

SK D&D Co., Ltd.

**Separate Financial Statements
As at and for the Years Ended
December 31, 2024 and 2023, and
Independent Auditor's Report**

SK D&D Co., Ltd.

SK D&D Co., Ltd.

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As at and for the Years Ended December 31, 2024 and 2023

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Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
SK D&D Co., Ltd.:

Report on the Audited Separate Financial Statements

Audit Opinion

We have audited the separate financial statements of SK D&D Co., Ltd. (the “Company”), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the related separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows, all expressed in Korean won, for the years then ended, and notes to separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with Korean International Financial Reporting Standards (“K-IFRSs”).

We also have audited, in accordance with the Korean Standards on Auditing (“KSAs”), the internal control over financial reporting of the Company as at December 31, 2024, based on the criteria (“Conceptual Framework for Design and Operation of Internal Control over Financial Reporting”), and our report dated March 12, 2025, expressed an unqualified opinion.

Basis for Audit Opinion

We conducted our audits in accordance with KSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the separate financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 36 to these separate financial statements. As discussed in Note 36, the Company decided to spin off its renewable energy and ESS units into a new company with March 1, 2024, as the spin-off date, following approval at the shareholders' meeting on February 2, 2024. Accordingly, the Company recognized profits and losses on the disposal of discontinued operations by applying K-IFRS 2117 *Distribution of non-cash assets to owners* and K-IFRS 1105 *Non-current assets held for sale and discontinued operations*. The profit and loss from discontinued operations are classified and presented as profit or loss from discontinued operations, and the related separate statement of comprehensive income and notes for the year ended December 31, 2023, have been restated.

Key Audit Matters

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

(1) Revenue recognition based on input method

Reason why the matter was determined to be a Key Audit Matter

As described in Note 16 (Construction contracts) to the separate financial statements, the Company recognized contract revenue and contract costs associated with the sale of housing and construction contracts as the revenue and cost of sales from the sale of housing and the revenue and cost of sales from construction, respectively, based on the percentage of completion of contract activities at the end of the reporting period. Meanwhile, the percentage of completion of the contract may be determined in various ways, but the Company measured the percentage of completion by reference to the proportion of actual contract costs incurred to the estimated total contract costs.

The Company recognized the revenue from two projects in total, including Think Factory, related to the sale of housing and construction in accordance with the input method. Revenue recognized using this input method, which accounts for 29.2% of the total revenue of the Company, amounts to ₩177,356 million.

If the method of measuring the percentage of completion using the input method cannot reliably measure the Company's performance, there would be a risk that the revenue and cost of sales from sale of housing and the revenue and cost of sales from construction may be misstated. Therefore, we selected revenue recognition based on the input method as a key audit matter.

How our audit addressed the Key Audit Matter

We have performed the following audit procedures to address the Key Audit Matter:

- Confirmed the appropriateness of accounting policies on revenue recognition, and obtained an understanding of and assessed internal controls through a review of contract documents by project and relevant standards.

- Assessment of understanding, design, and operational effectiveness of internal control related to revenue recognition.
- Inquired about the current progress status and significant changes in main projects at the end of the reporting period, performed analytical procedures, analyzed the projects which have significant differences and obtained relevant evidence, if necessary.
- Identified the documentation supporting the contract amounts of the projects applied by the Company for recognizing revenue from the sale of housing and construction.
- Compared and determined whether the estimated total contract cost used in calculating the construction percentage of completion of the project is consistent with the estimated total contract cost of the construction contract with the construction company.
- Identified the cause of changes and reviewed the relevant documents for the projects with significant changes in the estimated cost.
- Confirmed that only contract cost that reflects the construction performed is included in the cumulative incurred cost, and compared and verified relevant evidence for significant incurred cost.
- Recalculated the percentage of completion for construction calculated by the Company.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation of the accompanying separate financial statements in accordance with K-IFRSs, and for such internal control as they determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management of the Company is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going-concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audits of the Separate Financial Statements

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

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

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

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

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



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

The engagement partner on the audit resulting in this independent auditor's report is Hee-wan Park, certified public accountant.

Deloitte IDNjin LLC

Seoul, Korea

March 12, 2025

This report is effective as at March 12, 2025, the auditor's report date. Certain subsequent events or circumstances, which may occur between the auditor's report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the auditor's report should understand that there is a possibility that the above auditor's report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

SK D&D Co., Ltd.
Separate Statements of Financial Position
As at December 31, 2024 and 2023

| <i>(In Korean won)</i> | Notes | 2024 | 2023 |
|--|---------------|---------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 3,35 | ₩ 8,093,473,662 | ₩ 151,901,463,251 |
| Short-term financial instruments | 3,9,34 | 199,642,562,898 | 143,005,968,700 |
| Short-term loans | 3,9,25,35 | 5,560,000,000 | 21,067,422,100 |
| Current portion of long-term loans | 3,9,25,35 | 46,317,000,000 | 6,055,876,932 |
| Trade and other receivables | 3,4,15,25,35 | 16,999,361,539 | 27,712,887,813 |
| Contract assets | 16 | 1,699,389,168 | - |
| Inventories | 6,24 | 387,286,703,538 | 868,314,732,841 |
| Contract cost | 5 | 5,013,214,951 | 8,258,471,314 |
| Other current financial assets | 3,7,35 | 696,821,062 | 3,627,662,959 |
| Other current assets | 8 | 51,835,119,932 | 86,533,599,217 |
| Derivative assets | 3,22,24,34,35 | 6,201,915,653 | 13,131,685,645 |
| Firm contract assets | 22, 24 | - | 51,491,861 |
| Non-current assets held for sale | 14 | 3,976,630,475 | 3,976,630,475 |
| | | 733,322,192,878 | 1,333,637,893,108 |
| Non-current assets | | | |
| Trade and other receivables | 3,4,15,25,35 | 3,750,314 | 2,129,218,615 |
| Long-term financial instruments | 3,9,35 | 1,309,060,645 | 72,967,164,647 |
| Long-term investment assets | 3,9,34 | 51,568,184,738 | 50,131,121,618 |
| Investments in subsidiaries, joint ventures and associates | 10,24,25 | 324,768,688,451 | 328,293,925,305 |
| Long-term loans | 3,9,25,35 | 36,511,088,500 | 8,901,145,712 |
| Property, plant and equipment | 11,24 | 35,594,992,169 | 230,266,329,755 |
| Right-of-use assets | 15 | 3,899,418,193 | 7,383,912,120 |
| Investment property | 12,24 | 63,688,126,816 | 67,863,333,296 |
| Intangible assets | 13,24 | 6,601,320,628 | 12,134,392,519 |
| Net defined benefit assets | 19 | 1,362,037,470 | 295,609,643 |
| Other non-current financial assets | 3,7 | 1,358,889,169 | 1,779,111,228 |
| Other non-current assets | 8 | - | 2,746,710,398 |
| Deferred tax assets | 31 | 23,816,273,160 | 26,049,606,481 |
| | | 550,481,830,253 | 810,941,581,337 |
| Total assets | | ₩ 1,283,804,023,131 | ₩ 2,144,579,474,445 |

(Continued)

SK D&D Co., Ltd.
Separate Statements of Financial Position (Continued)
As at December 31, 2024 and 2023

| <i>(In Korean won)</i> | Notes | 2024 | 2023 |
|---|---------------|---------------------|---------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 3,15,17,25,35 | ₩ 28,721,792,949 | ₩ 58,062,542,373 |
| Short-term borrowings | 3,18,24,35 | 11,000,000,000 | 35,000,000,000 |
| Current portion of long-term borrowings | 3,18,24,35 | 264,623,952,245 | 291,640,688,707 |
| Current portion of debentures | 3,18,24,35 | 87,968,279,589 | 201,459,592,795 |
| Provisions | 23 | 5,478,448,610 | 4,763,722,888 |
| Contract liabilities | 16 | 13,543,980,384 | 75,025,799,904 |
| Income tax payable | 31 | 5,970,384,919 | 31,825,522,665 |
| Other current financial liabilities | 3,20,35 | 93,165,471 | 5,680,271,703 |
| Other current liabilities | 21 | 6,430,352,676 | 106,266,195,464 |
| Derivative liabilities | 3,22,24,34 | - | 51,491,861 |
| | | 423,830,356,843 | 809,775,828,360 |
| Non-current liabilities | | | |
| Trade and other payables | 3,15,17,35 | 2,371,503,967 | 10,635,971,923 |
| Long-term borrowings | 3,18,24,35 | 231,957,023,991 | 435,860,794,381 |
| Debentures | 3,18,24,35 | 31,966,998,266 | 87,872,678,897 |
| Provisions | 23 | 371,846,913 | 6,014,059,800 |
| Income tax payable | 31 | 6,795,650,823 | 5,699,135,730 |
| Other non-current financial liabilities | 3,20,35 | 8,587,092,463 | 9,770,369,308 |
| Derivative liabilities | 3,22,24,34,35 | 1,025,055,481 | 8,713,106,515 |
| | | 283,075,171,904 | 564,566,116,554 |
| Total liabilities | | 706,905,528,747 | 1,374,341,944,914 |
| Equity | | | |
| Share capital | 26 | 18,617,383,000 | 24,190,164,000 |
| Reserves | 26 | 225,422,534,653 | 290,804,912,147 |
| Other components of equity | 26,27 | (154,583,934,654) | (8,057,352,431) |
| Accumulated other comprehensive income | 26 | (1,452,366,462) | (487,077,220) |
| Retained earnings | 26 | 488,894,877,847 | 463,786,883,035 |
| Total equity | | 576,898,494,384 | 770,237,529,531 |
| Total liabilities and equity | | ₩ 1,283,804,023,131 | ₩ 2,144,579,474,445 |

(Concluded)

See accompanying notes to separate financial statements.

SK D&D Co., Ltd.
Separate Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

| <i>(In Korean won)</i> | Notes | 2024 | 2023 |
|--|----------|-------------------|-------------------|
| Operating revenue | 10,25,28 | ₩ 605,895,703,798 | ₩ 318,227,951,654 |
| Operating expenses | 10,25,29 | (579,951,838,538) | (141,837,871,499) |
| Operating profit | | 25,943,865,260 | 176,390,080,155 |
| Non-operating income (expenses) | | | |
| Finance income | 3,30 | 26,354,995,393 | 14,963,908,484 |
| Finance costs | 3,30 | (42,428,842,680) | (41,910,556,942) |
| Other non-operating income | 30 | 35,238,100,383 | 3,258,432,170 |
| Other non-operating expenses | 30 | (7,189,804,598) | (9,631,192,791) |
| Gain (loss) on valuation using equity method | 10 | 4,964,267,547 | (3,978,545,226) |
| | | 16,938,716,045 | (37,297,954,305) |
| Profit before income tax expense | | 42,882,581,305 | 139,092,125,850 |
| Income tax expense | 31 | (5,626,757,292) | (34,098,313,909) |
| Profit from continuing operations | | 37,255,824,013 | 104,993,811,941 |
| Profit from discontinued operations | | 1,740,421,693 | 1,747,472,156 |
| Profit for the year | | 38,996,245,706 | 106,741,284,097 |
| Other comprehensive income (loss) | | | |
| <i>Items that may be subsequently reclassified to profit or loss</i> | | | |
| Loss on valuation of derivative financial instruments | 22,26 | (721,145,270) | (1,184,867,914) |
| Share of other comprehensive loss of associates | 10,26 | (244,153,972) | (253,794,564) |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Gain on valuation of financial assets at fair value through other comprehensive income | 26 | 10,000 | - |
| Remeasurements of net defined benefit assets (liabilities) | 19,26 | (46,967,094) | 492,805,063 |
| Other comprehensive loss for the year, net of tax | | (1,012,256,336) | (945,857,415) |
| Total comprehensive income for the year | | ₩ 37,983,989,370 | ₩ 105,795,426,682 |

(Continued)

SK D&D Co., Ltd.
Separate Statements of Comprehensive Income (Continued)
For the Years Ended December 31, 2024 and 2023

| <i>(In Korean won)</i> | Notes | | 2024 | | 2023 |
|--|--------------|---|-------------|---|-------------|
| Earnings per share from continuing operations attributable to the equity holders of the Company | | | | | |
| Ordinary shares | | | | | |
| Basic and diluted earnings per share from continuing operations | 32 | ₩ | 1,936 | ₩ | 4,257 |
| Preferred shares | | | | | |
| Basic and diluted earnings per share from continuing operations | 32 | ₩ | - | ₩ | 5,263 |
| Earnings per share from discontinued operations attributable to the equity holders of the Company | | | | | |
| Ordinary shares | | | | | |
| Basic and diluted earnings per share from discontinued operations | 32 | ₩ | 90 | ₩ | 71 |
| Preferred shares | | | | | |
| Basic and diluted earnings per share from discontinued operations | 32 | ₩ | - | ₩ | 87 |
| (Concluded) | | | | | |

See accompanying notes to separate financial statements.

SK D&D Co., Ltd.
Separate Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

(In Korean won)

| | Share capital | | Reserves | | Other components of equity | | Accumulated other comprehensive income (loss) | | Retained earnings (deficit) | | Total equity | |
|---|---------------|----------------|----------|-----------------|----------------------------|------------------|---|-----------------|-----------------------------|------------------|--------------|------------------|
| Balance at January 1, 2023 | ₩ | 24,190,164,000 | ₩ | 290,804,582,279 | ₩ | 2,631,088,480 | ₩ | 951,585,258 | ₩ | 376,348,413,075 | ₩ | 694,925,833,092 |
| Total comprehensive income (loss) | | | | | | | | | | | | |
| Profit for the year | | - | | - | | - | | - | | 106,741,284,097 | | 106,741,284,097 |
| Loss on valuation of derivative financial instruments | | - | | - | | - | | (1,184,867,914) | | - | | (1,184,867,914) |
| Share of other comprehensive loss of associates | | - | | - | | - | | (253,794,564) | | - | | (253,794,564) |
| Remeasurements of net defined benefit liabilities | | - | | - | | - | | - | | 492,805,063 | | 492,805,063 |
| Total comprehensive income (loss) for the year | | - | | - | | - | | (1,438,662,478) | | 107,234,089,160 | | 105,795,426,682 |
| Transactions with owners recognized directly in equity | | | | | | | | | | | | |
| Disposal of treasury shares | | - | | 329,868 | | 17,664,000 | | - | | - | | 17,993,868 |
| Share of other comprehensive loss of associates | | - | | - | | (12,046,280,618) | | - | | - | | (12,046,280,618) |
| Share of other comprehensive income of associates | | - | | - | | 173,835,711 | | - | | - | | 173,835,711 |
| Annual and interim dividends | | - | | - | | - | | - | | (19,795,619,200) | | (19,795,619,200) |
| Share options | | - | | - | | 1,166,339,996 | | - | | - | | 1,166,339,996 |
| Total transactions with owners recognized directly in equity | | - | | 329,868 | | (10,688,440,911) | | - | | (19,795,619,200) | | (30,483,730,243) |
| Balance at December 31, 2023 | ₩ | 24,190,164,000 | ₩ | 290,804,912,147 | ₩ | (8,057,352,431) | ₩ | (487,077,220) | ₩ | 463,786,883,035 | ₩ | 770,237,529,531 |

(Continued)

SK D&D Co., Ltd.
Separate Statements of Changes in Equity (Continued)
For the Years Ended December 31, 2024 and 2023

(In Korean won)

| | Share capital | Reserves | Other components of equity | Accumulated other comprehensive income (loss) | Retained earnings (deficit) | Total equity |
|--|------------------|-------------------|----------------------------|---|-----------------------------|-------------------|
| Balance at January 1, 2024 | ₩ 24,190,164,000 | ₩ 290,804,912,147 | ₩ (8,057,352,431) | ₩ (487,077,220) | ₩ 463,786,883,035 | ₩ 770,237,529,531 |
| Total comprehensive income (loss) | | | | | | |
| Profit for the year | - | - | - | - | 38,996,245,706 | 38,996,245,706 |
| Gain on valuation of financial assets at fair value through other comprehensive income | - | - | - | 10,000 | - | 10,000 |
| Loss on valuation of derivative financial instruments | - | - | - | (721,145,270) | - | (721,145,270) |
| Share of other comprehensive loss of associates | - | - | - | (244,153,972) | - | (244,153,972) |
| Remeasurements of net defined benefit liabilities | - | - | - | - | (46,967,094) | (46,967,094) |
| Total comprehensive income (loss) for the year | - | - | - | (965,289,242) | 38,949,278,612 | 37,983,989,370 |
| Transactions with owners recognized directly in equity | | | | | | |
| Share of other comprehensive loss of associates | - | - | 3,065,748,373 | - | - | 3,065,748,373 |
| Share of other comprehensive income of associates | - | - | 478,244,168 | - | - | 478,244,168 |
| Annual and interim dividends | - | - | - | - | (13,841,283,800) | (13,841,283,800) |
| Share options | - | - | 320,000,900 | - | - | 320,000,900 |
| Spin-off | (5,572,781,000) | (65,382,377,494) | (150,252,841,506) | - | - | (221,208,000,000) |
| Acquisition of treasury shares | - | - | (137,734,158) | - | - | (137,734,158) |
| Total transactions with owners recognized directly in equity | (5,572,781,000) | (65,382,377,494) | (146,526,582,223) | - | (13,841,283,800) | (231,323,024,517) |
| Balance at December 31, 2024 | ₩ 18,617,383,000 | ₩ 225,422,534,653 | ₩ (154,583,934,654) | ₩ (1,452,366,462) | ₩ 488,894,877,847 | ₩ 576,898,494,384 |

(Concluded)

See accompanying notes to separate financial statements.

