA 3, LLC	-
		KCE NV 1, LLC	-
		KCE NV 2, LLC	-
		KCE NY 35, LLC	-
		KCE TX 30, LLC	-
		KCE NY 36, LLC	-
		KCE TX 31, LLC	-
		KCE CT 11, LLC	-
		KCE CA 4, LLC	-
		KCE CA 5, LLC	-
		KCE CA 6, LLC	-
		KCE CA 7, LLC	-
		KCE NV 3, LLC	-
		KCE IL 4, LLC	-
		KCE NY 37, LLC	-
		KCE MN 1, LLC	-
		KCE NY 38, LLC	-
		KCE MI 5, LLC	-
		SOLWIND ENERGY JOINT STOCK COMPANY	-
		ArkN, LLC	-
		Ark1, LLC	-
		KCE IL 5, LLC	-
		KCE IL 6, LLC	-
		KCE NY 40, LLC	-
		KCE MN 3, LLC	-
		KCE AR 1, LLC	-
		KCE MI 7, LLC	-
		KCE OK 5, LLC	-
		KCE OK 6, LLC	-
		KCE MI 6, LLC	-
		KCE TX 33, LLC	-
		KCE MA 5, LLC	-
		KCE NM 1, LLC	-
		KCE NY 41, LLC	-
		KCE NY 42, LLC	-
		KCE PF Holdings 2024, LLC	-

	SK E&S Hong Kong Co., Ltd.	-
	Absolics Inc.	-
	NEX INVESTMENT LIMITED	-
	NEX UK HOLDINGS LIMITED	-
	SKC International Shanghai Trading Co., Ltd.	-
	SKC PU Specialty Co., Ltd.	-
	Smart Window Inc., Limited	-
	Nexilis Management Malaysia SDN. BHD	-
	SK Nexilis Malaysia SDN. BHD	-
	SK Nexilis Poland sp. z o.o	-
	NEXILIS MANAGEMENT EUROPE B.V.	-
	ECOVANCE VIETNAM COMPANY LIMITED	-
	ISC International, INC	-
	ISC VINA MANUFACTURING COMPANY LIMITED	-
	Tech Dream Co., Ltd.	-
	SK Networks Americas LLC	-
	Networks Tejarat Pars	-
	POSK (Pinghu) Steel Processing Center Co., Ltd.	-
	Shengkaiheng (Shenyang) Real Estate Co., Ltd	-
	SK BRASIL LTDA	-
	SK Networks HongKong Ltd.	-
	SK Networks Japan Co., Ltd.	-
	SK Networks Resources Australia (Wyong) Pty Ltd.	-
	SK Networks Resources Pty Ltd.	-
	SK Networks (Dandong) Energy Co., Ltd.	-
	SKN (China) Holdings Co., Ltd.	-
	HICO GP I, LLC	-
	HICO MANAGEMENT LLC	-
	HICO VENTURES I, L.P.	-
	BOW-HICO SILICON VALLEY FUND, LP	-
	Phnyx Lab LLC	-
	SK intellix Malaysia Sdn. Bhd	-
	SK MAGIC VIETNAM CO.,LTD	-
	NAMUHX Americas Inc.	-
	MINTIT VINA	-
	SK JNC Japan Co., Ltd.	-
	SK Siltron America, Inc.	-
	SK Siltron CSS, LLC	-
	SK Siltron Japan, Inc.	-
	SK Siltron Shanghai Co., Ltd.	-
	SK Siltron USA, Inc.	-

		Ignis Therapeutics	-
		SK Life Science, Inc.	-
		SK Bio Pharmaceutical Technology (Shanghai) LLC	-
		SK Life Science Labs, Inc.	-
		Mentis Care, Inc.	-
		FSK L&S (Jiangsu) Co., Ltd.	-
		FSK L&S (Shanghai) Co., Ltd.	-
		FSK L&S Hungary Kft.	-
		FSK L&S VIETNAM COMPANY LIMITED	-
		FSK L&S USA, Inc.	-
		SK Square Americas, Inc.	-
		TGC Square PTE. LTD.	-
		UNAJapan Inc.	-
		PHILKO UBINS LTD. CORP	-
		SK chemicals (Shanghai) Co., Ltd.	-
		SK chemicals (Yantai) Co., Ltd.	-
		SK chemicals America	-
		SK chemicals GmbH	-
		SK chemicals Malaysia	-
		Shuye-SK chemicals (Shantou) Co., Ltd.	-
		SK bioscience USA, Inc.	-
		SK bioscience Germany GmbH	-
		IDT Biologika GmbH	-
		Technik-Energie-Wasser Servicegesellschaft mbH	-
		IDT Biologika Corporation	-
		SK Gas International Pte. Ltd.	-
		SK Gas Petrochemical Pte. Ltd.	-
		SK Gas Trading LLC	-
		SK Gas USA Inc.	-
		Gridflex, Inc.	-
		GridFlex Storage LLC	-
		SA Grid Solutions, LLC	-
		Great Kiskadee Storage Pledgor Manager, LLC	-
		Great Kiskadee Storage Intermediate Holdco 2, LLC	-
		Great Kiskadee Storage Intermediate Holdco 1, LLC	-
		Great Kiskadee Storage, LLC	-
		Raven Storage Pledgor Manager, LLC	-
		Raven Storage Intermediate Holdco 2, LLC	-
		Raven Storage Intermediate Holdco 1, LLC	-
		Raven Storage, LLC	-
		PT. SKPLASMA CORE INDONESIA	-

		PT. SKPLASMA INVESTMENT INDONESIA	-
		Green Technology Management Pty Ltd.	-
		BAKAD Investment and Operation LLP	-
		Mesa Verde RE Ventures, LLC	-
		SK TES PTE. LTD.	-
		Shanghai Taixiang Network Technology Co., Ltd.	-
		BT RE Investments, LLC	-
		SK International Investment Singapore Pte. Ltd.	-
		Avrasya Tuneli Isletme Insaat Ve Yatirim A.S.	-
		Thai Woo Ree Engineering Co., Ltd.	-
		SK E&C Consultores Ecuador S.A.	-
		Goldberg Enterprises Ltd.	-
		TES-AMM CORPORATION (CHINA) LTD.	-
		TES B PTE. LTD.	-
		TES ESS PTE. LTD.	-
		TES Sustainable Battery Solutions B.V.	-
		TES Sustainable Battery Solutions GmbH	-
		TES CHINA HOLDINGS PTE. LTD.	-
		TES-AMM EUROPE HOLDINGS LTD.	-
		TES-AMM NEW ZEALAND LIMITED	-
		SHANGHAI TES-AMM WASTE PRODUCTS RECYCLE CO., LTD.	-
		TES-AMM (BEIJING) CO., LTD.	-
		TES-AMM (Guangzhou) Co., Ltd.	-
		TES-AMM (SUZHOU) E-WASTE SOLUTIONS CO. LTD.	-
		CASH FOR TECH LTD.	-
		CUSTOM CONTROLLERS UK LIMITED	-
		Envirofone Limited	-
		Integrations Et Services	-
		REDEEM HOLDINGS LIMITED	-
		Redeem UK Limited	-
		Stock Must Go Limited	-
		Technology Supplies International Ltd.	-
		TES CONSUMER SOLUTIONS LTD.	-
		TES Total Environmental Solution AB	-
		TES-AMM (Europe) Ltd.	-
		TES-AMM Central Europe GmbH	-
		TES-AMM ESPANA ASSET RECOVERY AND RECYCLING, S.L.	-
		TES-AMM ITALIA SRL	-
		TES-AMM SAS	-
		TES-AMM UK Ltd.	-
		VSL Support Limited	-

	Sustainable Product Stewards Pty Ltd.	-
	TES SUSTAINABLE BATTERY SOLUTIONS France	-
	Advanced Datacom (Australia) Pty. Ltd.	-
	GENPLUS PTE. LTD.	-
	PT. TES-AMM INDONESIA	-
	TES ENERGY SOLUTIONS PTE. LTD.	-
	TES SUSTAINABILITY PRODUCTS PTE. LTD.	-
	TES USA, Inc.	-
	TES-AMM (CAMBODIA) CO., LTD.	-
	TES-AMM (H.K.) LIMITED	-
	TES-AMM (MALAYSIA) SDN. BHD.	-
	TES-AMM (SINGAPORE) PTE. LTD.	-
	TES-AMM (TAIWAN) CO., LTD.	-
	TES-AMM AUSTRALIA PTY. LTD.	-
	TES-AMM JAPAN K.K.	-
	Total Environmental Solutions Co., Ltd.	-
	BAKAD International B.V.	-
	Eco Frontier (Singapore) Pte. Ltd.	-
	KS Investment B.V.	-
	SBC GENERAL TRADING & CONTRACTING CO. W.L.L.	-
	Silvertown Investco Ltd.	-
	SK Ecoplant Americas Corporation	-
	SK E&C India Private Ltd.	-
	SK E&C Jurong Investment Pte. Ltd.	-
	SK E&C Saudi Company Limited	-
	SK Engineering&Construction (Nanjing) Co., Ltd.	-
	SK Holdco Pte. Ltd.	-
	SKEC Anadolu LLC	-
	SKEC (Thai) Limited	-
	Sunlake Co., Ltd.	-
	TES C PTE. LTD.	-
	TES Sustainable Battery Solutions (Australia) Pty. Ltd.	-
	TES Sustainable Battery Solutions Limited Liability Company	-
	ECOPLANT HOLDING MALAYSIA SDN. BHD.	-
	Econovation, LLC	-
	BT FC LLC	-
	Changzhou SKY New Energy Co., Ltd.	-
	JIANGSU SKY NEW ENERGY CO., LTD.	-
	Shanghai TES-AMM Xin New Materials Co., Ltd.	-

	TES Netherlands B.V.	-
	TES Sustainable Battery Solutions Nordics AB	-
	SOLTNZ N PTE. LTD.	-
	TES SBS (US) Holdings LLC	-
	SG (Solar Green) Vina Ltd.	-
	ESSENCORE Limited	-
	Essencore Microelectronics (ShenZhen) Limited	-
	ESSENCORE Pte. Ltd.	-
	SK TES IRELAND LIMITED	-
	Hi-tech Americas Corporation	-
	Ecoengineering Canada Co., Ltd.	-
	ECOENGINEERING AMERICAS CORPORATION	-
	HI-TECH ENGINEERING PARTNERS LLC	-
	GOSEONG OCEANPLANT VINA	-
	Glowide (Shanghai) Co., Ltd.	-
	Oncopia Therapeutics, Inc.	-

Note 1) Included in the scope of consolidation as a subsidiary as of 2026-01-02: Lumina Mask

Note 2) Deconsolidated as of 2026-01-27: Enpulse

Note 3) Effective 2026-01-30, RenewUs and its 13 subsidiaries (Renewland Gyeongju, Renewland Sin-Gyeongju, Renewenergy Chungcheong, Renewlogis Industry, Renewenergy Gyeonggi, Renewenergy Gyeongin, Renewenergy Gyeongbuk, Renewliquid Seonam, Renewliquid Honam, Green Hwasun, Gokseong Environment, Dalseong Clean Waterway, and Gyeongsan Clean Waterway) were deconsolidated from the group.

Note 4) Effective 2026-01-30, RenewOne and its nine subsidiaries (Renewlogis Industry, Renewcon Daewon, Renewland Cheongju, Renewenergy Green, Renewenergy Daewon, Renewenergy Metro, Renewenergy Saehan, Renewenergy Jeonnam, Renewenergy Chungnam) were deconsolidated from the group.