SK D&D Co., Ltd.
Separate Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

| <i>(In Korean won)</i> | Notes | 2024 | 2023 |
|---|-------|------------------------|------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | | | |
| Profit for the year | | ₩ 38,996,245,706 | ₩ 106,741,284,097 |
| Adjustments | 33,36 | 21,558,185,450 | (91,093,967,187) |
| Change in operating assets and liabilities | 33,36 | 212,518,715,999 | 233,998,930,758 |
| | | <u>273,073,147,155</u> | <u>249,646,247,668</u> |
| Dividends received | | 18,110,988,046 | 13,162,484,942 |
| Interest received | | 9,288,883,298 | 9,930,129,880 |
| Interest paid | | (62,182,246,764) | (56,328,565,546) |
| Income taxes paid | | (36,211,448,537) | (18,563,746,606) |
| Net cash provided by operating activities | | <u>202,079,323,198</u> | <u>197,846,550,338</u> |
| Cash flows from investing activities | | | |
| | 33,36 | | |
| Proceeds from disposal of short-term financial instruments | | 418,684,863,205 | 522,871,967,882 |
| Payments for acquisition of short-term financial instruments | | (413,904,556,095) | (596,770,783,033) |
| Proceeds from disposal of long-term financial instruments | | 6,914,973,731 | 288,306,416,430 |
| Payments for acquisition of long-term financial instruments | | (640,729,824) | (323,119,663,597) |
| Proceeds from disposal of derivatives | | 44,196,012 | - |
| Proceeds from disposal of investments in associates | | 18,932,670,000 | 336,700,000 |
| Payments for acquisition of investments in associates | | (14,306,934,400) | (12,477,393,000) |
| Proceeds from disposal of investments in joint ventures | | 86,196,387,000 | - |
| Payments for acquisition of investments in joint ventures | | (412,634,880) | (17,848,550,000) |
| Proceeds from disposal of investments in subsidiaries | | 728,805,000 | - |
| Decrease in short-term loans | | 69,075,200,000 | 61,147,200,000 |
| Increase in short-term loans | | (74,760,600,000) | (70,874,700,000) |
| Decrease in current portion of long-term loans | | - | 8,847,919,012 |
| Decrease in long-term loans | | 1,557,312,348 | 39,958,268 |
| Increase in long-term loans | | (67,021,155,140) | (10,667,000,000) |
| Proceeds from disposal of property, plant and equipment | | 1,778,061,205 | 1,685,949,951 |
| Payments for acquisition of property, plant and equipment | | (3,284,515,536) | (3,580,088,689) |
| Proceeds from disposal of intangible assets | | 450,909,090 | 161,636,364 |
| Payments for acquisition of intangible assets | | (157,984,000) | (1,172,668,572) |
| Proceeds from disposal of investment property | | - | 889,909,781 |
| Proceeds from disposal of financial assets at fair value through profit or loss | | 212,445,628 | 1,906,439,003 |

(Continued)

SK D&D Co., Ltd.
Separate Statements of Cash Flows (Continued)
For the Years Ended December 31, 2024 and 2023

| <i>(In Korean won)</i> | Notes | 2024 | 2023 |
|---|--------------|--------------------------|--------------------------|
| Payments for acquisition of financial assets at fair value through profit or loss | | ₩ (18,339,829,787) | ₩ (9,225,226,620) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | 10,000 | 3,800,000 |
| Net cash provided by (used in) investing activities | | 11,746,893,557 | (159,538,176,820) |
| Cash flows from financing activities | 33,36 | | |
| Proceeds from short-term borrowings | | 101,000,000,000 | 35,000,000,000 |
| Repayments of short-term borrowings | | (98,000,000,000) | (8,000,000,000) |
| Repayments of current portion of long-term borrowings | | (362,737,499,998) | (162,352,700,000) |
| Proceeds from long-term borrowings | | 212,696,800,000 | 175,437,100,000 |
| Repayments of long-term borrowings | | (25,812,499,994) | (39,023,333,332) |
| Issuance of short-term debentures | | 20,000,000,000 | - |
| Repayments of short-term debentures | | (20,000,000,000) | - |
| Repayments of current portion of debentures | | (45,382,000,000) | (75,000,000,000) |
| Issuance of non-current debentures | | 93,533,000,000 | 37,917,000,000 |
| Decrease in lease liabilities | | (3,284,511,879) | (4,790,975,947) |
| Dividends paid | | (13,841,283,800) | (19,795,619,200) |
| Acquisition of treasury shares | | (137,734,158) | - |
| Disposal of treasury shares | | - | 17,993,868 |
| Cash outflow due to spin-off | | (214,830,323,762) | - |
| Net cash used in financing activities | | (356,796,053,591) | (60,590,534,611) |
| Net decrease in cash and cash equivalents | | (142,969,836,836) | (22,282,161,093) |
| Effects of exchange rate changes on cash and cash equivalents | | (838,152,753) | (516,174,144) |
| Cash and cash equivalents at the beginning of the year | | 151,901,463,251 | 174,699,798,488 |
| Cash and cash equivalents at the end of the year | | ₩ 8,093,473,662 | ₩ 151,901,463,251 |

(Concluded)

See accompanying notes to separate financial statements.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

1. GENERAL INFORMATION:

(1) Overview

SK D&D Co., Ltd. (the “Company”) was established to mainly engage in real estate development on April 27, 2004. The headquarters is located in Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea.

By means of a formal resolution at the shareholders’ meeting on January 19, 2015, the Company divided its face value of ₩5,000 per share by ₩1,000 per share. The Company decided to issue 1,600,000 new shares with the approval of the board of directors on May 8, 2015, and listed its shares on the stock exchange market on June 23, 2015.

Meanwhile, the furniture business sector of the Company was transferred to D&D Living Solution Co., Ltd., which is a newly established company, through a split-off on January 1, 2022, the split-off date. The entity name of D&D Living Solution Co., Ltd. was changed to D&D Property Solution Co., Ltd. on September 1, 2022.

The Company had split the renewable energy and ESS business units into a new company, SK eternix Co., Ltd., through spin-off, with March 1, 2024, as the split date.

After stock split and issue of new shares, the share capital of the Company as at December 31, 2024, amounted to ₩18,617,383 thousand (including share capital on preferred shares amounting to ₩1 thousand, see Note 26) and its major shareholders (including preferred shares) are as follows:

| <i>(In shares)</i> | Ordinary shares | | Preferred shares | |
|---|------------------|-----------------------------|------------------|-----------------------------|
| | Number of shares | Percentage of ownership (%) | Number of shares | Percentage of ownership (%) |
| Hahn & Co. Development Holdings Co., Ltd. | 5,821,753 | 31.27 | - | - |
| SK Discovery Co., Ltd. | 5,821,751 | 31.27 | - | - |
| Treasury shares | 11,291 | 0.06 | 1 | 100.00 |
| Do-hyun KIM | 5,002 | 0.03 | - | - |
| Employee's stock ownership association | 1,839 | 0.01 | - | - |
| Others | 6,955,746 | 37.36 | - | - |
| Total | 18,617,382 | 100.00 | 1 | 100.00 |

The above information is prepared based on the shareholders’ list as at December 31, 2024, and the number of shares held may differ from those as at the report submission date.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

2. BASIS OF PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES:

(1) Basis of Preparation

The Company prepares the separate financial statements in accordance with Korean International Financial Reporting Standards (“K-IFRSs”). The financial statements of the Company are the separate financial statements prepared in accordance with K-IFRS 1027 Separate Financial Statements. The Company applies the equity method of accounting ‘as defined in K-IFRS 1028 in accordance with K-IFRS 1027’ on its investments in subsidiaries, associates and joint ventures.

The principal accounting policies applied in the preparation of these separate financial statements are set out below. Except for the changes in accounting policies and impacts on the newly adopted standards and interpretations explained below, the accounting policies applied in preparing the accompanying separate financial statements have been applied consistently with the annual separate financial statements as at and for the year ended December 31, 2023.

At the time of approving the separate financial statements, management has reasonable expectations that the Company has sufficient resources to continue as a going concern for the foreseeable future. Therefore, management has prepared the separate financial statements under the assumption that the Company will continue as a going concern, with the exception of the statement below.

(2) Changes in Accounting Policies and Disclosures

The Company has not early adopted the new or amended standards and interpretations issued but not yet effective.

1) New and amended standards and interpretations

The Company has applied the following standards and interpretations for the first time for its annual reporting period commencing on January 1, 2024:

- Amendments to K-IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (Amended in 2020)

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- Amendments to K-IFRS 1001 Presentation of Financial Statements – Non-current Liabilities with Covenants (Amended in 2023)

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least 12 months after the reporting date. The amendments also specify that the right to defer settlement of a liability for at least 12 months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within 12 months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within 12 months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and the facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

- Amendments to K-IFRS 1007 Statement of Cash Flows and K-IFRS 1107 Financial Instruments: Disclosures – Supplier finance arrangements

The amendments add a disclosure objective to K-IFRS 1007 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, K-IFRS 1107 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

- Amendments to K-IFRS 1116 Leases – Lease Liability in a Sale and Leaseback

The amendments include subsequent measurement requirements for sales-type leases accounted for using K-IFRS 1115 'Revenue from Contracts with Customers.' The amendments require that when subsequently measuring lease liabilities arising from a sale and leaseback, a seller-lessee shall determine lease payments or revised lease payments in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

- Amendments to K-IFRS 1001 Presentation of Financial Statements – Disclosure of Cryptographic Assets (Amended in 2023)

The amendments require disclosure requirements for transactions involving cryptographic assets in addition to those required by other standards. They specify disclosure requirements for each of the following scenarios: 1) Holding cryptographic assets, 2) Holding cryptographic assets on behalf of customers and 3) Issuing cryptographic assets.

For cases where cryptographic assets are held, disclosure should include general information about the cryptographic assets, applied accounting policies, acquisition methods, acquisition costs and year-end fair values of the cryptographic assets. Moreover, if cryptographic assets are issued, disclosure should cover the Company's obligations and compliance status related to the issued cryptographic assets, timing and amounts of revenue recognition for sold cryptographic assets, quantity of cryptographic assets held after issuance and significant contractual terms.

The Company believes that the amendments and revisions are not expected to have a significant impact on the separate financial statements or business performance of the Company.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

2) Standards issued but not yet effective

- Amendments to K-IFRS 1021 The Effects of Changes in Foreign Exchange Rates and K-IFRS 1101 First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability

The amendments define situations where a currency is exchangeable into another currency for accounting purposes and specify the assessment of the exchangeability between two currencies, estimation for spot exchange rates when exchangeability is lacking and disclosure requirements. These amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

- Amendments to K-IFRS 1109 Financial Instruments and K-IFRS 1107 Financial Instruments: Disclosures – Classification and measurement requirements of financial instruments

The amendments clarify the conditions related to the discharge of a financial liability before the settlement date when settling such financial liabilities using an electronic payment system. They further specify an interest feature, a contingent feature, financial assets with non-recourse features and contractually linked instruments which should be considered in assessing whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. Furthermore, the amendments include additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows. These amendments are applied retrospectively for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- Amendments to K-IFRS 1109 Financial Instruments – Derecognition of lease liabilities and transaction price

The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with K-IFRS 1109, the lessee is required to recognize any resulting gain or loss in profit or loss. Additionally, the amendments have replaced ‘the transaction price (as defined in K-IFRS 1115)’ in K-IFRS 1109:5.1.3 with ‘the amount determined by applying K-IFRS 1115’ to remove an inconsistency between K-IFRS 1109 and the requirements in K-IFRS 1115. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- Amendments to K-IFRS 1110 Consolidated Financial Statements – Determination of ‘de facto agent’

The amendments have amended IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- Amendments to K-IFRS 1101 First-time adoption of Korean International Financial Reporting Standards – Hedge accounting by a first-time adopter

The amendments have improved the consistency of the wording of K-IFRS 1101:B6 with the requirements for hedge accounting in K-IFRS 1109 and added cross-references to K-IFRS 1109:6.4.1 to improve the understandability of K-IFRS 1101. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- Amendments to K-IFRS 1107 Financial Instruments: Disclosures – Gain or loss on derecognition

The amendments have updated the obsolete cross-reference in K-IFRS 1107:B38 and aligned the wording of this paragraph with the terms used in K-IFRS. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- Amendments to K-IFRS 1007 Statement of Cash Flows: Cost method

The amendments have replaced the term ‘cost method’ with ‘at cost’ in K-IFRS 1007:37. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

The Company believes that the amendments and revisions are not expected to have a significant impact on the separate financial statements.

(3) Material Accounting Policies

1) Investment in subsidiaries, associates and joint ventures

Associates are entities over which the Company has significant influence, but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company’s interest in the associates. If there is an objective evidence of impairment for the investment in the associate, the Company recognizes the difference between the recoverable amount of the associate and its book amount as impairment loss.

A joint arrangement, wherein two or more parties have joint control, is classified as either a joint operation or a joint venture. A joint operator recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. Interests in joint ventures are accounted for using the equity method after initially being recognized at cost in the separate statements of financial position. If there is an objective evidence of impairment for the investment in the joint venture, the Company recognizes the difference between the recoverable amount of the joint venture and its book amount as impairment loss.

Subsidiaries are all entities over which the Company has control. Investments in subsidiaries are accounted for using the equity method of accounting after initially being recognized at cost. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company’s interest in the subsidiaries. If there is an objective evidence of impairment for the investment in the subsidiary, the Company recognizes the difference between the recoverable amount of the subsidiary and its book amount as impairment loss.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

Under the equity method, changes in net assets of investees are recognized in accordance with sources, changes in the Company's share of its profit or losses in investments accounted for using the equity method are adjusted to profit or loss, and any change in other comprehensive income and other components of equity of those investees is presented as part of the Company's other comprehensive income and other components of equity, respectively. In addition, if investees are able to distribute, exceeding its retained earnings under the Special Act (e.g., the legislation of the Real Estate Investment Company Act), the entire amount of dividends on preferred share is recognized and accounted for in accordance with sources. In relation to this, the Company develops an accounting policy in order to bring consistency in the accounting treatment.

When the Company invests in an indirect investment vehicle, which is a separate legal entity (REITs, REF, PFV, etc.), only for the execution of the relevant real estate development and operation project; classifies it as an investment in an associate or a joint venture or as an investment in a subsidiary; and applies the equity method, any share of profit or loss of subsidiaries, associates and joint ventures using the equity method arising from those share investments is classified and recognized as operating profit or loss (operating revenue or operating expenses). Since the real estate development and operation projects mainly realize profits and losses in the form of share deals or asset deals, it is judged that there is no difference between direct and indirect investments, and profit or loss related to the equity method classified as operating profit or loss is not limited to the share of net profit or loss accounted for using the equity method, and the same classification standards are applied to gains and losses on disposal recognized as a result of changes in shares or disposal of shares, or liquidation dividends from the sale of underlying assets, and impairment loss (reversal) due to impairment.

2) Non-current assets held for sale

The Company classifies non-current assets (or disposal groups) as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

When the Company is committed to a sale plan involving disposal of an investment in an associate, or a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of, is classified as held for sale when the criteria described above are met and the Company ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. Upon loss of significant influence over the associate, the Company discontinues the use of the equity method at the point of sales.

Even after the investment in an associate is sold, unless the equity method continues to be applied to the remaining holding of the investment in the associate, the Company accounts for the remaining investment held in the associate in accordance with K-IFRS 1109 *Financial Instruments*.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their previous carrying amount or fair value, less costs to sell. When non-current assets (or disposal groups) are expected to be disposed of, or liquidation of subsidiaries, joint ventures and associates is scheduled, they are excluded from assets held for sale since they do not satisfy the purpose of continuing use.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

3) Revenue recognition

The Company measures revenue as the fair value of the consideration received or receivable, stated net of value-added tax, sales returns, sales rebate and sales discount. The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow into the Company and fulfill the requirements for revenue recognition of the Company listed below.

① Construction of real estate for sale

The Company constructs and sells office and residential real estate according to long-term contracts with customers. Such contracts are signed before construction of the real estate begins. According to the contract conditions, transferring the real estate to another customer is restricted, and if the Company has the right to claim for enforceable payment with regard to work performed up to that point, revenue incurred from the real estate is recognized based on the percentage-of-completion method (in other words, actual cost to date as a proportion of the estimated total cost). Management has deemed the percentage-of-completion method to be an appropriate method for measuring the progress rate until performance obligations are satisfied in accordance with K-IFRS 1115.

If the Company does not have the right to claim for enforceable payment with regard to work performed up to that point, revenue is recognized at a time when the control for the real estate is transferred to the customer.

The Company has a right to charge customers for the construction of real estate for sale according to the achievement of milestones related to a series of works. When a specific milestone is reached, the relevant statement of work signed by a third-party evaluator is sent and an invoice regarding milestone payments is issued. Contract assets recognized for all previously performed works are reclassified as receivables at the point in which claims are made to customers. If the amount paid for each milestone exceeds the revenue recognized up to that point under the percentage-of-completion method, the Company recognizes the difference as a contract liability. Since the difference between the point of revenue recognition according to the percentage-of-completion method and the point of milestone payment is generally more than one year, it is judged that there is a significant financing component in the construction contract with the customer and the significant financing component is separated from the transaction price.

The Company pays sales commission in relation to the sales contract of the real estate for sale. When the Company estimates that such incremental cost would be recovered, the incremental cost is capitalized and recognized as expenses at the point in which the control related to the real estate is transferred.

② Rental income

The Company recognizes rental income from investment properties and master leases over the lease term based on monthly rental expenses. The rental income of the Company is generated by contract with a certain rental income corresponding to the leased area and rental income that fluctuates in proportion to the business performance of the lessee generated within the leased area. A certain rental income corresponding to the leased area is determined based on the lease contract, and the rental income, which fluctuates in proportion to the lessee's business performance, is determined through monthly settlement. The Company issues monthly bills for each of the two types of rental income.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

③ Sale of merchandises

In accordance with K-IFRS 1115, the Company identifies distinct performance obligations in contracts with customers and determines whether the respective identified performance obligation is satisfied at a point in time or over a period of time. The Company identifies a good or service that is promised to a customer as a distinct performance obligation if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer and the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. For distinct performance obligations, the Company allocates the transaction price in proportion to those stand-alone selling prices, or if a stand-alone selling price is not directly observable, the Company estimates the stand-alone selling price at an amount that would result in the allocation of the transaction price meeting the allocation objective.

④ Rendering of services

Commission income arises from services in various ranges provided to customers. Revenue from contracts with a customer is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The revenue from rendering of services is recognized over time by measuring the percentage of completion when the performance of service transactions can be reliably estimated. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

4) Foreign currency translation

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

In preparing the separate financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

SK D&D Co., Ltd.

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As at and for the Years Ended December 31, 2024 and 2023

Exchange differences are recognized in profit or loss in the period in which they arise, except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation).

These exchange differences are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

5) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset.

Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

6) Pension and other postemployment benefits

Contributions to defined contribution plans are recognized as an expense when employees have rendered service that entitles them to the contributions.

For a defined benefit plan, the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset), are recognized immediately in the separate statements of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements recognized in the separate statements of comprehensive income are immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes related restructuring costs or termination benefits. The Company recognized gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost and past service cost, as well as gains and losses on curtailments and settlements), net interest expense (income) and remeasurement.

The Company presents the service cost and net interest expense (income) components in profit or loss and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

Net defined benefit assets in the separate statements of financial position are limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

7) Share-based payments

The cost of equity-settled transactions granted to employees and similar service providers is determined by the fair value at the date when the grant is made. Vesting conditions, other than market conditions, are not taken into account when estimating the fair value of equity instruments. Further details of determination of fair value of equity-settled transactions are given in Note 27.