Note 5) Deconsolidated as of 2026-01-30: Renewenergy Chungbuk

Note 6) Overseas affiliates are classified as unlisted companies.

3. Status of Investments in Other Corporations (Details)

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(Reference Date: 2025-12-31) (Unit: KRW million, shares, %)

Name of Corporation	Whether Listed	Date of Initial Acquisition	Purpose of Investment	Amount of Initial Acquisition	Balance at Beginning of Period			Increase (Decrease)			Balance at End of Period			Financial Status of the Latest Business Year	
					Quantity	Equity Interest	Carrying Amount	Acquired (Disposed)		Valuation Gain/Loss	Quantity	Equity Interest	Carrying Amount	Total Assets	Net Profit and Loss for the Current Period
								Quantity	amount						
SK bioscience Co., Ltd.	Listed	2018-07-01	Management participation	193,664	52,059,724	66.45	168,035	-	-	-	52,059,724	66.37	168,035	2,955,744	-56,173
SK chemicals Daejeong Co., Ltd.	Unlisted	2020-04-17	Management participation	3	877,303	50.00	6,141	-	-	-	877,303	50.00	6,141	17,508	1,047
SK Multi-Utility Co., Ltd.	Unlisted	2021-12-01	Management participation	160,012	1,000,000	100.00	160,012	100,000	59,100	-	1,100,000	100.00	219,112	964,674	-8,314
SK Chemicals (Yantai) Co., Ltd.	Unlisted	2020-07-13	Management participation	505	-	100.00	33,848	-	-	-	-	100.00	33,848	74,774	3,568
SK chemicals (Shanghai) Co., Ltd.	Unlisted	2019-02-28	Management participation	102	-	100.00	102	-	-	-	-	100.00	102	6,953	1,011
Shuye-SK Chemicals(Shantou) Co., Ltd.	Unlisted	2023-03-06	Management participation	66,094	-	100.00	66,094	-	-	-	-	100.00	66,094	208,451	2,088
SK chemicals America	Unlisted	2002-07-26	Management participation	1,058	-	100.00	1,448	-	-	-	-	100.00	1,448	40,709	1,940
SK chemicals GmbH	Unlisted	2008-06-20	Management participation	40	-	100.00	433	-	-	-	-	100.00	433	53,911	2,287
SK chemicals Malaysia	Unlisted	2020-12-28	Management participation	373	1,347,316	100.00	373	-	-	-	1,347,316	100.00	373	744	33
Entis (formerly SK Cytech)	Unlisted	1987-08-10	Management participation	1,250	250,000	50.00	4,892	-	-	-	250,000	50.00	4,892	4,352	698
JSI Co., Ltd.	Unlisted	2015-04-29	Management participation	6,078	160,000	40.00	-	-	-	-	160,000	40.00	-	952	71
HDC Polyalloy Co.,	Unlisted	2022-03-31	Management participation	7,700	-	20.00	-	-	-	-	-	20.00	-	-1,779	50
Eastman Fiber Korea Ltd. (EFKL) (preferred stocks)	Unlisted	2019-08-28	Simple Investment	24,053	14,000,000	20.00	29,147	-	-	-696	14,000,000	20.00	28,451	287,483	24,898
Korea Investment Bio Global Fund	Unlisted	2020-11-18	Simple Investment	2,500	-	1.43	1,602	-	-65	377	-	1.43	1,914	335,636	-1,729
Standigm Inc. (preferred stocks)	Unlisted	2021-05-27	Simple Investment	3,000	194,301	1.39	3,000	-	-	-	194,301	1.35	3,000	3,525	-5,806
J2HBIOTECH Inc.	Unlisted	2021-08-06	Simple Investment	1,500	24,136	0.88	1,500	-	-	-	24,136	0.88	1,500	19,160	-2,725
Oncobix Co., Ltd.	Unlisted	2021-11-18	Simple Investment	1,000	27,066	2.20	1,000	-	-	-	27,066	2.20	1,000	714	-549
Sante Health Ventures IV, LP	Unlisted	2021-11-04	Simple Investment	971	-	5.30	12,540	-	2,089	1,486	-	5.30	16,115	377,529	93,037
Yongyeon Industrial District 4 Industrial Water Management Association	Unlisted	2006-12-29	Simple Investment	128	-	31.70	419	-	-	-	-	31.70	419	1,602	-24
Tiumbio Co., Ltd.	Listed	2023-12-28	Simple Investment	20,000	2,320,185	7.90	14,269	-	-	5,574	2,320,185	7.44	19,843	83,736	-14,768
Total					-	-	504,855	100,000	61,124	6,741	-	-	572,720	5,436,378	40,640

*The above "Financial Status for the Most Recent Fiscal Year" has been prepared as of the end of the fiscal year 2025.

*The parent company sold 50% of the shares of its subsidiary of SK chemicals Daejeong Co., Ltd., to Daejeong Chemicals & Metals Co., Ltd. The parent company is judged to have control over SK chemicals

Daejeong Co., Ltd. based on the fact that the chief executive officer of the parent company serves as the chief executive officer even after the equity interest was sold, and the chief executive officer has the decision-making authority given a deadlock situation.

*The shares of Eastman Fiber Korea (EFKL) are preferred stocks with voting rights, and the ownership percentage is based on the total number of issued shares and have been prepared according to K-GAAP standards.

*The shares of Standigm Inc. are convertible redeemable preferred stocks with voting rights, and the ownership percentage is based on the total number of issued shares and have been prepared according to K-GAAP standards.

***The financial status for the most recent fiscal year of Sante Health Ventures IV, LP has been prepared by translating amounts at the exchange rate as of the reporting date.**

*This is the financial status based on the consolidated financial statements adjusted to achieve consistency with the accounting policies of the consolidated subsidiaries to those of the parent company.