The fair value of equity-settled share-based payment transactions determined at grant date is expensed on a straight-line basis over the vesting period based on the Company's estimates for equity instruments to be vested. The Company corrects the estimates for the quantity of equity instruments expected to be vested as a result of vesting conditions, other than market conditions, at the end of each reporting period. The effect of corrections to initial estimates is recognized in profit or loss over the remaining vesting period so that corrections are recorded in cumulative costs and reflected in other components of equity.

Equity-settled share-based payment transactions vested to counterparties other than employees are measured at fair value of goods or services provided. However, if the fair value of goods or services provided cannot be reliably estimated, it is measured based on the fair value of equity instruments vested at the date on which goods or services are provided.

Under cash-settled share-based payment plan, a liability for a consideration of goods or services provided is initially recognized at fair value. Until the liability is settled, the Company is required to remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in value recognized in profit or loss for the year.

8) Taxes

The tax expense for the period consists of current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the taxes are also recognized in other comprehensive income or directly in equity.

The current income tax expense is measured at the amount expected to be paid to the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Company recognizes the current income tax expense based on the amount expected to be paid to a taxation authority.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority and when the Company intends to settle on a net basis simultaneously.

9) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, which is an expenditure arising directly from the construction or acquisition of the item of property, plant and equipment and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are included in profit or loss during the financial period in which they are incurred.

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

| | Useful lives |
|--------------------------|--|
| Buildings and structures | 14 years, 15 years, 20 years, 40 years |
| Machinery | 7 years, 14 years, 15 years, 20 years |
| Tools and equipment | 5 years |
| Supplies | 4 years, 5 years, 8 years |
| Others | 5 years, 10 years, 17 years |

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method, residual value and useful life of an asset are reviewed at the end of each reporting period, and if changes are considered as appropriate, such changes are treated as changes in accounting estimates.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

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The book amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and included in profit or loss when the item is derecognized.

10) Leases

① Company as a lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. For lease arrangements where the Company is the lessee, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements, except for short-term leases (lease terms of 12 months or less) and leases of low-value underlying assets. Unless another systematic basis better represents the pattern of benefits to the lessee, the Company recognizes lease payments for short-term leases and leases of low-value underlying assets as expenses on a straight-line basis over the lease term.

① - 1) Right-of-use assets

The right-of-use asset comprises the initial measurement amount of the lease liability, lease payments made at or before the commencement date (less any lease incentives received) and any initial direct costs incurred by the lessee. The right-of-use asset is subsequently measured at cost, less accumulated depreciation and accumulated impairment losses.

The estimated costs to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset itself as required by the lease terms are recognized and measured according to K-IFRS 1037 'Provisions, Contingent Liabilities and Contingent Assets.' If these costs are not incurred to produce inventories, they are included as part of the cost of the right-of-use asset.

If ownership of the underlying asset transfers to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee depreciates the right-of-use asset from the commencement date to the end of the useful life of the right-of-use asset. Otherwise, the lessee depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies K-IFRS 1036 'Impairment of Assets' to determine whether the right-of-use asset is impaired.

Variable lease payments which are not based on an index or a rate (but excluding those that vary according to an index or a rate) are not included in the measurement of the right-of-use asset and lease liability. These payments are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, a lessee may elect, by class of underlying asset, not to separate non-lease components from lease components and instead account for each lease component and any associated non-lease components as a single lease component. The Company uses this practical expedient. For contracts containing a lease component and one or more additional lease or non-lease components, the lessee allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease and non-lease components.

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Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets as follows:

| | Useful lives |
|------------|-----------------|
| Properties | 1 year–20 years |
| Vehicles | 1 year–4 years |

①-2) Lease liabilities

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the lessee's incremental borrowing rate ("IBR") is used.

The IBR varies depending on the lease term, currency and the start date of the lease and is determined based on input variables, including:

- Risk-free interest rates based on government bond yields
- Company-specific risk adjustments
- Credit risk adjustments based on bond yields
- Adjustments specific to the lessee if the lessee's risk characteristics differ from those of the Company and the lease does not benefit from the Company's guarantee

The lease payments included in the measurement of the lease liability comprise the following amounts:

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

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The lease liability is remeasured with a corresponding adjustment to the related right-of-use asset in the following cases:

- If there is a change in the lease term or a significant event or change in circumstances that results in a change in the assessment of the exercise of a purchase option. In this case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- If there is a change in the lease payments due to changes in an index or a rate, or if there is a change in the amounts expected to be payable under a residual value guarantee. In this case, the lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate, unless the change in lease payments is due to a change in a floating interest rate, in which case a revised discount rate is used.
- If the lease contract is modified and the modification is not accounted for as a separate lease, the lease liability is remeasured based on the modified lease term by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

①-3) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of other assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of other assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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② Company as a lessor

The Company classifies each lease as either an operating lease or a finance lease. A lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset is classified as a finance lease, while a lease that does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is classified as an operating lease.

If the Company is a middle lessor, it accounts for head leases and subleases as two separate contracts. The Company classifies subleases as finance leases or operating leases based on the right-of-use asset arising from the head lease rather than the underlying asset.

For operating leases, the Company recognizes lease revenue on a straight-line basis or using another systematic basis if that better represents the reduction in the benefit derived from the right-of-use asset. The Company capitalizes the initial direct costs incurred in obtaining the operating lease and recognizes them as an expense over the lease term, consistent with the recognition of lease revenue.

Payments received from lessees under finance leases are recognized as lease receivables, representing the Company's net investment in the lease. The Company allocates finance income over the lease term using the effective interest method, reflecting a constant periodic rate of return on the net investment.

After initial recognition, the Company periodically reviews the estimated unguaranteed residual value and applies the requirements of K-IFRS 1109 'Financial Instruments' to recognize expected credit losses ("ECLs") on lease receivables as impairment allowances.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivable. However, for impaired finance lease receivables, finance income is calculated with reference to the net carrying amount (i.e., after deduction of impairment allowances).

In contracts with both lease and non-lease components, the Company applies K-IFRS 1115 'Revenue from Contracts with Customers' to allocate the consideration to each distinct component.

12) Investment properties

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at depreciated cost (less any accumulated impairment losses).

While land is not depreciated, buildings are depreciated using the straight-line method over 32 years and 40 years as estimated useful lives. In addition, buildings accounted for as investment properties with adoption of K-IFRS 1116 Leases are depreciated using the straight-line method over the shorter of the lease term and the estimated useful lives.

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13) Intangible assets

① Separately acquired intangible assets

Separately acquired intangible assets with finite useful lives are carried at cost, less any accumulated amortization and accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. If changes are considered as appropriate, such changes are treated as changes in accounting estimates. Separately acquired intangible assets with indefinite useful lives are carried at cost, less accumulated impairment losses.

② Derecognition of intangible assets

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognized in profit or loss when the asset is derecognized.

③ Amortization of intangible assets

Membership rights with an indefinite useful life are not subject to amortization, and other intangible assets, except for membership rights, are amortized using the straight-line method over the estimated economic useful lives by the following individual assets:

| | Useful lives |
|------------|-------------------|
| Patents | 5 years, 10 years |
| Trademarks | 5 years |
| Software | 5–15 years |
| Others | 5 years |

14) Impairment of property, plant and equipment and intangible assets other than goodwill

The Company assessed at the end of each reporting period whether there is an indication that property, plant and equipment and intangible assets, other than goodwill, may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. The Company estimated the individual asset's recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs; otherwise, they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication of impairment.

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An asset's recoverable amount is the higher of an asset's or a CGU's fair value, less costs of disposal, or its value in use. When the carrying amount of an asset or a CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, and the reduced amount is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

15) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the specific identification method. Cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale.

Cost of sales is recognized as a carrying amount of the inventories in the period they are sold, and the amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as expenses when occurred. In addition, the amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The discount rate used is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage is recognized in profit or loss within finance costs.

When some or all of the expenditure required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during the period.

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17) Cash and Cash Equivalents

Cash equivalents are highly liquid short-term investments (typically with maturities of three months or less) that are easily convertible into known amounts of cash and have minimal risk of value changes. Cash equivalents are held for the purpose of meeting short-term cash demands rather than for investment or other purposes.

Bank balances with third-party restrictions, where such restrictions do not render the bank balances no longer meet the definition of cash, are included as part of cash. If contractual restrictions on the use of cash exceed 12 months after the end of the reporting period, the related amounts are classified as non-current assets in the separate statements of financial position.

For the purpose of the separate statement of cash flows, cash and cash equivalents consist of the cash and cash equivalents defined above and the net amount of bank overdrafts that are repayable on demand according to the requirements of financial institutions and form part of the Company's cash management. Such bank overdrafts are presented as short-term borrowings in the separate statements of financial position.

18) Financial instruments

Financial assets and financial liabilities are recognized in the separate statements of financial position when, and only when, the Company becomes a party to their contractual provisions. Financial assets and financial liabilities are measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issue of financial liabilities are deducted from or added to the fair value of the financial assets or financial liabilities, as appropriate, at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets at fair value through profit or loss or issue of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

19) Financial assets

A regular-way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade-date accounting. A regular-way purchase or sale of a financial asset represents a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

All financial assets recognized are subsequently measured at amortized cost or fair value according to the classification of financial assets.

① Classification of financial assets

A debt instrument is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:

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- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All other financial assets are subsequently measured at fair value through profit or loss.

Nevertheless, the Company may make the following irrevocable choices or designations at the time of initial recognition of financial assets:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (①-3) below).

- The Company may irrevocably designate a debt investment that meets the amortized cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch (see (①-4) below).

①-1) Amortized cost and effective interest rate method

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e., assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding ECLs, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECLs, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of the financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at fair value through other comprehensive income. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

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For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognized in profit or loss and is included in the "finance income" line item.

①-2) A debt instrument classified as an item at fair value through other comprehensive income

The debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these debt instruments had been measured at amortized cost. All other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these debt instruments are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

①-3) An equity instrument designated as an item at fair value through other comprehensive income

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at fair value through other comprehensive income. Designation at fair value through other comprehensive income is not permitted if the equity investment is held for trading or if it is a contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments; instead, it is transferred to retained earnings.

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Dividends on investments in equity instruments are recognized as finance income in the separate statements of comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset; in which case, such gains are recorded in other comprehensive income.

①-4) Financial assets at fair value through profit or loss

Financial assets that do not qualify for requirements of measurement at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss.

- Investments in equity instruments are classified as at fair value through profit or loss, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at fair value through other comprehensive income on initial recognition (see (①-3) above).

- Although a debt instrument meets the requirements of items measured at amortized cost or fair value through other comprehensive income, if it is designated as an item measured at fair value through profit or loss, it may be designated as an item measured at fair value through profit or loss at initial recognition in case where the accounting mismatch is eliminated or significantly reduced (see ① above).

Financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period, and gain or loss arising from changes in fair value, excluding the portion designated as hedging relationship, is recognized in profit or loss. Net gain or loss recognized in profit or loss includes dividends obtained from financial assets and recognized within 'finance income' (see Note 3). Interest income from financial assets at fair value through profit or loss is recognized within 'finance income' (see Note 3). Fair value is determined using the valuation method described in Note 34.

② Gain or loss on foreign currency translation

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'finance income or costs' line item (see Note 3).

- For debt instruments measured at fair value through other comprehensive income that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'finance income or costs' line item. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

- For financial assets measured at fair value through profit or loss that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'finance income or costs.'

- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

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③ Impairment of financial assets

The Company recognizes a loss allowance for ECLs on investments in debt instruments that are measured at amortized cost or at fair value through other comprehensive income, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast directions of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, for credit exposures for which there has not been a significant increase in credit risk since initial recognition, loss allowance is measured at a 12-month ECL.

Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. The 12-month ECLs are the portion of ECLs that result from all default events that are possible within the 12 months after the reporting date.

③-1) Determining significant increases in credit risk

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. To make that assessment, the Company considers reasonable and supportable quantitative/qualitative information, including the historical experiences and forward-looking information, that is available without undue cost or effort. The forward-looking information used by the Company includes various external materials in relation to current and future economic information of the Company's main business, as well as the future outlook of industry of the Company's borrowers available from reports of economic experts, financial analysts, governmental institutions, the relevant think tanks and similar institutions.

The Company considers the following matters when assessing whether the credit risk on a financial instrument has increased significantly since initial recognition:

- An actual or expected significant change in the financial instrument's internal and external credit rating (if available).
- Significant changes in external market indicators of credit risk for a particular financial instrument Changes in market indicators of credit risk include, but are not limited to: (1) the credit spread, (2) a significant increase in the credit default swap prices for the borrower and (3) the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost.
- An actual or expected significant adverse change in the borrower's business performance.

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- Significant increases in credit risk on other financial instruments of the same borrower.
- An actual or expected significant adverse change in the regulatory, economic or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations.

Regardless of the assessment results, the Company assumes that the credit risk of a financial instrument has increased significantly when the contractual payments are past due for more than 90 days and recognizes 100% impairment for these past-due receivables (however, for pledged receivables, impairment is recognized only for excess of collateral).

Despite the above matters, the Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The credit risk on a financial instrument is considered low if (1) the financial instrument has a low risk of default, (2) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (3) the borrower may have a low capacity to meet its contractual cash flow obligations in the long term due to adverse changes in economic and business environment, but will not necessarily reduce the ability of the borrower to fulfil its contractual cash flow obligations.

In accordance with the global practices, the Company considers that the financial assets whose external credit rating is higher than 'investment grade' or the Company's internal credit rating is 'normal' (for those not rated by the independent credit rating agencies) to have a low credit risk. 'Normal' rate indicates that the counterparty has a sound financial position and there is no past-due amount.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment shall be considered to be the date of initial recognition for the purposes of applying the impairment requirements. In order to assess whether the credit risk on financial guarantee contracts has increased since initial recognition, the Company considers the changes in the risk of the specific borrower's failure to meet its contractual obligation.

The Company regularly reviews the effectiveness of criteria used to determine whether the credit risk on a financial instrument has increased significantly since initial recognition. In addition, the Company modifies such criteria in an appropriate way to ensure the determination of significant increases of credit risk since initial recognition before the criteria become past due.

③-2) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes, as historical experience indicates that financial assets that meet the following criterion are generally not recoverable:

- When there is a breach of financial covenants by the debtor.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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③-3) Credit-impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the issuer or borrower (see ③-2) above).
- A breach of contract, such as default or delinquency in interest or principal payments.
- The Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Company would not otherwise consider.
- It is probable that the debtor will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for the financial asset because of financial difficulties.

③-4) Write-off policies

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are more than three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate.

③-5) Measurement and recognition of ECLs

The measurement of ECLs is a function of the probability of default, loss-given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss-given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used in determining the ECLs are consistent with the cash flows used in measuring the lease receivable in accordance with K-IFRS 1116.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs, less any amounts that the Company expects to receive from the holder, the debtor or any other party.

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If the Company measured the loss allowance for a financial instrument at an amount equal to the lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to the 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments, with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the separate statements of financial position.

20) Financial liabilities and equity instruments

① Classification of financial liabilities and equity

Debt instruments and equity instruments are allocated into financial liabilities and equity in accordance with the definitions of the financial assets and liabilities.

② Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

When the Company reacquires its own shares, those shares are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments.

③ Compound financial instruments

The convertible bonds are allocated into financial liabilities and equity in accordance with the definitions of the financial assets and liabilities. Convertible option that can be settled by exchanging financial asset, such as a fixed amount of cash for the fixed number of treasury shares, is classified as an equity instruments.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The amount is recognized as a liability at amortized cost using effective interest method until it is extinguished due to conversion or maturity of the financial instrument.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This amount is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, consideration for conversion classified as equity remains in equity until the conversion option is exercised and when the consideration for conversion is exercised, the amount previously recognized in equity is transferred to share premium. There is no gain or loss to be recognized as profit or loss when the convertible bonds are converted to equity instruments or extinguished.

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Notes to Separate Financial Statements

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Transaction cost in relation to issuance of convertible bond is allocated to liabilities and equity in proportion to total issuance cost. The transaction cost related to equity is directly recognized in equity, and the transaction cost related to liabilities are included in book value and amortized over remaining period of convertible bond in accordance with the effective interest method.

④ Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when they are contingent consideration that may be paid by an acquirer as part of a business combination, held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing in the near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit taking.
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at fair value through profit or loss upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.
- It forms part of a contract containing one or more embedded derivatives, and K-IFRS 1109 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value, with any gains or losses arising from changes in fair value recognized in profit or loss, except to the extent that they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'finance costs' line item in separate statements of comprehensive income.

However, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

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Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

⑤ Financial liabilities at amortized cost

Financial liabilities measured at amortized cost are Financial liabilities that are not (a) contingent consideration of an acquirer in a business combination, (b) held for trading or (c) designated as at fair value through profit or loss, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments, including all fees and points paid or received (that form an integral part of the effective interest rate), transaction costs and other premiums or discounts through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

⑥ Financial guarantee liabilities

A financial guarantee contract requires the issuer (the Company) to make specified payments to reimburse the holder for a losses incurred because a specified debtor fails to make payments when due, in accordance with the original or modified terms of a debt instrument.

Financial guarantee contract liabilities are initially measured at their fair value and, if not designated as at fair value through profit or loss, they are subsequently measured at the higher of:

- the amount of loss allowance, as determined in accordance with K-IFRS 1109 (see 'Financial assets' above)
- the amount initially recognized, less cumulative amortization recognized in accordance with K-IFRS 1115

⑦ Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'finance income or costs' line item in profit or loss (see Note 3) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

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As at and for the Years Ended December 31, 2024 and 2023

⑧ Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, its obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

21) *Derivative financial instruments*

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately, unless the derivative is designated and effective as a hedging instrument, in which case, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset and a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

① Embedded derivatives

Embedded derivatives are components of hybrid instruments that include contracts other than derivatives, and they have effects similar to those of independent derivatives in modifying some cash flows of the hybrid instrument.

Embedded derivatives contained in hybrid contracts that include financial assets within the scope of K-IFRS 1109 are not separated. The entire hybrid contract is classified and subsequently measured at either amortized cost or fair value.

Embedded derivatives contained in hybrid contracts, including K-IFRS 1109 other than financial assets within the scope of K-IFRS are accounted for as separate derivatives if the embedded derivatives meet the definition of derivatives, and the characteristics and risks of the embedded derivatives are not closely related to the characteristics and risks of the host contract, and if the host contract is not measured at fair value through profit or loss.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and it is not expected to be realized or settled within 12 months. Other embedded derivatives are presented as current assets or current liabilities.

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② Hedge accounting

The Company designates specific derivative instruments as risk management instruments for hedging fair value risks or cash flow risks related to foreign exchange and interest rates. Foreign currency risk hedges of firm commitments are accounted for as cash flow hedges.

At the inception of the hedge, the Company documents the relationship between the hedging instruments and the hedged items based on the purpose and strategy of risk management. Furthermore, the Company documents whether the hedging instruments effectively offset the fair value or cash flow fluctuations of the hedged items due to the hedged risks during the hedging relationship's inception and subsequent periods. The effectiveness of the hedging relationship is considered effective if it meets the following requirements:

- There is an economic relationship between the hedged items and the hedging instruments.
- The effect of credit risk is not dominant over the economic relationship between the hedged items and hedging instruments.
- The ratio of hedging effectiveness in the hedging relationship matches the ratio of the quantities of hedging instruments actually used by the Company to hedge the quantities of hedged items in order to avoid the risks of the hedged items.

If the hedging relationship no longer meets the effectiveness requirements related to the hedge ratio, but the risk management objectives for the designated hedging relationship remain the same, the Company adjusts the hedge ratio of the hedging relationship to meet the conditions for the reapplication of the hedging relationship.

The Company designates the entire fair value changes (including forward elements) of forward contracts as hedging instruments for the entire hedging relationship that includes forward contracts.

The Company designates only the intrinsic value of option contracts as hedging instruments when using option contracts to hedge anticipated transactions. Under K-IFRS 1039, the time value changes of options (i.e., unspecified elements) were immediately recognized in profit or loss. However, under K-IFRS 1109, the time value changes of options related to hedged items are recognized in other comprehensive income, and the cumulative amount recognized in equity is reclassified to profit or loss during the period when the hedged items affect profit or loss or removed from equity and directly included in the carrying amount of non-financial items.

The Company designates only the intrinsic value of option contracts as hedging instruments. The time value of the corresponding options is recognized in other comprehensive income and accumulated in the hedging cost reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is period-related, the accumulated amount in the hedging cost reserve is reclassified to profit or loss based on a rational basis, and the Company applies a fixed amortization. The reclassified amount is recognized in profit or loss as the same item as the hedged item. If the hedged item is a non-financial item, the accumulated amount in the hedging cost reserve is directly removed from equity and included in the initial carrying amount of the recognized non-financial item. Additionally, if the hedging cost is in a deficit and it is expected that all or part of the deficit will not be recovered in future periods, the amount is immediately reclassified to profit or loss.

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Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

②-1) Fair value hedges

Gains or losses on eligible hedging instruments are recognized in profit or loss. However, if the hedging instrument is designated to hedge an equity instrument classified as other comprehensive income - fair value measurement, gains or losses on the hedging instrument are recognized in other comprehensive income.

The carrying amount of hedged items not measured at fair value is adjusted for fair value changes attributable to the hedged risk and recognized in profit or loss. For other comprehensive income - fair value measurement liabilities, as their carrying amounts already correspond to fair value, gains or losses attributable to the hedged risk are recognized in profit or loss instead of other comprehensive income. If the hedged item is an equity instrument designated as other comprehensive income - fair value measurement, gains or losses attributable to the hedged risk are retained in other comprehensive income to offset against the gains or losses on the hedging instrument.

When gains or losses attributable to the hedged risk are recognized in profit or loss, they are recognized against the related items associated with the hedged item.

Hedge accounting is discontinued only when the conditions for hedge accounting are no longer met. This includes situations where the hedging instrument is extinguished, sold, terminated or exercised. Discontinuation is accounted for prospectively. Any fair value adjustment to the carrying amount of the hedged item attributable to the hedged risk is amortized from the date of discontinuation and recognized in profit or loss.

②-2) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the statement of comprehensive income as the recognized hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains or losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

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As at and for the Years Ended December 31, 2024 and 2023

22) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and or disclosure purposes in these separate financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of K-IFRS 1102 Share-based payment, that leasing transactions are within the scope of K-IFRS 1116 Leases, and measurements have some similarities to fair value, but are not fair value, such as net realizable value in K-IFRS 1002 Inventories, or value in use in K-IFRS 1036 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- All inputs other than quoted prices included in Level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2).
- Unobservable inputs for the asset or liability (Level 3).

(4) Material Judgement and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in both the period of the revision and future periods if the revision affects both current and future periods.

The items below are important judgments separate from those related to estimation, which are made by management in the process of applying the Company's accounting policies, and have the most important effect on the amount recognized in the separate financial statements.

1) Uncertainty of estimation of total construction revenue and costs

The amount due from customers is affected by the progress rate measured based on the actual accumulated contract cost generated, and the total construction revenue is estimated based on future estimates. Total contract revenue is measured based on contractual amount initially agreed. However, the contract revenue can be increased by additional contract work and others in the course of construction, or decreased by the penalty when the completion of contract is delayed due to the Company's fault. Therefore, total contract costs and contract revenue are affected by the uncertainty of the result of future events.

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Notes to Separate Financial Statements

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2) Significant increase in credit risk

As explained in 3-(18)-③ above, for credit exposures for which there has not been a significant increase in credit risk since initial recognition, loss allowance is measured at a 12-month ECL, and for those credit exposures for which there has been a significant increase in credit risk since initial recognition, or asset has been impaired, a loss allowance is measured at a lifetime ECL. K-IFRS 1109 does not define what constitutes a significant increase in credit risk. When assessing whether the credit risk of an asset has increased significantly, the Company considers quantitative and qualitative, reasonable and supportable forward-looking information.

3) Defined benefit plan

The Company's defined benefit obligation is determined based on the actuarial valuation carried out at the end of each annual reporting period. Actuarial assumptions are the Company's best estimates of the variables in determining the cost of providing retirement benefits, such as discount rates, rates of expected future salary increases and mortality rates.

4) Useful lives of property, plant and equipment and intangible assets

Useful lives and depreciation and amortization method of property, plant and equipment and intangible assets are reviewed at the end of each reporting period. It is required to estimate whether it is appropriate to be changed. In these estimation processes, the management's judgments take an important role.

5) Fair value measurement of financial instruments

The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 34 provides detailed information about key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions. The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

6) Leases – estimating the IBR

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay,' which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

7) Deferred tax

Recognition and measurement of deferred tax assets and liabilities require significant management judgment. Especially, when determining if deferred tax assets will be realizable or not in the future, it involves significant management assumptions and judgment on the Company's future performance.

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Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

3. FINANCIAL INSTRUMENTS:

(1) Carrying amounts of financial assets by category as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | |
|--|---------------------------------------|---|--|-------------------|
| | Financial assets at amortized cost | Financial assets at fair value through profit or loss | Derivatives not designated as hedging | Total |
| Current | | | | |
| Cash and cash equivalents | ₩ 8,093,473,662 | ₩ - | ₩ - | ₩ 8,093,473,662 |
| Short-term financial instruments | 82,734,629,025 | 116,907,933,873 | - | 199,642,562,898 |
| Short-term loans | 5,560,000,000 | - | - | 5,560,000,000 |
| Current portion of long-term loans | 46,317,000,000 | - | - | 46,317,000,000 |
| Trade and other receivables ¹ | 11,833,985,160 | - | - | 11,833,985,160 |
| Derivative assets | - | - | 6,201,915,653 | 6,201,915,653 |
| Other current financial assets | 696,821,062 | - | - | 696,821,062 |
| Subtotal | 155,235,908,909 | 116,907,933,873 | 6,201,915,653 | 278,345,758,435 |
| Non-current | | | | |
| Long-term financial instruments | 1,309,060,645 | - | - | 1,309,060,645 |
| Long-term investment assets | - | 51,568,184,738 | - | 51,568,184,738 |
| Long-term loans | 36,511,088,500 | - | - | 36,511,088,500 |
| Other non-current financial assets | 1,358,889,169 | - | - | 1,358,889,169 |
| Subtotal | 39,179,038,314 | 51,568,184,738 | - | 90,747,223,052 |
| Total | ₩ 194,414,947,223 | ₩ 168,476,118,611 | ₩ 6,201,915,653 | ₩ 369,092,981,487 |

¹ Lease receivables and non-financial receivables are excluded from trade and other receivables.

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As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | 2023 | | | | | Total |
|--|---------------------------------------|---|---|---|---|-------------------|
| | Financial assets at amortized cost | Financial assets at fair value through profit or loss | Derivatives designated as hedging | Derivatives not designated as hedging | | |
| Current | | | | | | |
| Cash and cash equivalents | ₩ 151,901,463,251 | ₩ - | ₩ - | ₩ - | | ₩ 151,901,463,251 |
| Short-term financial instruments | 116,828,910,665 | 26,177,058,035 | - | - | | 143,005,968,700 |
| Short-term loans | 21,067,422,100 | - | - | - | | 21,067,422,100 |
| Current portion of long-term loans | 6,055,876,932 | - | - | - | | 6,055,876,932 |
| Trade and other receivables ¹ | 18,293,639,916 | - | - | - | | 18,293,639,916 |
| Derivative assets | - | - | 6,787,685,645 | 6,344,000,000 | | 13,131,685,645 |
| Other current financial assets | 3,627,662,959 | - | - | - | | 3,627,662,959 |
| Subtotal | 317,774,975,823 | 26,177,058,035 | 6,787,685,645 | 6,344,000,000 | | 357,083,719,503 |
| Non-current | | | | | | |
| Trade and other receivables ¹ | 1,639,013,530 | - | - | - | | 1,639,013,530 |
| Long-term financial instruments | 72,967,164,647 | - | - | - | | 72,967,164,647 |
| Long-term investment assets | - | 50,131,121,618 | - | - | | 50,131,121,618 |
| Long-term loans | 8,901,145,712 | - | - | - | | 8,901,145,712 |
| Other non-current financial assets | 1,779,111,228 | - | - | - | | 1,779,111,228 |
| Subtotal | 85,286,435,117 | 50,131,121,618 | - | - | | 135,417,556,735 |
| Total | ₩ 403,061,410,940 | ₩ 76,308,179,653 | ₩ 6,787,685,645 | ₩ 6,344,000,000 | ₩ | ₩ 492,501,276,238 |

¹ Lease receivables and non-financial receivables are excluded from trade and other receivables.

(2) Carrying amounts of financial liabilities by category as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | | Total |
|---|--|--------------------------------------|--|-----|-------------------|
| | Financial liabilities at amortized cost | Derivatives designated as hedging | Derivatives not designated as hedging | | |
| Current | | | | | |
| Trade and other payables ¹ | ₩ 15,301,706,437 | ₩ - | ₩ - | ₩ - | ₩ 15,301,706,437 |
| Short-term borrowings | 11,000,000,000 | - | - | - | 11,000,000,000 |
| Current portion of long-term borrowings | 264,623,952,245 | - | - | - | 264,623,952,245 |
| Current portion of debentures | 87,968,279,589 | - | - | - | 87,968,279,589 |
| Other current financial liabilities | 93,165,471 | - | - | - | 93,165,471 |
| Subtotal | 378,987,103,742 | - | - | - | 378,987,103,742 |
| Non-current | | | | | |
| Long-term borrowings | 231,957,023,991 | - | - | - | 231,957,023,991 |
| Debentures | 31,966,998,266 | - | - | - | 31,966,998,266 |
| Derivative liabilities | - | 455,055,481 | 570,000,000 | - | 1,025,055,481 |
| Other non-current financial liabilities | 8,587,092,463 | - | - | - | 8,587,092,463 |
| Subtotal | 272,511,114,720 | 455,055,481 | 570,000,000 | - | 273,536,170,201 |
| Total | ₩ 651,498,218,462 | ₩ 455,055,481 | ₩ 570,000,000 | ₩ | ₩ 652,523,273,943 |

¹ Lease liabilities and non-financial liabilities are excluded from trade and other payables.

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Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | 2023 | | | |
|---|--|--------------------------------------|--|---------------------|
| | Financial liabilities at amortized cost | Derivatives designated as hedging | Derivatives not designated as hedging | Total |
| Current | | | | |
| Trade and other payables ¹ | ₩ 29,805,199,941 | ₩ - | ₩ - | ₩ 29,805,199,941 |
| Short-term borrowings | 35,000,000,000 | - | - | 35,000,000,000 |
| Current portion of long-term borrowings | 291,640,688,707 | - | - | 291,640,688,707 |
| Current portion of debentures | 201,459,592,795 | - | - | 201,459,592,795 |
| Current derivative liabilities | - | 51,491,861 | - | 51,491,861 |
| Other current financial liabilities | 5,680,271,703 | - | - | 5,680,271,703 |
| Subtotal | 563,585,753,146 | 51,491,861 | - | 563,637,245,007 |
| Non-current | | | | |
| Trade and other payables ¹ | 1,400,000,000 | - | - | 1,400,000,000 |
| Long-term borrowings | 435,860,794,381 | - | - | 435,860,794,381 |
| Debentures | 87,872,678,897 | - | - | 87,872,678,897 |
| Derivative liabilities | - | 422,784,085 | 8,290,322,430 | 8,713,106,515 |
| Other non-current financial liabilities | 9,770,369,308 | - | - | 9,770,369,308 |
| Subtotal | 534,903,842,586 | 422,784,085 | 8,290,322,430 | 543,616,949,101 |
| Total | ₩ 1,098,489,595,732 | ₩ 474,275,946 | ₩ 8,290,322,430 | ₩ 1,107,254,194,108 |

¹ Lease liabilities and non-financial liabilities are excluded from trade and other payables.

(3) Details of restricted financial instruments as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | 2023 | Restriction |
|----------------------------------|------------------|-------------------|--------------------------------------|
| Short-term financial instruments | ₩ 77,734,629,025 | ₩ 116,828,910,665 | Collateral for borrowings and others |
| Long-term financial instruments | 1,309,060,645 | 72,967,164,647 | Collateral for borrowings and others |
| Total | ₩ 79,043,689,670 | ₩ 189,796,075,312 | |

(4) Cash and cash equivalents as at December 31, 2024 and 2023, consist of the following:

| (In Korean won) | 2024 | 2023 |
|-------------------|-----------------|-------------------|
| Ordinary deposits | ₩ 8,093,473,662 | ₩ 56,901,463,251 |
| Time deposits | - | 95,000,000,000 |
| Total | ₩ 8,093,473,662 | ₩ 151,901,463,251 |

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (5) Net gains or losses on each category of financial instruments for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | | | |
|---|--------------------|-----------------|-----------------|-----------------|----------------------|---|
| | Profit or loss | | | | Exchange differences | Other comprehensive income ¹ |
| | Interest | Dividends | Valuation | Disposal | | |
| Financial assets | | | | | | |
| Financial assets at amortized cost | ₩ 10,209,861,492 | ₩ - | ₩ - | ₩ - | ₩ - | ₩ - |
| Derivatives designated as hedging | - | - | 56,493,882 | 63,438,500 | - | (713,618,027) |
| Derivatives not designated as hedging | - | - | (142,084,347) | - | - | - |
| Financial assets at fair value through profit or loss | - | 1,701,955,279 | 2,446,486,952 | 1,234,448,368 | - | - |
| Total | ₩ 10,209,861,492 | ₩ 1,701,955,279 | ₩ 2,360,896,487 | ₩ 1,297,886,868 | ₩ - | ₩ (713,618,027) |
| Financial liabilities | | | | | | |
| Financial liabilities at amortized cost | ₩ (37,027,974,580) | ₩ - | ₩ 3,337,298,480 | ₩ - | ₩ (14,908,410) | ₩ - |
| Derivatives designated as hedging | - | - | - | (216,037,748) | - | (239,017,733) |
| Derivatives not designated as hedging | - | - | 5,337,000,000 | 345,322,430 | - | - |
| Total | ₩ (37,027,974,580) | ₩ - | ₩ 8,674,298,480 | ₩ 129,284,682 | ₩ (14,908,410) | ₩ (239,017,733) |

¹ The amounts before applying tax effect

(In Korean won)

| | 2023 | | | | | |
|---|--------------------|-----------------|-------------------|-----------------|----------------------|---|
| | Profit or loss | | | | Exchange differences | Other comprehensive income ¹ |
| | Interest | Dividends | Valuation | Disposal | | |
| Financial assets | | | | | | |
| Financial assets at amortized cost | ₩ 6,078,094,427 | ₩ - | ₩ - | ₩ - | ₩ - | ₩ - |
| Derivatives designated as hedging | - | - | 206,318,916 | 6,501,908 | - | (1,565,215,209) |
| Derivatives not designated as hedging | - | - | 1,915,000,000 | - | - | - |
| Financial assets at fair value through profit or loss | - | 1,143,362,473 | (7,501,079,728) | 604,186,886 | - | - |
| Total | ₩ 6,078,094,427 | ₩ 1,143,362,473 | ₩ (5,379,760,812) | ₩ 610,688,794 | ₩ - | ₩ (1,565,215,209) |
| Financial liabilities | | | | | | |
| Financial liabilities at amortized cost | ₩ (23,968,052,798) | ₩ - | ₩ 714,016,520 | ₩ - | ₩ (2,903,966,922) | ₩ - |
| Derivatives designated as hedging | - | - | - | - | - | - |
| Derivatives not designated as hedging | - | - | (6,252,322,430) | 3,703,000,000 | - | - |
| Total | ₩ (23,968,052,798) | ₩ - | ₩ (5,538,305,910) | ₩ 3,703,000,000 | ₩ (2,903,966,922) | ₩ - |

¹ The amounts before applying tax effect

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

4. TRADE AND OTHER RECEIVABLES:

- (1) Trade and other receivables and its provisions for impairment as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | 2023 |
|--------------------------------|------------------|------------------|
| Current | | |
| Trade receivables | ₩ 7,690,254,231 | ₩ 13,472,393,653 |
| Less: provision for impairment | (1,671,535,059) | (770,829,835) |
| Non-trade receivables | 6,495,964,974 | 11,610,966,602 |
| Less: provision for impairment | (125,048,161) | (7,699,714) |
| Finance lease receivables | 466,642,269 | 1,211,900,971 |
| Accrued income | 4,143,083,285 | 2,196,156,136 |
| Subtotal | 16,999,361,539 | 27,712,887,813 |
| Non-current | | |
| Non-trade receivables | - | 1,639,013,530 |
| Finance lease receivables | 3,750,314 | 490,205,085 |
| Subtotal | 3,750,314 | 2,129,218,615 |
| Total | ₩ 17,003,111,853 | ₩ 29,842,106,428 |

- (2) Movements in the loss allowance provision for trade and other receivables for the years ended December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | 2023 |
|-------------------|-----------------|-----------------|
| Beginning balance | ₩ 778,529,549 | ₩ 871,362,966 |
| Additions | 1,055,661,662 | 2,273,515,295 |
| Spin-off | (37,244,565) | - |
| Reversal | (363,426) | (2,366,348,712) |
| Ending balance | ₩ 1,796,583,220 | ₩ 778,529,549 |

- (3) The aging analysis of trade and other receivables as at December 31, 2024 and 2023, is as follows:

| (In Korean won) | 2024 | | | 2023 | | |
|------------------------------------|-------------------|-------------------|----------------|-------------------|-------------------|----------------|
| | Trade receivables | Other receivables | Total | Trade receivables | Other receivables | Total |
| Pledged receivables ¹ | ₩ 127,176,204 | ₩ - | ₩ 127,176,204 | ₩ 106,015,574 | ₩ - | ₩ 106,015,574 |
| Unpledged receivables ² | | | | | | |
| Not past due | 5,418,305,551 | 8,496,871,588 | 13,915,177,139 | 9,923,139,384 | 6,141,507,480 | 16,064,646,864 |
| 1 day–30 days past due | 153,524 | 544,775,322 | 544,928,846 | 1,307,195,898 | 2,954,170 | 1,310,150,068 |
| 31–90 days past due | 7,296,369 | 1,881,715,232 | 1,889,011,601 | 373,494,252 | 8,325,730,582 | 8,699,224,834 |
| Past due over 90 days | 2,137,322,583 | 186,078,700 | 2,323,401,283 | 1,762,548,545 | 2,678,050,092 | 4,440,598,637 |

¹ Aging analysis is omitted for pledged receivables in accordance with credit policies.