*The corporations without a separation marking are based on the common shares.

4. Major Contracts in Terms of Management (Details)

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A. License-out contracts

[SK bioscience]

1) Item: Recombinant Factor VIII (hemophilia treatment)

① Counterparty to contract	CSL (Australia)
② Contractual details	Granting of an exclusive license for recombinant Factor VIII (hemophilia treatment) in target territories
③ Target territories	All over the world except the Republic of Korea
④ Contract period	From May 2009 until the expiration of royalty term
⑤ Total contract value	(Note 1)
⑥ Amount received	(Note 1) (with no obligation to return)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Recognized as sales
⑨ Target technology	Recombinant Factor VIII
⑩ Progress of the development	On sale after securing permission for each territory after securing the permission and releasing in USA in 2016
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

2) Item: Cell culture influenza vaccine bulk

① Counterparty to contract	GPO (Government Pharmaceutical Organization, Thailand), BGT (Biogenetech Co., Ltd., Thailand)
② Contractual details	As the Company transferred the technology for the cell culture influenza vaccine to the Government Pharmaceutical Organization (GPO) of Thailand, the Company is supplying

	the cell culture influenza vaccine bulk to the GPO through Biogenetech Co., Ltd. (BGT) in Thailand .
③ Target territories	Thailand
④ Contract period	From August 2023 to August 2033
⑤ Total contract value	USD 50,680,000
⑥ Amount received	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	(Note 1)
⑨ Target technology	Cell culture influenza vaccine
⑩ Progress of the development	Local technology transfer completed, trivalent vaccine approval completed, quadrivalent vaccine approval in progress.
⑪ Other matters	The contract value above is based on minimum contractual purchase quantities and unit prices and may be subject to change in the future by agreement with the contracting party .

(Note 1) The details have not been entered as they are trade secrets.

B. License-in contracts

[SK chemicals]

1) Item: SKP204

① Counterparty to contract	ITALFARMACO, ITF RESEARCH
② Contractual details	Secure domestic sales rights for SKP204, and use original developer's permitted data and patent rights
③ Target territories	Korea
④ Contract period	Contract's effective date: January 28, 2021
⑤ Total contract value	(Note 1)
⑥ Amount of	(Note 1)

payment	
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	The down payment was converted into an intangible asset and amortized, following which the R&D expenses were recognized as expenses.
⑨ Target technology	Formulation change product of the existing Lou Gehrig's disease treatment
⑩ Progress of the development	Release after approval
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

2) Item: SKP205

① Counterparty to contract	Miravo Healthcare
② Contractual details	Secure domestic sales rights for SKP205, and use original developer's permitted data and trademark rights
③ Target territories	Korea
④ Contract period	Contract's effective date: July 28, 2021
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	The down payment was converted into an intangible asset and amortized, following which the R&D expenses were recognized as expenses.
⑨ Target technology	Migraine combination
⑩ Progress of the development	Release after approval
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

3) Item: SKP221

① Counterparty to contract	Korea United Pharm Inc.
② Contractual details	Joint development and consignment
③ Target territories	Korea
④ Contract period	Contract's effective date: June 28, 2022
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	The down payment was converted into an intangible asset and amortized.
⑨ Target technology	Hyperlipidemia combination
⑩ Progress of the development	Approval in progress
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

4) Item: SKP231

① Counterparty to contract	Samcheong Pharmaceutical
② Contractual details	Jointly developed
③ Target territories	Korea
④ Contract period	Contract's effective date: January 17, 2023
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	The down payment was converted into an intangible asset and amortized, following which the R&D expenses were recognized as expenses.
⑨ Target technology	Digestive drug
⑩ Progress of the development	Approval in progress

⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

5) Item: SKP241

① Counterparty to contract	Yuhan Corporation, Addpharma Co., Ltd.
② Contractual details	Joint development and consignment
③ Target territories	Korea
④ Contract period	Contract's effective date: February 20, 2024
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	The down payment was converted into an intangible asset and amortized, following which the R&D expenses were recognized as expenses.
⑨ Target technology	Hypertension and hyperlipidemia combination drug
⑩ Progress of the development	Release after approval
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

6) Item: SKP243

① Counterparty to contract	Donghwa Pharmaceutical Co., Ltd.
② Contractual details	Joint development and consignment
③ Target territories	Korea
④ Contract period	Contract's effective date: September 12, 2024
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)

⑧ Accounting method	The down payment was converted into an intangible asset and amortized, following which the R&D expenses were recognized as expenses.
⑨ Target technology	Digestive drug
⑩ Progress of the development	Approval in progress
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

7) Item: SKP251

① Counterparty to contract	Addpharma
② Contractual details	Technology transfer and joint development
③ Target territories	Korea
④ Contract period	Contract's effective date: December 27, 2024
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Processing of contract deposits and advance payments for research and development costs
⑨ Target technology	Digestive drug
⑩ Progress of the development	Approval in progress
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

[SK bioscience]

1) Introduction of Novavax COVID-19 vaccine technology

① Counterparty to contract	Novavax (USA)
② Contractual details	Authorized to exclusively or non-exclusively develop, produce, and market COVID-19 vaccines developed by Novavax in the target territory

③ Target territories	Republic of Korea, Thailand, Vietnam
④ Date of contract execution	February 2021
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	Pay a certain amount of the product sales as the royalties
⑧ Accounting method	Recognized as expenses
⑨ Target technology	Synthetic antigen based COVID-19 vaccine "NVX-CoV2373" production technology
⑩ Progress of the development	Commercial production, import, and sales
⑪ Other matters	The exclusive right to develop, produce, and sell the COVID-19 vaccine (including variant antigens) developed by Novavax in South Korea is granted until February 12, 2029, while for Thailand and Vietnam, non-exclusive rights are granted until June 30, 2028. A portion of the net sales revenue from sales in the aforementioned countries (South Korea, Thailand, Vietnam) will be paid to Novavax as royalties .