² The Company performs collective credit analysis in accordance with ECLs and individual assessment for unpledged receivables.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

5. CONTRACT COSTS:

Details of contract costs as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | 2023 |
|-------------------------------|-----------------|-----------------|
| Costs of obtaining a contract | ₩ 5,013,214,951 | ₩ 8,258,471,314 |

Costs of obtaining a contract are the amounts related to sales commission paid to agent as a result of sales contracts for real estate, including office and others, and these costs are recognized as expenses when the Company has transferred the control related to that real estate to customers. Meanwhile, there is no impairment loss recognized related to capitalized contract costs during the year ended December 31, 2024.

6. INVENTORIES:

(1) Details of inventories as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | 2023 |
|--|-------------------|-------------------|
| Buildings | ₩ - | ₩ 53,093,930,217 |
| Land | 21,710,179,860 | 104,596,986,400 |
| Less: valuation allowances | (321,674,218) | (321,674,218) |
| Building lot | 304,758,109,137 | 534,988,567,146 |
| Less: valuation allowances | (4,806,789,953) | - |
| Completed construction | 7,253,420,558 | 7,709,292,253 |
| Less: valuation allowances | (939,534,664) | (939,534,664) |
| Work in process (construction expenses) | 13,984,453,205 | 4,762,008,697 |
| Work in process (prepaid construction costs) | 45,648,539,613 | 53,750,429,469 |
| Raw materials | - | 20,964,533,562 |
| Merchandises | - | 89,261,539,981 |
| Finished goods | - | 154,065,998 |
| Supplies | - | 294,588,000 |
| Total | ₩ 387,286,703,538 | ₩ 868,314,732,841 |

Loss on valuation of inventories amounted to ₩15,009,281 thousand during the year ended December 31, 2024.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (2) The Company capitalized borrowing costs and recognized them as acquisition costs of inventories and others. The accompanying effects on key items of separate statements of financial position and separate statements of comprehensive income as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|---|-------------------|------------------|
| Separate statement of financial position | | |
| Work in process | ₩ (8,101,889,856) | ₩ 25,934,774,791 |
| Separate statement of comprehensive income | | |
| Decrease in interest expenses | 29,539,943,458 | 26,851,381,110 |
| Increase in operating expenses | (37,641,833,314) | (916,606,319) |
| (Decrease) increase in profit before income tax | (8,101,889,856) | 25,934,774,791 |

Effective interest rates of specific borrowings and general borrowings to calculate the capitalized amount during the year ended December 31, 2024, are 7.42% and 6.89%, respectively.

7. OTHER FINANCIAL ASSETS:

Details of other financial assets as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|------------------------------------|-----------------|-----------------|
| Other current financial assets | | |
| Short-term deposits provided | ₩ 696,821,062 | ₩ 3,627,662,959 |
| Other non-current financial assets | | |
| Long-term deposits provided | 1,344,689,169 | 1,779,111,228 |
| Others | 14,200,000 | - |
| Subtotal | 1,358,889,169 | 1,779,111,228 |
| Total | ₩ 2,055,710,231 | ₩ 5,406,774,187 |

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

8. OTHER ASSETS:

Details of other assets as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|---|------------------|------------------|
| Other current financial assets | | |
| Advance payments | ₩ 43,651,229,283 | ₩ 77,954,504,768 |
| Prepaid expenses | 8,183,890,649 | 8,579,094,449 |
| Subtotal | 51,835,119,932 | 86,533,599,217 |
| Other non-current financial assets | | |
| Deposits for provision for long-term repairment | - | 2,746,710,398 |
| Total | ₩ 51,835,119,932 | ₩ 89,280,309,615 |

9. LONG-TERM AND SHORT-TERM FINANCIAL ASSETS:

(1) Details of long-term and short-term financial assets as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|---|-------------------|-------------------|
| Current | | |
| Financial assets at amortized cost | ₩ 134,611,629,025 | ₩ 143,952,209,697 |
| Financial assets at fair value through profit or loss | 116,907,933,873 | 26,177,058,035 |
| Subtotal | 251,519,562,898 | 170,129,267,732 |
| Non-current | | |
| Financial assets at amortized cost | 37,820,149,145 | 81,868,310,359 |
| Financial assets at fair value through profit or loss | 51,568,184,738 | 50,131,121,618 |
| Subtotal | 89,388,333,883 | 131,999,431,977 |
| Total | ₩ 340,907,896,781 | ₩ 302,128,699,709 |

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(2) Details of financial assets at amortized cost as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | Details | Interest rate (%) | 2024 | 2023 |
|------------------------------------|---------------------|----------------------|-------------------|-------------------|
| Current | | | | |
| Short-term financial instruments | Deposits and others | 0.10 – 7.35 | ₩ 82,734,629,025 | ₩ 116,828,910,665 |
| Short-term loans | Business expenses | 0 – 4.60 | 6,010,000,000 | 21,517,422,100 |
| Less: Provision for impairment | Business expenses | - | (450,000,000) | (450,000,000) |
| Current portion of long-term loans | Business expenses | 0 – 4.60 | 47,017,000,000 | 6,755,876,932 |
| Less: Provision for impairment | Business expenses | - | (700,000,000) | (700,000,000) |
| Subtotal | | | 134,611,629,025 | 143,952,209,697 |
| Non-current | | | | |
| Long-term financial instruments | Deposits and others | 0.10 – 1.30 | 1,309,060,645 | 72,967,164,647 |
| Long-term loans | Business expenses | 0 – 13.30 | 36,497,755,140 | 8,800,000,000 |
| | Housing fund loans | 1.00 | 13,333,360 | 101,145,712 |
| Subtotal | | | 37,820,149,145 | 81,868,310,359 |
| Total | | | ₩ 172,431,778,170 | ₩ 225,820,520,056 |

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(3) Details of financial assets at fair value through profit or loss as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | Percentage of ownership (%) | 2024 | | 2023 |
|--|-----------------------------|-------------------|-------------------|------------------|
| | | Acquisition cost | Book amount | Book amount |
| Current | | | | |
| MMF(Korea Investment 2 Co., Ltd., etc.) ¹ | - | ₩ 114,000,000,000 | ₩ 114,531,933,873 | ₩ 26,177,058,035 |
| HHR Special Situation Private Fund No. 13 ² | - | 2,376,000,000 | 2,376,000,000 | - |
| Subtotal | | 116,376,000,000 | 116,907,933,873 | 26,177,058,035 |
| Non-current | | | | |
| Korea Construction Financial Corp. | - | 1,362,079,580 | 1,362,079,580 | 1,362,079,580 |
| Korea Specialty Contractor Financial Cooperative | - | 850,929,809 | 850,929,809 | 850,929,809 |
| Korea Electric Technician Association Corp. | - | 6,358,000 | 6,358,000 | 6,358,000 |
| IGIS Core Platform Professional Investors Private Placement Real Estate Fund No. 1 | 2.27 | 4,982,913,460 | 2,768,000,000 | 2,615,000,000 |
| Uljin Wind Power Co., Ltd. ³ | - | - | - | 12,979,000,000 |
| Hanwha ESS Private Special Asset Investment Trust Security No. 1 ³ | - | - | - | 3,601,507,450 |
| Chungju Eco Park Co., Ltd. ⁴ | - | - | - | 950,000 |
| Daesowon Ecopark Co., Ltd ⁴ | - | - | - | 950,000 |
| IGIS No. 222 Professional Investors Private Real Estate Investment Company | 13.52 | 15,000,000,000 | 17,747,000,000 | 15,000,000,000 |
| Seongnam Sujeong Korean Federation of Community Credit Cooperatives | - | 100,000 | 100,000 | 100,000 |
| Jungwon Korean Federation of Community Credit Cooperatives | - | 50,000 | 50,000 | 50,000 |
| KORAMCO No. 135 General Type Private Real Estate Investment Trust | 12.18 | 6,175,000,000 | 6,340,748,985 | 6,003,634,379 |
| KORAMCO No. 145 General Type Private Real Estate Investment Trust | 7.25 | 4,307,800,000 | 888,660,747 | 2,070,134,570 |
| AQARA LIFE CO., Ltd. (formerly, AQARA KOREA CO., Ltd.) | 0.51 | 500,001,210 | 500,001,210 | 500,001,210 |
| Murex Wave No. 3 Fund ⁵ | - | 5,300,000,000 | 5,300,000,000 | 2,000,000,000 |
| Caredoc | 1.40 | 1,000,001,088 | 1,000,001,088 | 1,000,001,088 |
| Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 ⁵ | 4.26 | 6,204,255,319 | 6,204,255,319 | 2,140,425,532 |
| URIILBANSAMO REAL ESTATE JEIHO INVESTMENT INC. ² | 5.00 | 8,600,000,000 | 8,600,000,000 | - |
| Subtotal | | 54,289,488,466 | 51,568,184,738 | 50,131,121,618 |
| Total | | ₩ 170,665,488,466 | ₩ 168,476,118,611 | ₩ 76,308,179,653 |

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

¹ MMF was classified as financial assets at fair value through profit or loss based on the business model.

² It was newly acquired during the year ended December 31, 2024.

³ It is an effect of spin-off occurred during the year ended December 31, 2024.

⁴ It was disposed of during the year ended December 31, 2024.

⁵ It was acquired additionally during the year ended December 31, 2024.

(4) Details of financial assets at fair value through other comprehensive income as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | Percentage of ownership (%) | 2024 | | 2023 | |
|---|-----------------------------|------------------|-------------|------------------|-------------|
| | | Acquisition cost | Book amount | Acquisition cost | Book amount |
| FIRSTIGE REITS CO., Ltd. | 16.20 | ₩ 360,000,000 | ₩ - | ₩ 360,000,000 | ₩ - |
| Uljin Wind Power Co., Ltd. ¹ | - | - | - | 161,500,000 | - |
| Total | | ₩ 360,000,000 | ₩ - | ₩ 521,500,000 | ₩ - |

¹ It was disposed of during the year ended December 31, 2024.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(5) Changes in long-term and short-term financial assets for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | | 2024 | | | | | | | | | | | | | |
|---|---|-------------------|---|--------------------------|---|-------------------|---|---------------|---|-----------------------|---|------------------|---|-----------------|--|
| | | Beginning balance | | Acquisition ¹ | | Disposal | | Valuation | | Transfer ² | | Spin-off | | Ending balance | |
| Current | | | | | | | | | | | | | | | |
| Financial assets at amortized cost | ₩ | 143,952,209,697 | ₩ | 205,102,879,163 | ₩ | (288,326,283,055) | ₩ | - | ₩ | 95,075,645,320 | ₩ | (21,192,822,100) | ₩ | 134,611,629,025 | |
| Financial assets at fair value through profit or loss | | 26,177,058,035 | | 286,000,000,000 | | (198,177,058,035) | | 531,933,873 | | 2,376,000,000 | | - | | 116,907,933,873 | |
| Subtotal | | 170,129,267,732 | | 491,102,879,163 | | (486,503,341,090) | | 531,933,873 | | 97,451,645,320 | | (21,192,822,100) | | 251,519,562,898 | |
| Non-current | | | | | | | | | | | | | | | |
| Financial assets at amortized cost | | 81,868,310,359 | | 67,661,884,964 | | (16,603,900,854) | | - | | (95,075,645,320) | | (30,500,004) | | 37,820,149,145 | |
| Financial assets at fair value through profit or loss | | 50,131,121,618 | | 18,339,829,787 | | (214,325,628) | | 2,055,640,783 | | (2,376,000,000) | | (16,368,081,822) | | 51,568,184,738 | |
| Subtotal | | 131,999,431,977 | | 86,001,714,751 | | (16,818,226,482) | | 2,055,640,783 | | (97,451,645,320) | | (16,398,581,826) | | 89,388,333,883 | |
| Total | ₩ | 302,128,699,709 | ₩ | 577,104,593,914 | ₩ | (503,321,567,572) | ₩ | 2,587,574,656 | ₩ | - | ₩ | (37,591,403,926) | ₩ | 340,907,896,781 | |

¹ Effects for loans that form part of its net investment of investments in associates are included (see Note 10-(1)).

² Reclassification of assets and reclassification to current portion are included.

(In Korean won)

| | 2023 | | | | | | | | | | | |
|---|-------------------|-----------------|-------------|-------------------|-----------|-------------------|-----------|-----------------|-----------|------------------|----------------|-----------------|
| | Beginning balance | | Acquisition | | Disposal¹ | | Valuation | | Transfer² | | Ending balance | |
| Current | | | | | | | | | | | | |
| Financial assets at amortized cost | ₩ | 49,454,420,882 | ₩ | 541,645,483,033 | ₩ | (452,716,139,899) | ₩ | - | ₩ | 5,568,445,681 | ₩ | 143,952,209,697 |
| Financial assets at fair value through profit or loss | | 34,777,341,097 | | 126,000,000,000 | | (134,777,341,097) | | 177,058,035 | | - | | 26,177,058,035 |
| Subtotal | | 84,231,761,979 | | 667,645,483,033 | | (587,493,480,996) | | 177,058,035 | | 5,568,445,681 | | 170,129,267,732 |
| Non-current | | | | | | | | | | | | |
| Financial assets at amortized cost | | 44,138,802,101 | | 331,644,328,637 | | (288,346,374,698) | | - | | (5,568,445,681) | | 81,868,310,359 |
| Financial assets at fair value through profit or loss | | 62,854,471,764 | | 9,225,226,620 | | (1,906,439,003) | | (7,678,137,763) | | (12,364,000,000) | | 50,131,121,618 |
| Financial assets at fair value through other comprehensive income | | 3,800,000 | | - | | (3,800,000) | | - | | - | | - |
| Subtotal | | 106,997,073,865 | | 340,869,555,257 | | (290,256,613,701) | | (7,678,137,763) | | (17,932,445,681) | | 131,999,431,977 |
| Total | ₩ | 191,228,835,844 | ₩ | 1,008,515,038,290 | ₩ | (877,750,094,697) | ₩ | (7,501,079,728) | ₩ | (12,364,000,000) | ₩ | 302,128,699,709 |

¹ Effects for loans that form part of its net investment of investments in associates are included (see Note 10-(1)).

² Reclassification of assets and reclassification to current portion are included.

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

10. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:

(1) Details of investments in subsidiaries, joint ventures and associates as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| (In Korean won) | 2024 | | | | 2023 | | |
|--|----------|-----------------------------|-------------|----------------|-----------------------------|-------------|----------------|
| | Location | Percentage of ownership (%) | Book amount | | Percentage of ownership (%) | Book amount | |
| Subsidiaries | | | | | | | |
| D&D INVESTMENT | Korea | 100.00 | ₩ | 28,807,728,243 | 100.00 | ₩ | 25,307,101,181 |
| ESSESCO ¹ | Korea | - | | - | - | | - |
| KORAMCO No. 117 Qualified Investors Private Real Estate Investment Trust | Korea | 60.00 | | 10,586,664,802 | 60.00 | | 11,517,560,465 |
| DDIYS832 ² | Korea | - | | - | - | | - |
| IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab | Korea | 93.75 | | 1,027,005,082 | 21.13 | | 6,859,730,429 |
| DDIOS108 | Korea | 100.00 | | 2,844,126,302 | 100.00 | | 1,250,442,955 |
| D&D Property Solution Co., Ltd. | Korea | 100.00 | | 35,592,243,161 | 100.00 | | 28,408,114,480 |
| Jindo Sanwol Solar Power. Inc ³ | Korea | - | | - | 100.00 | | 728,867,450 |
| Hyundai No. 20 Private Real Equity Investment Trust ⁴ | Korea | 98.36 | | - | 98.36 | | 2,655,973,996 |
| DDISF PFV ⁵ | Korea | 95.00 | | 704,169,139 | - | | - |
| Subtotal | | | | 79,561,936,729 | | | 76,727,790,956 |
| Joint ventures | | | | | | | |
| KORAMCO No. 120 General Type Private Real Estate Investment Trust | Korea | 50.00 | | 8,397,775,367 | 50.00 | | 8,437,335,534 |
| KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust | Korea | 50.00 | | 9,337,571,888 | 50.00 | | 7,434,315,986 |
| Cheongju Eco Park Co., Ltd. ³ | Korea | - | | - | 29.00 | | 6,854,753,608 |
| Hanwha Cheongju ecopark private equity 1st(Infrastructure) ³ | Korea | - | | - | 48.60 | | 16,951,617,618 |
| Eumsung Ecopark Co., Ltd ³ | Korea | - | | - | 29.00 | | 6,737,523,356 |
| Hanwha Eumseong ecopark private equity 1st(Infrastructure) ³ | Korea | - | | - | 49.00 | | 16,389,874,669 |
| HHR Real Estate Private Fund No. 5 ² | Korea | - | | - | 49.59 | | 8,415,685,315 |
| Metheus Ilsan Complex Logistics Center PFV Co., Ltd ⁶ | Korea | 45.00 | | 3,489,489,720 | 45.00 | | 1,521,902,909 |
| PungBaek Wind Farm Corporation ³ | Korea | - | | - | 37.00 | | 6,035,250,430 |
| Connectfy Cloud Co., Ltd. ⁶ | Korea | 49.00 | | 2,404,544,482 | 49.00 | | 4,364,202,408 |
| Yakmok Ecopark Co., Ltd. ³ | Korea | - | | - | 49.91 | | 998,505,019 |
| Chilgok Ecopark Co., Ltd. ³ | Korea | - | | - | 29.00 | | 2,342,480,372 |
| Uiseong Hwanghaksan Windpower Co., Ltd. ³ | Korea | - | | - | 49.00 | | 2,282,614,464 |
| Geumyang Ecopark Co., Ltd. ³ | Korea | - | | - | 29.00 | | 3,643,948,786 |
| ApartTech ^{5,6,7} | Korea | 41.26 | | - | - | | - |

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | Location | 2024 | | 2023 | |
|---|----------|-----------------------------|-------------------|-----------------------------|-------------------|
| | | Percentage of ownership (%) | Book amount | Percentage of ownership (%) | Book amount |
| Subtotal | | | 23,629,381,457 | | 92,410,010,474 |
| Associates | | | | | |
| KintexMall Co., Ltd | Korea | 40.00 | 15,846,504 | 40.00 | 16,056,361 |
| Daegusolar ³ | Korea | - | - | 26.00 | 2,514,012,391 |
| Monaissance | Korea | 25.09 | 968,185,820 | 24.36 | 1,043,922,340 |
| IGIS No. 135 Professional Investors ⁷ | | | | | |
| Private Placement Real Estate Investment Limited Liab. | Korea | 35.00 | 12,064,021,719 | 35.00 | 12,436,220,884 |
| DDISY-230 Residential REIT Co., Ltd | Korea | 20.00 | 12,475,083,339 | 20.00 | 13,846,541,229 |
| DDISS-280 RETAIL REIT CO., Ltd ⁸ | Korea | 28.62 | - | 28.62 | - |
| DDISC-1338 Residential REIT Co., Ltd | Korea | 20.00 | 7,763,240,824 | 20.00 | 8,476,005,507 |
| DDISC-1339 Residential REIT Co., Ltd | Korea | 20.00 | 8,833,558,220 | 20.00 | 9,544,588,451 |
| DDISC-57 Residential REIT Co., Ltd. | Korea | 20.00 | 8,612,855,182 | 20.00 | 8,831,040,788 |
| DDI Residential No. 1 Subsidiary REIT Co., Ltd ⁹ | Korea | 15.10 | 1,821,573,617 | 15.10 | 2,422,584,723 |
| Gunpo Mixed Use Development PFV Company | Korea | 25.20 | 4,150,241,888 | 25.20 | - |
| FASSTO ^{9,10} | Korea | 14.61 | - | 14.82 | - |
| Howbuild ⁹ | Korea | 5.49 | 185,425,364 | 5.49 | 3,000,574,549 |
| D&D Platform REIT Co., Ltd. ⁹ | Korea | 9.32 | 33,702,247,541 | 9.32 | 28,062,463,211 |
| Gulup Wind Power Development Corp. ³ | Korea | - | - | 10.00 | 2,772,728,890 |
| DDIVC-1 REIT Co., Ltd. | Korea | 49.00 | 44,494,422,551 | 49.00 | 33,431,821,903 |
| DDISC49 ¹¹ | Korea | 20.00 | - | 20.00 | - |
| DDIYS-40 REIT ¹² | Korea | 20.00 | - | 20.00 | 3,609,429,084 |
| Korea Space Data ⁹ | Korea | 5.27 | 2,047,725,042 | 5.28 | 2,027,722,911 |
| NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings) ³ | Korea | - | - | 49.00 | 4,954,187,604 |
| Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 | Korea | 23.08 | 14,712,796,574 | 23.08 | 14,932,696,479 |
| Semicolon Mullae REIT CO., Ltd. ^{13,14} | Korea | 4.69 | - | 4.69 | - |
| GridFlex, Inc. ³ | US | - | - | 20.00 | 7,233,526,570 |
| Songpa Biz Cluster PFV Co., Ltd. ^{5,9} | Korea | 5.00 | 2,223,452,983 | - | - |
| HHR Special Situation Private Fund No. 13 ^{5,9} | Korea | 18.00 | 2,664,773,513 | - | - |
| S CITY GONGDEOK PFV CO., Ltd. ⁵ | Korea | 20.00 | 836,931,348 | - | - |
| DDI Myeongdong N REIT Co., Ltd. ^{5,13} | Korea | 15.55 | 5,395,411,469 | - | - |
| LB No. 58 General Type Private Real Estate Investment Trust ⁵ | Korea | 48.00 | 58,609,576,767 | - | - |
| Subtotal | | | 221,577,370,265 | | 159,156,123,875 |
| Total | | | ₩ 324,768,688,451 | | ₩ 328,293,925,305 |

SK D&D Co., Ltd.

Notes to Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

¹ During the year ended December 31, 2024, the Company established SK eternix Co., Ltd. by spinning off its renewable energy and ESS business units. SK eternix Co., Ltd subsequently assumed control over ESSESCO.

² Distribution of residual assets has been completed and it has been liquidated.

³ The Company sold during the year ended December 31, 2024.

⁴ Discontinuing operations has been completed for the year ended December 31, 2024, and the carrying amount became zero. It is expected to be liquidated.

⁵ The Company newly acquired during the year ended December 31, 2024.

⁶ Although the Company owns less than half of the effective percentage of ownership of the entity, it was classified as an investment in a joint venture as it is determined that the Company is holding equal voting rights for major activities of the entity.

⁷ As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩390,318,108.

⁸ As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩11,244,567,910.

⁹ The Company classified it as investments in associates since it is determined that the Company has a right to appoint the member of the board of directors.

¹⁰ As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩5,381,189,596.

¹¹ As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩4,801,938,895.

¹² As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩4,204,425,011.

¹³ The Company classified, a subsidiary of D&D Platform REIT Co., Ltd., which is an associate of the Company, from financial assets at fair value through profit or loss to investment in associates.

¹⁴ As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩6,821,043,018.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(2) Changes in investments in subsidiaries, joint ventures and associates for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

(In Korean won)

| | 2024 | | | | | | | | | | | | | | | | | |
|--|-------------------|----------------|-------------|---------------|------------------------|----------------|-------------------------------------|---------------|-----------------|------------------|--|-----------------|---------------------|---------------|----------|------------------|----------------|----------------|
| | Beginning balance | | Acquisition | | Share of profit (loss) | | Share of other comprehensive income | | Dividend income | | Profits (losses) of associates and joint ventures (operating) ¹ | | Others ² | | Disposal | | Ending balance | |
| Subsidiaries | | | | | | | | | | | | | | | | | | |
| D&D INVESTMENT | ₩ | 25,307,101,181 | ₩ | - | ₩ | 3,590,524,686 | ₩ | (89,897,624) | ₩ | - | ₩ | | ₩ | - | ₩ | - | ₩ | 28,807,728,243 |
| ESSESCO | | - | | - | | - | | - | | - | | | | - | | - | | - |
| KORAMCO No. 117 Qualified Investors Private Real Estate Investment Trust | | 11,517,560,465 | | 600,000,000 | | - | | - | | - | | (1,530,895,663) | | - | | - | | 10,586,664,802 |
| DDIYS832 | | - | | - | | - | | - | | - | | 1,797,611,980 | | - | | (1,797,611,980) | | - |
| IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab | | 6,859,730,429 | | - | | - | | 5,137,756,847 | | (12,684,377,828) | | 16,217,017,807 | | - | | (14,503,122,173) | | 1,027,005,082 |
| DDIOS108 | | 1,250,442,955 | | 2,700,000,000 | | - | | (15,489,000) | | - | | (1,090,827,653) | | - | | - | | 2,844,126,302 |
| D&D Property Solution Co., Ltd. | | 28,408,114,480 | | - | | 7,364,992,432 | | (180,863,751) | | - | | - | | - | | - | | 35,592,243,161 |
| Jindo Sanwol Solar Power. Inc | | 728,867,450 | | - | | (3,427,826) | | - | | - | | - | | 3,365,376 | | (728,805,000) | | - |
| Hyundai No. 20 Private Real Equity Investment Trust | | 2,655,973,996 | | - | | - | | - | | - | | 84,103,554 | | - | | (2,740,077,550) | | - |
| DDISF PFV | | - | | 4,750,000,000 | | - | | (24,000,000) | | - | | (4,021,830,861) | | - | | - | | 704,169,139 |
| Subtotal | | 76,727,790,956 | | 8,050,000,000 | | 10,952,089,292 | | 4,827,506,472 | | (12,684,377,828) | | 11,455,179,164 | | 3,365,376 | | (19,769,616,703) | | 79,561,936,729 |
| Joint ventures | | | | | | | | | | | | | | | | | | |
| KORAMCO No. 120 General Type Private Real Estate Investment Trust | | 8,437,335,534 | | - | | - | | - | | - | | (39,560,167) | | - | | - | | 8,397,775,367 |
| KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust | | 7,434,315,986 | | - | | - | | - | | - | | 1,903,255,902 | | - | | - | | 9,337,571,888 |
| Cheongju Ecopark Co., Ltd. | | 6,854,753,608 | | - | | 481,957,712 | | 86,583,560 | | - | | - | | 6,364,705,120 | | (13,788,000,000) | | - |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

(In Korean won)

| | 2024 | | | | | | | | |
|--|-------------------|-------------|------------------------|-------------------------------------|-----------------|--|---------------------|------------------|----------------|
| | Beginning balance | Acquisition | Share of profit (loss) | Share of other comprehensive income | Dividend income | Profits (losses) of associates and joint ventures (operating) ¹ | Others ² | Disposal | Ending balance |
| Hanwha Cheongju ecopark private equity 1st(Infrastructure) | 16,951,617,618 | - | 429,027,730 | 228,140,000 | (74,036,001) | - | 1,702,664,653 | (19,237,414,000) | - |
| Eumsung Ecopark Co., Ltd | 6,737,523,356 | - | 777,857,416 | 29,949,364 | - | - | 5,324,669,864 | (12,870,000,000) | - |
| Hanwha Eumseong ecopark private equity 1st(Infrastructure) | 16,389,874,669 | - | 686,973,828 | - | (81,930,130) | - | 3,964,774,633 | (20,959,693,000) | - |
| HHR Real Estate Private Fund No. 5 | 8,415,685,315 | - | - | - | (434,725,512) | 38,521,401 | - | (8,019,481,204) | - |
| Metheus Ilsan Complex Logistics Center PFV Co., Ltd | 1,521,902,909 | - | - | - | - | 1,967,586,811 | - | - | 3,489,489,720 |
| PungBaek Wind Farm Corporation | 6,035,250,430 | - | (538,940,381) | 6,653,340 | - | - | 1,718,036,611 | (7,221,000,000) | - |
| Connectfy Cloud Co., Ltd. | 4,364,202,408 | - | (1,959,657,926) | - | - | - | - | - | 2,404,544,482 |
| Yakmok Ecopark Co., Ltd. | 998,505,019 | - | (22,975,339) | - | - | - | 1,316,470,320 | (2,292,000,000) | - |
| Chilgok Ecopark Co., Ltd. | 2,342,480,372 | - | (44,353,397) | - | - | - | 1,696,089,025 | (3,994,216,000) | - |
| Uiseong Hwanghaksan Windpower Co., Ltd. | 2,282,614,464 | - | (103,959,047) | - | - | - | 103,764,583 | (2,282,420,000) | - |
| Geumyang Ecopark Co., Ltd. | 3,643,948,786 | - | (289,225,924) | - | - | - | 196,921,138 | (3,551,644,000) | - |
| ApartmentTech | - | 412,634,880 | (412,634,880) | - | - | - | - | - | - |
| Subtotal | 92,410,010,474 | 412,634,880 | (995,930,208) | 351,326,264 | (590,691,643) | 3,869,803,947 | 22,388,095,947 | (94,215,868,204) | 23,629,381,457 |
| Associates | | | | | | | | | |
| KintexMall Co. Ltd | 16,056,361 | - | (209,857) | - | - | - | - | - | 15,846,504 |
| Daegusolar | 2,514,012,391 | - | (49,320,426) | - | (308,672,000) | - | (660,019,965) | (1,496,000,000) | - |
| Monaissance | 1,043,922,340 | - | (75,736,520) | - | - | - | - | - | 968,185,820 |
| IGIS No. 135 Professional Investors Private Placement Real Estate Investment Limited Liab. | 12,436,220,884 | - | - | - | - | (372,199,165) | - | - | 12,064,021,719 |
| DDISY-230 Residential REIT Co., Ltd | 13,846,541,229 | - | - | - | - | (1,371,457,890) | - | - | 12,475,083,339 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

2024

| | Beginning balance | Acquisition | Share of profit (loss) | Share of other comprehensive income | Dividend income | Profits (losses) of associates and joint ventures (operating) ¹ | Others ² | Disposal | Ending balance |
|--|-------------------|----------------|------------------------|-------------------------------------|-----------------|--|---------------------|-----------------|----------------|
| DDISS-280 RETAIL REIT CO., Ltd | - | - | - | - | - | - | - | - | - |
| DDISC-1338 Residential REIT Co., Ltd | 8,476,005,507 | - | - | - | - | (712,764,683) | - | - | 7,763,240,824 |
| DDISC-1339 Residential REIT Co., Ltd | 9,544,588,451 | - | - | - | - | (711,030,231) | - | - | 8,833,558,220 |
| DDISC-57 Residential REIT Co., Ltd. | 8,831,040,788 | - | - | - | (101,681,156) | (116,504,450) | - | - | 8,612,855,182 |
| DDI Residential No. 1 Subsidiary REIT Co., Ltd | 2,422,584,723 | - | - | (1,108,296,283) | (900,000,000) | 1,407,285,177 | - | - | 1,821,573,617 |
| Gunpo Mixed Use Development PFV Company | - | - | - | - | - | 6,587,964,956 | (2,437,723,068) | - | 4,150,241,888 |
| FASSTO | - | 3,000,184,000 | (3,000,184,000) | - | - | - | - | - | - |
| Howbuild | 3,000,574,549 | - | (2,813,830,345) | (1,318,840) | - | - | - | - | 185,425,364 |
| D&D Platform REIT Co., Ltd. | 28,062,463,211 | 6,093,165,400 | 576,856,489 | 631,762,441 | (1,662,000,000) | - | - | - | 33,702,247,541 |
| Gulup Wind Power Development Corp. | 2,772,728,890 | - | (11,511,655) | - | - | - | (850,217,235) | (1,911,000,000) | - |
| DDIVC-1 REIT Co., Ltd. | 33,431,821,903 | 12,250,000,000 | - | (8,868,510) | - | (1,178,530,842) | - | - | 44,494,422,551 |
| DDISC49 | - | - | - | - | - | - | - | - | - |
| DDI YS-40 REIT | 3,609,429,084 | - | - | - | - | (3,609,429,084) | - | - | - |
| Korea Space Data | 2,027,722,911 | - | 83,384,370 | (63,382,239) | - | - | - | - | 2,047,725,042 |
| NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings) | 4,954,187,604 | 2,837,585,000 | (107,513,104) | 159,980,585 | - | - | 121,954,915 | (7,966,195,000) | - |
| Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 | 14,932,696,479 | - | - | - | - | (219,899,905) | - | - | 14,712,796,574 |
| Semicolon Mullae REIT CO., Ltd. | - | - | - | - | - | - | - | - | - |
| GridFlex. Inc. | 7,233,526,570 | - | (573,772) | 34,781,951 | - | - | 291,740,251 | (7,559,475,000) | - |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | 2024 | | | | | | | | |
|---|-------------------|-------------------|------------------------|-------------------------------------|--------------------|--|---------------------|---------------------|-------------------|
| | Beginning balance | Acquisition | Share of profit (loss) | Share of other comprehensive income | Dividend income | Profits (losses) of associates and joint ventures (operating) ¹ | Others ² | Disposal | Ending balance |
| Songpa Biz Cluster PFV Co., Ltd. | - | 2,500,000,000 | - | (13,377,926) | - | (263,169,091) | - | - | 2,223,452,983 |
| HHR Special Situation Private Fund No. 13 | - | 2,376,000,000 | 406,747,283 | - | (117,973,770) | - | - | - | 2,664,773,513 |
| S CITY GONGDEOK PFV CO., Ltd. | - | 1,000,000,000 | - | - | - | (163,068,652) | - | - | 836,931,348 |
| DDI Myeongdong N REIT Co., Ltd. | - | 13,000,000,000 | - | (27,523,272) | - | (7,577,065,259) | - | - | 5,395,411,469 |
| LB No. 58 General Type Private Real Estate Investment Trust | - | 60,000,000,000 | - | (336,575,343) | - | (1,053,847,890) | - | - | 58,609,576,767 |
| Subtotal | 159,156,123,875 | 103,056,934,400 | (4,991,891,537) | (732,817,436) | (3,090,326,926) | (9,353,717,009) | (3,534,265,102) | (18,932,670,000) | 221,577,370,265 |
| Total | ₩ 328,293,925,305 | ₩ 111,519,569,280 | ₩ 4,964,267,547 | ₩ 4,446,015,300 | ₩ (16,365,396,397) | ₩ 5,971,266,102 | ₩ 18,857,196,221 | ₩ (132,918,154,907) | ₩ 324,768,688,451 |

¹ It includes gain or loss on valuation using equity method classified as operating income, gain or loss on disposal of investments in subsidiaries, reversal of impairment loss on investments in joint ventures, etc. (See Notes 28 and 29)

² It includes gain (loss) on disposal of investments in subsidiaries joint ventures, and associates, and the recognition of equity method gain or loss on loans to investments in associates.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