(Note 1) The details have not been entered as they are trade secrets.

C. Joint development contract

[SK bioscience]

1) Item: Next-generation pneumococcal vaccine

① Counterparty to contract	Sanofi (USA)
② Contractual details	Joint development and sales of a next-generation pneumococcal vaccine
③ Target territories	Worldwide
④ Date of	March 19, 2014 (Note 1)

contract execution	
⑤ Total contract value	USD 45 million + EUR 350 million (Note 2)
⑥ Amount received	USD 45 million + EUR 50 million (No obligation for return)
⑦ Contractual terms and conditions	(Note 3)
⑧ Accounting method	Recognized as sales
⑨ Target technology	Development technology for a pneumococcal protein conjugate vaccine
⑩ Progress of the development	GBP410 : Global Phase 3 clinical trials in progress NextGen : Basic research/non-clinical studies in progress
⑪ Other matters	-

(Note 1) A revised agreement was executed in December 2024.

(Note 2) The total amount of advance payments and milestone payments received in stages based on development, approval, and commercialization.

(Note 3) Detailed information is not disclosed as it is considered business confidential.

2) Item: Typhoid conjugate vaccine

① Counterparty to contract	International Vaccine Institute
② Contractual details	Joint development of a typhoid conjugate vaccine
③ Target territories	Worldwide
④ Date of contract execution	April 2013
⑤ Total contract value	Receipt of the R&D expenses
⑥ Amount received	(Note 1)
⑦ Contractual terms and conditions	Process development and commercial production supply for the typhoid conjugate vaccine developed by IVI (International Vaccine Institute)
⑧ Accounting method	(Note 1)

⑨ Target technology	Application of conjugation technology of antigen and carrier protein
⑩ Progress of the development	Export product approval obtained; WHO PQ approved
⑪ Other matters	Introduction of typhoid protein-conjugate vaccine technology from the International Vaccine Institute (IVI) CMC research and production carried out through the Bill & Melinda Gates Foundation (BMGF) fund, with the completion of the fund project

(Note 1) The details have not been entered as they are trade secrets.

3) COVID-19 vaccine (GBP510) project research/development contract

① Counterparty to contract	Coalition for Epidemic Preparedness Innovations (CEPI)
② Contractual details	COVID-19 vaccine (GBP510) project research/development
③ Target territories	-
④ Date of contract execution	December 2020
⑤ Total contract value	USD 10 million
⑥ Amount received	(Note 1)
⑦ Contractual terms and conditions	Support for clinical drug production and clinical phase 1/2 trials, compliance with open access policy, and vaccine supply through the COVAX facility upon commercialization ·
⑧ Accounting method	Deduction of R&D expenses
⑨ Target technology	Prophylactic vaccine against the SARS-CoV-2 viral antigen
⑩ Progress of the development	Project ended
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

4) Contract for additional support for COVID-19 vaccine (GBP510) project research/development

① Counterparty to contract	Coalition for Epidemic Preparedness Innovations (CEPI)
② Contractual details	Contract for additional support for COVID-19 vaccine (GBP510) project research/development
③ Target territories	-
④ Date of contract execution	May 2021
⑤ Total contract value	USD 200.1 million
⑥ Amount received	(Note 1)
⑦ Contractual terms and conditions	Scale-up production, development of variant vaccines, support for Phase 3 and additional clinical trials, compliance with open access policy, and vaccine supply through the COVAX facility upon commercialization .
⑧ Accounting method	Deduction of R&D expenses
⑨ Target technology	Prophylactic vaccine against the SARS-CoV-2 viral antigen
⑩ Progress of the development	Project ended
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

5) Contract for research and development of universal sarbecovirus vaccine (GBP511) project

① Counterparty to contract	Coalition for Epidemic Preparedness Innovations (CEPI)
② Contractual details	Contract for research and development of universal sarbecovirus vaccine (GBP511) project
③ Target territories	-
④ Date of contract execution	December 2021
⑤ Total contract value	USD 65.1 million
⑥ Amount received	(Note 1)
⑦ Contractual terms and	Identification of antigen candidates, preclinical and Phase 1/2 clinical trials, compliance with open access policy, and vaccine supply through the COVAX facility upon

conditions	commercialization .
⑧ Accounting method	Deduction of R&D expenses
⑨ Target technology	Universal vaccine for the prevention of sarbecovirus virus (including SARS-CoV and SARS-CoV-2 variants) antigens
⑩ Progress of the development	Approval of the Phase 1/2 Clinical Trial Plan
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

6) Nasal Spray

① Counterparty to contract	International AIDS Vaccine Initiative (IAVI)
② Contractual details	Establishment of a nasal spray drug platform for the prevention and treatment of respiratory viruses such as COVID-19 and influenza .
③ Target territories	-
④ Date of contract execution	November 2021
⑤ Total contract value	USD 4 million (Note 1)
⑥ Amount received	(Note 2)
⑦ Contractual terms and conditions	Process development, scale-up study, and clinical drug production
⑧ Accounting method	Deduction of R&D expenses
⑨ Target technology	The mechanism by which the protein administered to the nasal respiratory virus receptor binds, preventing the virus from binding to human receptors and preventing infection .
⑩ Progress of the development	Clinical sample production completed, non-clinical trials underway
⑪ Other matters	-

(Note 1) The total contract amount has been changed from USD 3.6 million

to USD 4 million due to additional funding.

(Note 2) Detailed information is not disclosed as it is considered business confidential.