(In Korean won)

| | 2023 | | | | | | | | | | | | | | | | | |
|--|-------------------|----------------|-------------|----------------|------------------------|---------------|-------------------------------------|-----------------|-----------------|-----------------|--|-----------------|---------------------|---------------|----------|-------------------|----------------|----------------|
| | Beginning balance | | Acquisition | | Share of profit (loss) | | Share of other comprehensive income | | Dividend income | | Profits (losses) of associates and joint ventures (operating) ¹ | | Others ² | | Disposal | | Ending balance | |
| Subsidiaries | | | | | | | | | | | | | | | | | | |
| D&D INVESTMENT | ₩ | 23,400,251,770 | ₩ | - | ₩ | 1,891,911,050 | ₩ | 14,938,361 | ₩ | - | ₩ | - | ₩ | - | ₩ | - | ₩ | 25,307,101,181 |
| ESSESCO | | - | | - | | - | | - | | - | | - | | - | | - | | - |
| KORAMCO No. 117 Qualified Investors Private Real Estate Investment Trust | | 13,111,389,778 | | - | | - | | - | | - | | (1,593,829,313) | | - | | - | | 11,517,560,465 |
| DDIYS832 | | - | | - | | - | | - | | (6,147,491,640) | | 6,147,491,640 | | - | | - | | - |
| IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab | | 9,952,985,954 | | - | | - | | (2,128,125,000) | | - | | (965,130,525) | | - | | - | | 6,859,730,429 |
| DDIOS108 | | 3,016,504,271 | | - | | - | | - | | - | | (1,766,061,316) | | - | | - | | 1,250,442,955 |
| D&D Property Solution Co., Ltd. | | 25,287,851,475 | | - | | 3,362,705,055 | | (242,442,050) | | - | | - | | - | | - | | 28,408,114,480 |
| Jindo Sanwol Solar Power. Inc | | 764,655,000 | | - | | (35,787,550) | | - | | - | | - | | - | | - | | 728,867,450 |
| Uiseong Hwanghaksan Windpower Co., Ltd. | | 496,317,425 | | - | | (19,107,492) | | - | | - | | - | | (477,209,933) | | - | | - |
| Hyundai No. 20 Private Real Equity Investment Trust | | - | | - | | - | | - | | - | | 11,517,300 | | 2,644,456,696 | | - | | 2,655,973,996 |
| Subtotal | | 76,029,955,673 | | - | | 5,199,721,063 | | (2,355,628,689) | | (6,147,491,640) | | 1,833,987,786 | | 2,167,246,763 | | - | | 76,727,790,956 |
| Joint ventures | | | | | | | | | | | | | | | | | | |
| KORAMCO No. 120 General Type Private Real Estate Investment Trust | | 5,125,207,425 | | 10,360,000,000 | | - | | - | | - | | (7,047,871,891) | | - | | - | | 8,437,335,534 |
| KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust | | 4,826,233,525 | | 10,340,000,000 | | - | | - | | - | | (7,731,917,539) | | - | | - | | 7,434,315,986 |
| Tiger Alternative Investment trust No. 318 | | 34,719,477,476 | | 4,000,000,000 | | - | | - | | - | | 214,480,522,524 | | - | | (253,200,000,000) | | - |
| Cheongju Ecopark Co., Ltd. | | 7,241,396,534 | | - | | (386,642,926) | | - | | - | | - | | - | | - | | 6,854,753,608 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | 2023 | | | | | | | | |
|---|-------------------|----------------|------------------------|-------------------------------------|-----------------|--|---------------------|-------------------|----------------|
| | Beginning balance | Acquisition | Share of profit (loss) | Share of other comprehensive income | Dividend income | Profits (losses) of associates and joint ventures (operating) ¹ | Others ² | Disposal | Ending balance |
| Hanwha Cheongjuecopark private equity 1 st (Infrastructure) | 17,769,077,248 | - | (674,819,629) | - | (142,640,001) | - | - | - | 16,951,617,618 |
| Eumsung Ecopark Co., Ltd | 3,589,364,706 | - | 3,148,158,650 | - | - | - | - | - | 6,737,523,356 |
| Hanwha Eumseongecopark private equity 1 st (Infrastructure) | 12,937,842,297 | - | 3,611,263,065 | - | (159,230,693) | - | - | - | 16,389,874,669 |
| HHR Real Estate Private Fund No. 5 | 19,275,452,574 | - | - | - | (1,361,629,964) | 482,381,501 | - | (9,980,518,796) | 8,415,685,315 |
| Metheus Ilsan Complex Logistics Center PFV Co., Ltd | 2,257,207,894 | - | - | - | - | (735,304,985) | - | - | 1,521,902,909 |
| PungBaek Wind Farm Corporation | 6,733,319,769 | - | (698,069,339) | - | - | - | - | - | 6,035,250,430 |
| Connectfy Cloud Co., Ltd. | - | 4,900,000,000 | (464,740,242) | (71,057,350) | - | - | - | - | 4,364,202,408 |
| Yakmok Ecopark Co., Ltd. | - | 1,899,500,000 | (900,994,981) | - | - | - | - | - | 998,505,019 |
| Chilgok Ecopark Co., Ltd. | - | 2,986,050,000 | (588,986,507) | - | - | - | (54,583,121) | - | 2,342,480,372 |
| Uiseong Hwanghaksan Windpower Co., Ltd. | - | 4,400,000,000 | (2,606,218,403) | - | - | - | 488,832,867 | - | 2,282,614,464 |
| Geumyang Ecopark Co., Ltd. | - | 3,663,000,000 | (19,051,214) | - | - | - | - | - | 3,643,948,786 |
| Subtotal | 114,474,579,448 | 42,548,550,000 | 419,898,474 | (71,057,350) | (1,663,500,658) | 199,447,809,610 | 434,249,746 | (263,180,518,796) | 92,410,010,474 |
| Associates | | | | | | | | | |
| KintexMall Co. Ltd | 16,263,924 | - | (207,563) | - | - | - | - | - | 16,056,361 |
| Daegusolar | 2,553,947,326 | - | 326,061,865 | - | (365,996,800) | - | - | - | 2,514,012,391 |
| Monaissance | 940,474,749 | - | 103,447,591 | - | - | - | - | - | 1,043,922,340 |
| IGIS No. 135 Professional Investors' Private Placement Real Estate Investment Limited Liab. | 13,151,478,276 | - | - | - | - | (715,257,392) | - | - | 12,436,220,884 |
| DDISY-230 Residential REIT Co., Ltd | 14,142,275,218 | 1,200,000,000 | - | (3,813,050) | - | (1,491,920,939) | - | - | 13,846,541,229 |
| DDISS-280 RETAIL REIT CO., Ltd | - | - | - | - | - | - | - | - | - |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

2023

| | Beginning balance | Acquisition | Share of profit (loss) | Share of other comprehensive income | Dividend income | Profits (losses) of associates and joint ventures (operating) ¹ | Others ² | Disposal | Ending balance |
|--|-------------------|----------------|------------------------|-------------------------------------|-----------------|--|---------------------|-----------------|----------------|
| DDISC-1338 Residential REIT Co., Ltd | 9,099,785,386 | - | - | - | - | (623,779,879) | - | - | 8,476,005,507 |
| DDISC-1339 Residential REIT Co., Ltd | 10,097,016,836 | - | - | - | - | (552,428,385) | - | - | 9,544,588,451 |
| DDISC-57 Residential REIT Co., Ltd. | 9,042,938,789 | - | - | - | - | (211,898,001) | - | - | 8,831,040,788 |
| DDI Residential No. 1 Subsidiary REIT Co., Ltd | 2,834,530,491 | - | - | (1,401,420,874) | (719,087,117) | 1,708,562,223 | - | - | 2,422,584,723 |
| Hyundai No. 20 Private Real Equity Investment Trust | 4,270,600,550 | - | - | - | (1,174,318,950) | (451,824,904) | (2,644,456,696) | - | - |
| Gunpo Mixed Use Development PFV Company | - | - | - | - | - | 9,624,035,040 | (2,857,665,040) | (6,766,370,000) | - |
| Daehoji Solar Park, Inc. | 193,395,554 | - | (43,264,162) | - | - | - | 186,568,608 | (336,700,000) | - |
| FASSTO | 13,766,627,003 | - | (10,398,297,813) | (20,633,631) | - | - | (3,347,695,559) | - | - |
| Howbuild | 3,000,334,860 | - | 1,506,482 | (1,266,793) | - | - | - | - | 3,000,574,549 |
| D&D Platform REIT Co., Ltd. | 28,680,192,938 | - | 632,593,224 | 495,677,049 | (1,746,000,000) | - | - | - | 28,062,463,211 |
| Chilgok Ecopark | - | - | - | - | - | - | - | - | - |
| Gulup Wind Power Development Corp. | 2,944,909,986 | - | (172,181,096) | - | - | - | - | - | 2,772,728,890 |
| DDIVC-1 REIT Co., Ltd. | 28,979,805,915 | 5,635,000,000 | - | (4,536,910) | - | (1,178,447,102) | - | - | 33,431,821,903 |
| DDISC49 | 499,617,508 | 500,000,000 | - | - | - | (999,617,508) | - | - | - |
| DDI YS-40 REIT | 5,608,149,094 | - | - | - | - | (1,998,720,010) | - | - | 3,609,429,084 |
| Korea Space Data | 2,007,720,780 | - | 47,092,999 | (24,338,027) | - | - | (2,752,841) | - | 2,027,722,911 |
| NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings) | - | 5,209,077,000 | (94,908,811) | (159,980,585) | - | - | - | - | 4,954,187,604 |
| Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 | - | 15,000,000,000 | - | - | - | (67,303,521) | - | - | 14,932,696,479 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | 2023 | | | | | | | | |
|---------------------------------|-------------------|------------------|------------------------|-------------------------------------|--------------------|--|---------------------|---------------------|-------------------|
| | Beginning balance | Acquisition | Share of profit (loss) | Share of other comprehensive income | Dividend income | Profits (losses) of associates and joint ventures (operating) ¹ | Others ² | Disposal | Ending balance |
| Semicolon Mullae REIT CO., Ltd. | - | - | - | (12,364,000,000) | - | - | 12,364,000,000 | - | - |
| GridFlex. Inc. | - | 7,268,316,000 | (7,479) | (34,781,951) | - | - | - | - | 7,233,526,570 |
| Subtotal | 151,830,065,183 | 34,812,393,000 | (9,598,164,763) | (13,519,094,772) | (4,005,402,867) | 3,041,399,622 | 3,697,998,472 | (7,103,070,000) | 159,156,123,875 |
| Total | ₩ 342,334,600,304 | ₩ 77,360,943,000 | ₩ (3,978,545,226) | ₩ (15,945,780,811) | ₩ (11,816,395,165) | ₩ 204,323,197,018 | ₩ 6,299,494,981 | ₩ (270,283,588,796) | ₩ 328,293,925,305 |

¹ It includes gain or loss on valuation using equity method classified as operating income, gain or loss on disposal of investments in subsidiaries, joint ventures and associates, impairment loss, etc. (See Notes 28 and 29).

² It includes acquisition and disposal due to changes in percentage of ownership, and the recognition of equity method on impairment loss or loans related to investments in associates.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(3) Summarized financial information of subsidiaries, associates and joint ventures as at and for the years ended December 31, 2024 and 2023, is as follows:

(In Korean won)

| | 2024 | | | |
|--|-------------------|-------------------|------------------|----------------------------|
| | Total assets | Total liabilities | Sales | Profit (loss) for the year |
| Subsidiaries | | | | |
| D&D INVESTMENT | ₩ 35,551,866,445 | ₩ 6,744,138,202 | ₩ 13,985,170,031 | ₩ 3,590,524,686 |
| KORAMCO No. 117 Qualified Investors Private Real Estate Investment Trust | 42,057,280,812 | 24,412,839,474 | - | (2,551,492,771) |
| IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab | 1,108,899,520 | 13,407,429 | 199,489,637,261 | 25,865,605,794 |
| DDIOS108 | 46,982,054,600 | 41,604,826,787 | - | (721,080,659) |
| D&D Property Solution Co., Ltd. | 85,396,415,761 | 49,804,172,600 | 74,218,680,925 | 7,364,992,432 |
| Hyundai No. 20 Private Real Equity Investment Trust | 86,416,014 | 1,381,203 | - | (70,939,185) |
| DDISF PFV | 116,654,976,873 | 112,761,513,662 | 328,151,000 | (1,082,536,789) |
| Joint ventures | | | | |
| KORAMCO No. 120 General Type Private Real Estate Investment Trust | 66,697,950,186 | 44,341,183,621 | - | (3,894,003,752) |
| KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust | 65,365,764,506 | 41,719,200,073 | - | (2,422,472,154) |
| Metheus Ilsan Complex Logistics Center PFV Co., Ltd | 8,451,663,165 | 428,058,927 | - | 9,915,073,701 |
| Connectfy Cloud Co., Ltd. | 5,447,642,812 | 540,409,176 | 539,273,310 | (4,019,369,719) |
| ApartTech | 1,237,785,678 | 4,838,357,815 | 6,630,000 | (2,333,452,342) |
| Associates | | | | |
| KintexMall Co. Ltd | 39,616,260 | - | - | (524,642) |
| Monaissance | 4,199,423,322 | 1,258,547,072 | 2,465,262,791 | (33,536,439) |
| IGIS No. 135 Professional Investors Private Placement Real Estate Investment Limited Liab. | 135,788,733,543 | 101,320,100,060 | 5,101,930,825 | (1,063,462,810) |
| DDISY-230 Residential REIT Co., Ltd | 214,448,809,745 | 184,899,108,767 | 11,957,553,881 | (5,964,983,741) |
| DDISS-280 RETAIL REIT CO., Ltd | 76,939,358,245 | 55,106,852,411 | 4,154,998,890 | (323,929,225) |
| DDISC-1338 Residential REIT Co., Ltd | 192,956,365,676 | 168,948,234,188 | 7,645,465,758 | (3,404,200,605) |
| DDISC-1339 Residential REIT Co., Ltd | 179,052,175,426 | 146,659,449,031 | 7,286,150,249 | (3,511,854,663) |
| DDISC-57 Residential REIT Co., Ltd | 118,601,128,793 | 92,675,659,481 | 6,655,561,089 | (524,856,561) |
| DDI Residential No. 1 Subsidiary REIT Co., Ltd | 115,181,745,447 | 76,820,234,844 | 7,863,589,446 | 2,182,967,323 |
| Gunpo Mixed Use Development PFV Company | 331,881,409,267 | 310,499,130,106 | 103,273,337,548 | 27,819,752,290 |
| FASSTO | 123,819,205,143 | 142,556,626,679 | 76,363,656,891 | (33,810,270,594) |
| Howbuild | 1,205,692,608 | 3,644,945,776 | 3,135,494,505 | (3,038,714,320) |
| D&D Platform REIT Co., Ltd. | 1,033,268,037,891 | 665,000,136,887 | 40,951,885,219 | 6,172,638,393 |
| DDIVC-1 REIT Co., Ltd. | 285,475,581,050 | 174,794,156,421 | - | (1,205,164,984) |
| DDISC49 | 89,824,177,244 | 64,646,108,325 | - | (758,165,223) |
| DDI YS-40 REIT | 147,546,967,962 | 129,268,418,769 | 1,839,261,687 | (6,223,598,057) |
| Korea Space Data | 7,015,384,708 | 5,800,183,756 | 16,676,772,451 | (2,491,639,849) |
| Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 | 130,253,453,697 | 66,078,001,876 | - | (532,899,588) |
| Semicolon Mullae REIT CO., Ltd. | 577,368,331,611 | 372,451,951,038 | 30,225,898,373 | 6,217,868,299 |
| Songpa Biz Cluster PFV Co., Ltd. | 963,270,528,566 | 914,900,967,633 | - | (1,390,439,067) |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | 2024 | | | |
|---|-----------------|-------------------|---------------|----------------------------|
| | Total assets | Total liabilities | Sales | Profit (loss) for the year |
| HHR Special Situation Private Fund No. 13 | 14,327,089,325 | 134,151,319 | 2,032,953,773 | 1,589,360,951 |
| S CITY GONGDEOK PFV CO., Ltd. | 87,662,792,528 | 83,251,923,495 | - | (589,130,967) |
| DDI Myeongdong N REIT Co., Ltd. | 186,377,415,758 | 102,756,012,211 | 554,915,794 | 113,147,787 |
| LB No. 58 General Type Private Real Estate Investment Trust | 266,594,586,869 | 143,100,083,855 | - | (1,505,496,986) |

(In Korean won)

| | 2023 | | | |
|--|-----------------|-------------------|----------------|----------------------------|
| | Total assets | Total liabilities | Sales | Profit (loss) for the year |
| Subsidiaries | | | | |
| D&D INVESTMENT ₩ | 31,520,501,099 | 6,213,399,918 | 9,948,733,396 | 1,891,911,050 |
| ESSESCO | 70,267,681,866 | 39,458,935,056 | 10,588,460,613 | 78,286,642 |
| KORAMCO No. 117 Qualified Investors Private Real Estate Investment Trust | 43,607,985,106 | 24,412,050,997 | - | (2,735,700,412) |
| DDIYS832 | - | - | - | 6,147,491,640 |
| IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab | 133,768,725,604 | 71,111,679,262 | - | (909,472,560) |
| DDIOS108 | 44,322,541,091 | 40,908,743,619 | - | (774,875,560) |
| D&D Property Solution Co., Ltd. | 55,920,027,150 | 27,511,912,670 | 66,219,464,112 | 3,362,705,055 |
| Jindo Sanwol Solar Power. Inc | 728,867,450 | - | - | (35,787,550) |
| Hyundai No. 20 Private Real Equity Investment Trust | 4,826,448,986 | 1,870,474,990 | - | 11,517,300 |
| Joint ventures | | | | |
| KORAMCO No. 120 General Type Private Real Estate Investment Trust | 70,130,447,847 | 43,879,677,530 | - | (5,022,959,271) |
| KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust | 69,089,504,104 | 43,020,467,517 | - | (4,268,548,333) |
| Cheongju Eco Park Co., Ltd. | 145,168,000,419 | 111,577,487,698 | 42,676,989,353 | (1,909,677,170) |
| Hanwha Cheongju Ecopark private equity 1st(Infrastructure) | 31,264,297,157 | 10,872,184 | - | (435,474,537) |
| Eumsung Ecopark Co., Ltd | 154,700,431,862 | 122,982,659,322 | 50,690,153,247 | 10,397,395,058 |
| Hanwha Eumseong Ecopark private equity 1st(Infrastructure) | 30,292,422,912 | 10,650,494 | - | 4,954,454,628 |
| HHR Real Estate Private Fund No. 5 | 16,973,394,988 | 1,762,936 | 1,034,184,796 | 972,802,694 |
| Metheus Ilsan Complex Logistics Center PFV Co., Ltd | 45,718,550,672 | 41,858,673,970 | - | (1,333,915,797) |
| PungBaek Wind Farm Corporation | 65,805,001,447 | 51,804,282,645 | - | (1,389,953,448) |
| Connectfy Cloud Co., Ltd. | 9,472,326,670 | 565,791,143 | 183,791,741 | (948,449,473) |
| Yakmok Ecopark Co., Ltd. | 3,409,762,000 | 1,399,062,341 | - | (1,794,850,341) |
| Chilgok Ecopark Co., Ltd. | 105,193,404,426 | 97,115,885,900 | - | (2,030,987,955) |
| Uiseong Hwanghaksan Windpower Co., Ltd. | 19,163,514,637 | 14,505,117,771 | - | (5,337,920,559) |
| Geumyang Ecopark Co., Ltd. | 13,831,351,565 | 1,395,000,000 | - | (65,693,661) |
| Associates | | | | |
| KintexMall Co. Ltd | 40,140,902 | - | - | (518,907) |
| Daegusolar | 14,140,480,225 | 4,471,201,791 | 4,225,037,236 | 1,771,625,104 |
| Monaissance | 4,051,835,342 | 711,984,098 | 2,931,523,674 | 427,237,955 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | 2023 | | | |
|---|-----------------|-------------------|----------------|----------------------------|
| | Total assets | Total liabilities | Sales | Profit (loss) for the year |
| IGIS No. 135 Professional Investors' Private Placement Real Estate Investment Limited Liab. | 135,760,405,292 | 100,228,345,623 | 3,830,155,199 | (2,043,592,549) |
| DDISY-230 Residential REIT Co., Ltd | 219,772,171,602 | 183,715,900,872 | 11,548,764,661 | (7,320,224,100) |
| DDISS-280 RETAIL REIT CO., Ltd | 75,400,838,993 | 50,826,408,501 | 4,111,526,805 | (339,443,213) |
| DDISC-1338 Residential REIT Co., Ltd | 195,705,995,841 | 168,134,040,936 | 8,017,814,593 | (3,197,905,801) |
| DDISC-1339 Residential REIT Co., Ltd | 181,518,515,818 | 145,570,638,266 | 7,822,291,887 | (3,115,170,529) |
| DDISC-57 Residential REIT Co., Ltd | 119,986,639,823 | 92,970,242,480 | 6,396,370,641 | (1,004,970,802) |
| DDI Residential No. 1 Subsidiary REIT Co., Ltd | 115,560,287,680 | 76,594,507,750 | 7,572,377,605 | 2,193,377,045 |
| Gunpo Mixed Use Development PFV Company | 276,260,827,319 | 282,698,300,448 | 60,268,126,854 | 8,578,068,697 |
| FASSTO | 167,113,883,151 | 176,012,655,027 | 72,889,870,397 | (49,647,146,808) |
| Howbuild | 2,214,246,790 | 1,542,730,738 | 4,680,649,490 | (1,439,447,536) |
| D&D Platform REIT Co., Ltd. | 853,319,156,770 | 551,677,191,462 | 41,211,471,667 | 6,813,876,874 |
| Gulup Wind Power Development Corp. | 19,083,235,236 | 26,874,970 | - | (1,721,779,915) |
| DDIVC-1 REIT Co., Ltd. | 245,354,327,487 | 158,449,638,874 | - | (1,204,994,085) |
| DDISC49 | 70,325,710,394 | 44,390,510,102 | - | (534,591,336) |
| DDI YS-40 REIT | 107,381,884,851 | 82,879,737,601 | - | (254,125,416) |
| Korea Space Data | 6,462,534,273 | 2,760,397,584 | 13,809,208,064 | (2,463,753,231) |
| NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings) | 23,713,163,531 | 2,851,059,743 | 363,019,487 | (299,109,429) |
| Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 | 130,650,493,481 | 65,942,142,072 | - | (291,648,591) |
| Semicolon Mullae REIT CO., Ltd. | 580,985,485,201 | 369,112,672,338 | 31,040,400,615 | 6,901,941,982 |
| GridFlex, Inc. | 36,152,160,065 | - | - | (37,380) |