7) Japanese encephalitis virus/Lassa fever mRNA vaccine (GBP560, GBP570) development

① Counterparty to contract	Coalition for Epidemic Preparedness Innovations (CEPI)
② Contractual details	Research and development of Japanese encephalitis virus and Lassa fever virus mRNA vaccine platforms
③ Target territories	-
④ Date of contract execution	October 2022
⑤ Total contract value	USD 140 million (maximum)
⑥ Amount received	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Deduction of R&D expenses
⑨ Target technology	Prophylactic mRNA vaccine against Japanese encephalitis virus and Lassa fever virus antigens
⑩ Progress of the development	Japanese encephalitis virus mRNA vaccine: Phase 1/2 clinical trials in progress Lassa virus mRNA vaccine: Basic research in progress
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

E. Other contracts

[SK chemicals]

1) Contract: Joint research

① Counterparty to contract	Standigm Inc.
② Contractual details	Joint research for discovery of candidates and development of new drugs using Standigm's AI technology

③ Target territories	Worldwide
④ Contract period	Date of contract execution: July 19, 2019
⑤ Total contract value	(Note 1)

⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Recognized as R&D expenses
⑨ Target technology	Standigm's AI technology related to new drug development
⑩ Progress of the development	Joint research in progress
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

2) Contract: Joint research

① Counterparty to contract	Deargen Inc.
② Contractual details	Joint research for discovery of candidates and development of new drugs using Deargen's AI technology
③ Target territories	Worldwide
④ Contract period	Date of contract execution: October 20, 2020
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Recognized as R&D expenses
⑨ Target technology	Deargen's AI technology related to new drug development
⑩ Progress of the development	Contract terminated
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

3) Contract: Fund investment

① Counterparty to contract	Korea Investment Partners Co., Ltd.
② Contractual details	Investment as a partner for Korea Investment Partners' "Korea Investment Bio Global Fund"
③ Target territories	N/A
④ Contract period	Date of contract execution: November 18, 2020
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Investments are recognized as available-for-sale financial assets
⑨ Target technology	N/A
⑩ Progress of the development	Fund in operation
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

4) Contract: Joint research

① Counterparty to contract	DR. NOAH Biotech Co., Ltd.
② Contractual details	Joint research for discovery of candidates and development of new drugs using DR. NOAH Biotech's AI technology
③ Target territories	Worldwide
④ Contract period	Date of contract execution: November 24, 2020
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Recognized as R&D expenses

⑨ Target technology	DR. NOAH Biotech's AI technology related to new drug development
⑩ Progress of the development	Contract terminated
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

5) Contract: Equity investment

① Counterparty to contract	Standigm Inc.
② Contractual details	Participation as a strategic investor and equity investment
③ Target territories	N/A
④ Contract period	Date of contract execution: May 14, 2021
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Recognized as available-for-sale financial assets
⑨ Target technology	N/A
⑩ Progress of the development	Pre-IPO phase
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

6) Contract: Equity investment

① Counterparty to contract	J2H Biotech Co., Ltd.
② Contractual details	Participation as a strategic investor and equity investment
③ Target territories	N/A
④ Contract period	Date of contract execution: July 29, 2021
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)

⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Recognized as available-for-sale financial assets
⑨ Target technology	N/A
⑩ Progress of the development	Pre-IPO phase
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

7) Contract: Fund investment

① Counterparty to contract	Sante Ventures
② Contractual details	Investment as a partner for the fund of "Sante Health Ventures IV, LP"
③ Target territories	N/A
④ Contract period	Date of contract execution: September 14, 2021
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Investments are recognized as available-for-sale financial assets
⑨ Target technology	N/A
⑩ Progress of the development	Fund investment in progress
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

8) Contract: Joint research

① Counterparty to contract	J2H Biotech Co., Ltd.
② Contractual details	Discovery of candidates and development of new drugs using the OPTIFLEX platform of J2H Biotech Co., Ltd.
③ Target territories	N/A
④ Contract period	Date of contract execution: November 01, 2021
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Recognized as R&D expenses
⑨ Target technology	OPTIFLEX platform including the protein degradation technology of J2H Biotech Co., Ltd.
⑩ Progress of the development	Joint research in progress
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

9) Contract: Equity investment

① Counterparty to contract	Oncobix Co., Ltd.
② Contractual details	Participation as a strategic investor and equity investment
③ Target territories	N/A
④ Contract period	Date of contract execution: November 18, 2021
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Recognized as available-for-sale financial assets
⑨ Target technology	N/A
⑩ Progress of the development	Series B stage

⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

10) Contract: Joint research

① Counterparty to contract	Oncobix Co., Ltd.
② Contractual details	Discovery of candidates and development of new drugs using the new drug development platform of Oncobix Co., Ltd.
③ Target territories	N/A
④ Contract period	Date of contract execution: April 05, 2022
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)
⑧ Accounting method	Recognized as R&D expenses
⑨ Target technology	New drug development platform of Oncobix Co., Ltd.
⑩ Progress of the development	Contract terminated
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

11) Contract: Joint research

① Counterparty to contract	inCerebro Co., Ltd.
② Contractual details	Discovery of candidates and development of new drugs using the new drug development platform of inCerebro
③ Target territories	N/A
④ Contract period	Date of contract execution: April 07, 2022
⑤ Total contract value	(Note 1)
⑥ Amount of payment	(Note 1)
⑦ Contractual terms and conditions	(Note 1)

⑧ Accounting method	Recognized as R&D expenses
⑨ Target technology	New drug development platform of inCerebro
⑩ Progress of the development	Contract terminated
⑪ Other matters	-

(Note 1) The details have not been entered as they are trade secrets.

5. Performance in Research & Development (Details) - <Life Science>

 Go to the main text

[Pharma Business]

1) Item: SID710

① Classification	Generic
② Indication	Dementia
③ Mechanism of action	AchE inhibitor
④ Product characteristics	First generic in Europe
⑤ Progress	Commercialization underway in Europe, USA, Brazil and South America, Middle East and others
⑥ Future plan	Expand markets
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Approximately KRW 800 billion in the global market
⑩ Other matters	-

2) Item: SID1806

① Classification	Abbreviated New Drug
② Indication	Arthritis
③ Mechanism of action	-

④ Product characteristics	Improvement of usage and dosage of original drugs
⑤ Progress	Approved
⑥ Future plan	Release in Korea
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Approximately KRW 130 billion in Korea
⑩ Other matters	-

3) Item: SID1903

① Classification	Incrementally modified drug
② Indication	Diabetes
③ Mechanism of action	-
④ Product characteristics	Incrementally modified drug
⑤ Progress	Launched in Korea and undergoing overseas licensing
⑥ Future plan	Expand markets
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Approximately KRW 1.5 trillion in the Korean market
⑩ Other matters	-

4) Item: SID2101

① Classification	Other
② Indication	Migraine
③ Mechanism of action	Selective serotonin receptor agonist
④ Product characteristics	Generic
⑤ Progress	Phase 1 clinical trial

⑥ Future plan	Approved
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Estimated domestic market size of approximately KRW 22 billion
⑩ Other matters	-

5) Item: SID2102

① Classification	Generic
② Indication	Thrombocytopenia
③ Mechanism of action	TPO-RA (Thrombopoietin Receptor Agonist)
④ Product characteristics	Generic
⑤ Progress	Approved
⑥ Future plan	Release in Korea
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Estimated global market size of approximately KRW 2 trillion in 2022
⑩ Other matters	-

6) Item: SID2305

① Classification	Generic
② Indication	Hypertension
③ Mechanism of action	Angiotensin receptor blocker + Diuretics
④ Product characteristics	Generic
⑤ Progress	Formulation research
⑥ Future plan	Phase 1 clinical trial
⑦ Competing products	-

⑧ Related papers	-
⑨ Market size	Approximately KRW 90 billion in Korea
⑩ Other matters	-

7) Item: SID2403

① Classification	Other
② Indication	Migraine
③ Mechanism of action	Selective serotonin receptor agonist
④ Product characteristics	Generic
⑤ Progress	Formulation research
⑥ Future plan	Phase 1 clinical trial
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Approximately KRW 30 billion in Korea
⑩ Other matters	-

8) Item: SID2405

① Classification	Incrementally modified drug
② Indication	Arthritis
③ Mechanism of action	-
④ Product characteristics	Incrementally modified drug
⑤ Progress	Formulation research
⑥ Future plan	Phase 1 clinical trial
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Approximately KRW 140 billion in Korea
⑩ Other matters	-

9) Item: SID2407

① Classification	Other
② Indication	Hypertension
③ Mechanism of action	-
④ Product characteristics	Generic
⑤ Progress	Formulation research
⑥ Future plan	Phase 1 clinical trial
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Approximately KRW 90 billion in Korea
⑩ Other matters	-

10) Item: SID2501

① Classification	Incrementally modified drug
② Indication	Diabetes, hyperlipidemia
③ Mechanism of action	-
④ Product characteristics	Incrementally modified drug
⑤ Progress	Formulation research
⑥ Future plan	Phase 1 clinical trial
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	-
⑩ Other matters	-

11) Item: SID2502

① Classification	Incrementally modified drug
② Indication	Hypertension, hyperlipidemia
③ Mechanism of action	-
④ Product characteristics	Incrementally modified drug
⑤ Progress	Formulation research
⑥ Future plan	Phase 1 clinical trial
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	-
⑩ Other matters	-

12) Item: SID2503

① Classification	Incrementally modified drug
② Indication	Migraine
③ Mechanism of action	-
④ Product characteristics	Incrementally modified drug
⑤ Progress	Formulation research
⑥ Future plan	Phase 1 clinical trial
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	-
⑩ Other matters	-

13) Item: SID2504

① Classification	Other
② Indication	Respiratory disease
③ Mechanism of	-

action	
④ Product characteristics	-
⑤ Progress	Formulation research
⑥ Future plan	Phase 1 clinical trial
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	-
⑩ Other matters	-

14) Item: NCE223

① Classification	New drug
② Indication	Cancer
③ Mechanism of action	-
④ Product characteristics	-
⑤ Progress	Non-clinical
⑥ Future plan	Global L/O
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Target carcinoma undetermined
⑩ Other matters	-

15) Item: NCE242

① Classification	New drug
② Indication	Idiopathic pulmonary fibrosis
③ Mechanism of action	-
④ Product characteristics	-

⑤ Progress	Discovery
⑥ Future plan	Global L/O
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Expected to be approximately KRW 3.8 trillion in 2025 in markets of 7 major countries
⑩ Other matters	-

16) Item: SKP201

① Classification	Generic
② Indication	RA
③ Mechanism of action	JAK inhibitor
④ Product characteristics	First generic of the same active ingredient
⑤ Progress	Approved
⑥ Future plan	Release in Korea
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Estimated domestic market size of approximately KRW 16 billion for same ingredient
⑩ Other matters	-

17) Item: SKP205

① Classification	Incrementally modified drug
② Indication	Migraine
③ Mechanism of action	Serotonin receptor + Inhibition for COX enzymes
④ Product characteristics	Fixed-dose combination (FDC) incrementally modified combination
⑤ Progress	Approved

⑥ Future plan	Release in Korea (2024-09-01)
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Estimated domestic market size of approximately KRW 22 billion
⑩ Other matters	-

18) Item: SKP221

① Classification	Incrementally modified drug
② Indication	Dyslipidemia
③ Mechanism of action	HMG-CoA (3-hydroxy-3-methylglutaryl-coenzyme A) inhibitor /PPAR α (Peroxisome Proliferator Activated Receptor type alpha) agonist
④ Product characteristics	Fixed-dose combination (FDC) incrementally modified combination
⑤ Progress	Approved
⑥ Future plan	Release in Korea
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Approximately KRW 600 billion in the Korean market
⑩ Other matters	-

19) Item: SKP231

① Classification	Generic
② Indication	Drug for digestive diseases
③ Mechanism of action	Potassium competitive acid blocker
④ Product characteristics	Generic of the same active ingredient
⑤ Progress	Approved
⑥ Future plan	Release in Korea
⑦ Competing products	-

⑧ Related papers	-
⑨ Market size	Estimated domestic market size of approximately KRW 800 billion
⑩ Other matters	-

20) Item: SKP241

① Classification	Incrementally modified drug
② Indication	Hypertension, hyperlipidemia
③ Mechanism of action	HMG-CoA reductase inhibitor + Cholesterol absorption inhibitor + Calcium channel blocker
④ Product characteristics	Fixed-dose combination (FDC) incrementally modified combination
⑤ Progress	Release in Korea
⑥ Future plan	-
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Approximately KRW 50 billion market size in Korea
⑩ Other matters	-

21) Item: SKP243

① Classification	Generic
② Indication	Drug for digestive diseases
③ Mechanism of action	Potassium competitive acid blocker
④ Product characteristics	Generic of the same active ingredient
⑤ Progress	Approved
⑥ Future plan	Release in Korea
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Estimated domestic market size of approximately KRW 800 billion
⑩ Other matters	-

22) Item: SKP251

① Classification	Incrementally modified drug
② Indication	Drug for digestive diseases
③ Mechanism of action	PPI+antacid
④ Product characteristics	Fixed-dose combination (FDC) incrementally modified combination
⑤ Progress	Approved
⑥ Future plan	Release in Korea
⑦ Competing products	-
⑧ Related papers	-
⑨ Market size	Approximately KRW 73 billion in Korea as of 2024
⑩ Other matters	-

[SK bioscience]

1) Item: GBP410

① Classification	Vaccine medicine
② Indication	Prevention of invasive pneumococcal disease, acute otitis media and pneumonia
③ Mechanism of action	Prophylactic vaccine against pneumococcal antigen
④ Product characteristics	Combination of polysaccharide antigens and conjugate proteins
⑤ Progress	Phase 2 clinical trial in the USA completed (2020 - 2023; targeting children and adults) Global Phase 3 clinical trials in progress
⑥ Future plan	Completed global Phase 3 clinical trials and submitted approval application (for pediatric patients)
⑦ Competing products	Prevenar 13 (Pfizer), Prevenar 20 (Pfizer), Synflorix (GSK), Vaxneuvance (Merck)
	Creation, characterization, and assignment of opsonic values for a new pneumococcal OPA calibration serum panel (Ewha QC sera panel A) for 13 serotypes. Medicine (Baltimore). 2018 Apr;97(17):e0567. doi: 10.1097/MD.00000000000010567.

⑧ Related papers	Comparative evaluation of a newly developed 13-valent pneumococcal conjugate vaccine in a mouse model. Hum Vaccin Immunother. 2017 May 4;13(5):1169-1176. doi: 10.1080/21645515.2016.1261772. Epub 2016 Dec 14.
⑨ Market size	USD 8,562 million in 2025 (Source: Evaluate Pharma, 2026)
⑩ Other matters	Joint research with Sanofi

2) Item: NBP615

① Classification	Vaccine medicine
② Indication	Prevention of cervical cancer and genital warts
③ Mechanism of action	Prophylactic vaccine against human papillomavirus antigen
④ Product characteristics	Use of virus-like particles (VLP)
⑤ Progress	Phase 1/2 clinical trial completed (2019)
⑥ Future plan	Decision on future development strategy
⑦ Competing products	Gardasil (Merck), Cervarix (GSK)
⑧ Related papers	-
⑨ Market size	USD 5,349 million in 2025 (Source: Evaluate Pharma, 2026)
⑩ Other matters	-

3) Item: NBP613

① Classification	Vaccine medicine
② Indication	Prevention of pediatric enteritis
③ Mechanism of action	Prophylactic vaccine against rotavirus antigen
④ Product characteristics	Live attenuated vaccine for rotavirus
⑤ Progress	Phase 1/2 clinical trial completed (2016)
⑥ Future plan	Decision on future development strategy
⑦ Competing products	Rotarix (GSK), Rotatech (Merck)
⑧ Related papers	-
⑨ Market size	USD 1,393 million in 2025 (Source: Evaluate Pharma, 2026)

⑩ Other matters	-

4) Item: GBP560

① Classification	Vaccine medicine
② Indication	Prevention of Japanese encephalitis
③ Mechanism of action	Preventive vaccine against Japanese encephalitis virus antigen
④ Product characteristics	mRNA vaccine
⑤ Progress	Phase 1/2 clinical trials in progress
⑥ Future plan	Decision on future development strategy
⑦ Competing products	Imojev (Substipharma), Ixchiaro (Valneva)
⑧ Related papers	-
⑨ Market size	USD 151 million in 2025 (Source: Evaluate Pharma, 2026)
⑩ Other matters	Development through CEPI fund in progress

5) Item: NBP608B

① Classification	Vaccine medicine
② Indication	Prevention of chickenpox
③ Mechanism of action	Vaccine for prevention against chickenpox virus antigen
④ Product characteristics	Live attenuated vaccine
⑤ Progress	Approval of the phase 3 clinical trial plan (IND)
⑥ Future plan	Conduct phase 3 clinical trial and file application for change approval
⑦ Competing products	Barivax (Merck), Varilix (GSK), Provarix (Sinovac), Varicella (Green Cross)
⑧ Related papers	-
⑨ Market size	USD 1,094 million in 2025 (Source: Evaluate Pharma, 2026)
⑩ Other matters	-

*Details of basic research and non-clinical stage products have been omitted.

【 Confirmation of Experts 】

1. Confirmation of Experts

- Not applicable

2. Interest with Experts

- Not applicable