(4) Fair value of investments in subsidiaries, joint ventures and associates that has a quoted market price as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | 2023 |
|-----------------------------|------------------|------------------|
| Associate | | |
| D&D Platform REIT Co., Ltd. | ₩ 24,255,090,680 | ₩ 19,170,000,000 |

Meanwhile, the Company performed an impairment test on equity-method investments for which the fair value based on quoted market price is less than the book amount, and no impairment loss was recognized during the year ended December 31, 2024.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

11. PROPERTY, PLANT AND EQUIPMENT:

(1) Details of property, plant and equipment as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | 2023 | | |
|-------------------------------------|------------------|--------------------------|------------------|-------------------|--------------------------|-------------------|
| | Acquisition cost | Accumulated depreciation | Book amount | Acquisition cost | Accumulated depreciation | Book amount |
| Land | ₩ 29,644,046,651 | ₩ - | ₩ 29,644,046,651 | ₩ 30,532,376,155 | ₩ - | ₩ 30,532,376,155 |
| Buildings | 2,270,441,703 | (160,822,955) | 2,109,618,748 | 18,254,264,123 | (5,470,258,997) | 12,784,005,126 |
| Structures | - | - | - | 3,427,760,000 | (985,717,882) | 2,442,042,118 |
| Machinery | - | - | - | 278,028,106,803 | (98,316,801,782) | 179,711,305,021 |
| Tools and equipment | - | - | - | 26,561,600 | (23,845,890) | 2,715,710 |
| Supplies | 2,142,723,665 | (1,175,746,617) | 966,977,048 | 3,940,372,267 | (2,533,363,846) | 1,407,008,421 |
| Other property, plant and equipment | 5,436,127,574 | (2,706,719,852) | 2,729,407,722 | 11,335,051,609 | (8,569,109,605) | 2,765,942,004 |
| Construction in progress | 144,942,000 | - | 144,942,000 | 620,935,200 | - | 620,935,200 |
| Total | ₩ 39,638,281,593 | ₩ (4,043,289,424) | ₩ 35,594,992,169 | ₩ 346,165,427,757 | ₩ (115,899,098,002) | ₩ 230,266,329,755 |

(2) Changes in property, plant and equipment for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | | | | |
|-------------------------------------|-------------------|-----------------|-----------------------|-------------------|-------------------|---------------------|------------------|
| | Beginning balance | Acquisition | Transfer ¹ | Disposal | Depreciation | Spin-off | Ending balance |
| Land | ₩ 30,532,376,155 | ₩ - | ₩ - | ₩ (520,691,203) | ₩ - | ₩ (367,638,301) | ₩ 29,644,046,651 |
| Buildings | 12,784,005,126 | - | - | (410,869,606) | (225,389,932) | (10,038,126,840) | 2,109,618,748 |
| Structures | 2,442,042,118 | - | - | - | (38,086,222) | (2,403,955,896) | - |
| Machinery | 179,711,305,021 | - | - | - | (2,897,423,713) | (176,813,881,308) | - |
| Tools and equipment | 2,715,710 | - | - | (1,261,734) | (493,643) | (960,333) | - |
| Supplies | 1,407,008,421 | 121,259,606 | 471,844,930 | (79,045,084) | (434,583,035) | (519,507,790) | 966,977,048 |
| Other property, plant and equipment | 2,765,942,004 | - | 1,766,119,000 | (411,581,863) | (1,316,142,005) | (74,929,414) | 2,729,407,722 |
| Construction-in-progress | 620,935,200 | 3,163,255,930 | (3,009,913,930) | - | - | (629,335,200) | 144,942,000 |
| Total | ₩ 230,266,329,755 | ₩ 3,284,515,536 | ₩ (771,950,000) | ₩ (1,423,449,490) | ₩ (4,912,118,550) | ₩ (190,848,335,082) | ₩ 35,594,992,169 |

¹ Amounts transferred to intangible assets are included.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | | 2023 | | | | | | |
|-------------------------------------|-------------------|-----------------|-------------------------|-------------------|--------------------|-------------------|--|--|
| | Beginning balance | Acquisition | Transfer ^{1,2} | Disposal | Depreciation | Ending balance | | |
| Land | ₩ 32,019,703,193 | ₩ 290,162,554 | ₩ 520,691,203 | ₩ (2,298,180,795) | ₩ - | ₩ 30,532,376,155 | | |
| Buildings | 13,450,528,508 | - | 423,885,155 | (45,275,850) | (1,045,132,687) | 12,784,005,126 | | |
| Structures | 2,670,559,452 | - | - | - | (228,517,334) | 2,442,042,118 | | |
| Machinery | 194,125,853,803 | 2,936,980,000 | - | (1,000) | (17,351,527,782) | 179,711,305,021 | | |
| Tools and equipment | 1,987,000 | 1,892,600 | - | - | (1,163,890) | 2,715,710 | | |
| Supplies | 1,504,268,165 | 373,843,105 | 162,272,645 | (25,309,184) | (608,066,310) | 1,407,008,421 | | |
| Other property, plant and equipment | 3,845,686,545 | 12,860,000 | 806,132,600 | - | (1,898,737,141) | 2,765,942,004 | | |
| Construction in progress | 251,162,000 | 2,697,003,200 | (2,327,230,000) | - | - | 620,935,200 | | |
| Total | ₩ 247,869,748,666 | ₩ 6,312,741,459 | ₩ (414,248,397) | ₩ (2,368,766,829) | ₩ (21,133,145,144) | ₩ 230,266,329,755 | | |

¹ Amounts transferred from inventories to land and buildings are included.

² Amounts transferred to intangible assets are included.

12. INVESTMENT PROPERTIES:

(1) Details of investment properties as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| | | 2024 | | | |
|---------------------|------------------|--------------------------|------------------------|------------------|--|
| | Acquisition cost | Accumulated depreciation | Accumulated impairment | Book amount | |
| Land | ₩ 51,218,498,010 | ₩ - | ₩ - | ₩ 51,218,498,010 | |
| Buildings | 16,956,355,053 | (2,249,192,136) | (2,237,534,111) | 12,469,628,806 | |
| Right-of-use assets | 34,550,172 | (34,550,172) | - | - | |
| Total | ₩ 68,209,403,235 | ₩ (2,283,742,308) | ₩ (2,237,534,111) | ₩ 63,688,126,816 | |

(In Korean won)

| | | 2023 | | | |
|---------------------|------------------|--------------------------|------------------------|------------------|--|
| | Acquisition cost | Accumulated depreciation | Accumulated impairment | Book amount | |
| Land | ₩ 51,218,498,010 | ₩ - | ₩ - | ₩ 51,218,498,010 | |
| Buildings | 16,956,355,053 | (1,873,435,807) | (2,237,534,111) | 12,845,385,135 | |
| Right-of-use assets | 10,137,510,742 | (6,338,060,591) | - | 3,799,450,151 | |
| Total | ₩ 78,312,363,805 | ₩ (8,211,496,398) | ₩ (2,237,534,111) | ₩ 67,863,333,296 | |

SK D&D Co., Ltd.

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(2) Changes in investment properties for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | | 2024 | | | | | |
|---------------------|---|-------------------|--------------|------------------------------------|-------------------|-----------------|------------------|
| | | Beginning balance | Transfer | Effect of re-estimation and others | Disposal | Depreciation | Ending balance |
| Land | ₩ | 51,218,498,010 | ₩ - | ₩ - | ₩ - | ₩ - | ₩ 51,218,498,010 |
| Buildings | | 12,845,385,135 | - | - | - | (375,756,329) | 12,469,628,806 |
| Right-of-use assets | | 3,799,450,151 | 32,162,089 | (1,644,704) | (3,278,774,987) | (551,192,549) | - |
| Total | ₩ | 67,863,333,296 | ₩ 32,162,089 | ₩ (1,644,704) | ₩ (3,278,774,987) | ₩ (926,948,878) | ₩ 63,688,126,816 |

(In Korean won)

| | | 2023 | | | | | |
|---------------------|---|-------------------|-------------------------|------------------------------------|-----------------|-------------------|------------------|
| | | Beginning balance | Transfer ^{1,2} | Effect of re-estimation and others | Disposal | Depreciation | Ending balance |
| Land | ₩ | 51,608,752,099 | ₩ 472,423,925 | ₩ - | ₩ (862,678,014) | ₩ - | ₩ 51,218,498,010 |
| Buildings | | 12,860,810,542 | 384,591,650 | - | (27,231,767) | (372,785,290) | 12,845,385,135 |
| Right-of-use assets | | 5,312,792,289 | (208,265,696) | 6,842,848 | - | (1,311,919,290) | 3,799,450,151 |
| Total | ₩ | 69,782,354,930 | ₩ 648,749,879 | ₩ 6,842,848 | ₩ (889,909,781) | ₩ (1,684,704,580) | ₩ 67,863,333,296 |

¹ Amounts transferred from inventories to land and buildings are included.

² Changes due to new subleases are included.

(3) Profit or loss recognized in relation to investment properties for the years ended December 31, 2024 and 2023, is as follows:

(In Korean won)

| | 2024 | 2023 |
|--|-----------------|-----------------|
| Rental income from investment properties | ₩ 2,522,629,036 | ₩ 2,759,054,556 |
| Rental expenses from investment properties | 1,696,451,799 | 1,859,761,851 |

(4) Fair value of land and buildings recognized as investment properties as at December 31, 2024, is ₩68,686 million.

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13. INTANGIBLE ASSETS:

(1) Intangible assets as at December 31, 2024 and 2023, consist of:

(In Korean won)

| | 2024 | | | 2023 | | |
|-------------------------|------------------|--------------------------|-----------------|------------------|--------------------------|------------------|
| | Acquisition cost | Accumulated amortization | Book amount | Acquisition cost | Accumulated amortization | Book amount |
| Patents | ₩ 8,661,272 | ₩ (3,897,572) | ₩ 4,763,700 | ₩ 30,392,272 | ₩ (18,692,409) | ₩ 11,699,863 |
| Trademarks | 399,097,760 | (396,522,950) | 2,574,810 | 400,374,240 | (338,398,563) | 61,975,677 |
| Membership rights | 1,988,158,856 | - | 1,988,158,856 | 2,173,743,856 | - | 2,173,743,856 |
| Software | 12,838,977,991 | (8,563,554,729) | 4,275,423,262 | 17,952,498,104 | (8,490,324,981) | 9,462,173,123 |
| Other intangible assets | 472,000,000 | (141,600,000) | 330,400,000 | 472,000,000 | (47,200,000) | 424,800,000 |
| Total | ₩ 15,706,895,879 | ₩ (9,105,575,251) | ₩ 6,601,320,628 | ₩ 21,029,008,472 | ₩ (8,894,615,953) | ₩ 12,134,392,519 |

(2) Changes in intangible assets for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | | | | |
|-------------------------|-------------------|---------------|-----------------------|-----------------|-------------------|-------------------|-----------------|
| | Beginning balance | Acquisition | Transfer ¹ | Disposal | Amortization | Spin-off | Ending balance |
| Patents | ₩ 11,699,863 | ₩ - | ₩ - | ₩ - | ₩ (2,123,404) | ₩ (4,812,759) | ₩ 4,763,700 |
| Trademarks | 61,975,677 | - | - | (276,572) | (59,124,295) | - | 2,574,810 |
| Membership rights | 2,173,743,856 | - | - | (185,585,000) | - | - | 1,988,158,856 |
| Software | 9,462,173,123 | 157,984,000 | 771,950,000 | (12,721,333) | (2,380,624,193) | (3,723,338,335) | 4,275,423,262 |
| Other intangible assets | 424,800,000 | - | - | - | (94,400,000) | - | 330,400,000 |
| Total | ₩ 12,134,392,519 | ₩ 157,984,000 | ₩ 771,950,000 | ₩ (198,582,905) | ₩ (2,536,271,892) | ₩ (3,728,151,094) | ₩ 6,601,320,628 |

¹ Transferred to software from construction in progress.

(In Korean won)

| | 2023 | | | | | |
|-------------------------|-------------------|---------------|-----------------------|-----------------|-------------------|------------------|
| | Beginning balance | Acquisition | Transfer ¹ | Disposal | Amortization | Ending balance |
| Patents | ₩ 15,779,017 | ₩ - | ₩ - | ₩ - | ₩ (4,079,154) | ₩ 11,699,863 |
| Trademarks | 125,284,921 | 1,616,720 | - | - | (64,925,964) | 61,975,677 |
| Membership rights | 2,318,524,966 | - | - | (144,781,110) | - | 2,173,743,856 |
| Software | 10,642,101,720 | 192,104,000 | 1,358,824,755 | - | (2,730,857,352) | 9,462,173,123 |
| Other intangible assets | - | 472,000,000 | - | - | (47,200,000) | 424,800,000 |
| Total | ₩ 13,101,690,624 | ₩ 665,720,720 | ₩ 1,358,824,755 | ₩ (144,781,110) | ₩ (2,847,062,470) | ₩ 12,134,392,519 |

¹ Transferred to software from construction in progress.

(3) The Company performed impairment test on intangible assets with indefinite useful lives, and there is no impairment loss recognized during the year ended December 31, 2024.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

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14. NON-CURRENT ASSETS HELD FOR SALE:

Details of non-current assets held for sale as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | | 2024 | | 2023 | |
|------------------------|-------|-------------|---------------|-------------|---------------|
| Land | | ₩ | 3,117,921,993 | ₩ | 3,117,921,993 |
| Buildings | | | 858,708,482 | | 858,708,482 |
| | Total | ₩ | 3,976,630,475 | ₩ | 3,976,630,475 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

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15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES:

(1) Right-of-use assets as at December 31, 2024 and 2023, consist of:

(In Korean won)

| | 2024 | | | 2023 | | |
|-----------|------------------|--------------------------|-----------------|------------------|--------------------------|-----------------|
| | Acquisition cost | Accumulated depreciation | Book amount | Acquisition cost | Accumulated depreciation | Book amount |
| Land | ₩ - | ₩ - | ₩ - | ₩ 6,451,029,356 | ₩ (1,720,274,496) | ₩ 4,730,754,860 |
| Buildings | 5,625,107,434 | (1,858,123,748) | 3,766,983,686 | 6,793,132,904 | (4,801,101,529) | 1,992,031,375 |
| Vehicles | 409,938,094 | (277,503,587) | 132,434,507 | 1,030,116,105 | (368,990,220) | 661,125,885 |
| Total | ₩ 6,035,045,528 | ₩ (2,135,627,335) | ₩ 3,899,418,193 | ₩ 14,274,278,365 | ₩ (6,890,366,245) | ₩ 7,383,912,120 |

(2) Changes in right-of-use assets and lease liabilities for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | | | |
|-----------------------------------|---------------------|-----------------|---------------|-----------------|------------------|-------------------|
| | Right-of-use assets | | | | | Lease liabilities |
| | Land | Buildings | Vehicles | Total | | |
| Beginning balance | ₩ 4,730,754,860 | ₩ 1,992,031,375 | ₩ 661,125,885 | ₩ 7,383,912,120 | ₩ 12,403,464,976 | |
| Effect of reestimation and others | - | (284,653,989) | 3,247,772 | (281,406,217) | (75,763,886) | |
| Spin-off | (4,659,076,756) | (122,753,184) | (349,135,229) | (5,130,965,169) | (5,101,282,403) | |
| Acquisition/Increase | - | 3,666,254,958 | 47,251,896 | 3,713,506,854 | 3,278,509,190 | |
| Disposal/Redemption | - | - | (55,405,844) | (55,405,844) | (3,435,487,668) | |
| Depreciation | (71,678,104) | (1,483,895,474) | (174,649,973) | (1,730,223,551) | - | |
| Interest expenses | - | - | - | - | 343,729,932 | |
| Lease payment | - | - | - | - | (3,628,241,811) | |
| Ending balance | ₩ - | ₩ 3,766,983,686 | ₩ 132,434,507 | ₩ 3,899,418,193 | ₩ 3,784,928,330 | |

(In Korean won)

| | 2023 | | | | | |
|-----------------------------------|---------------------|-----------------|---------------|-----------------|------------------|-------------------|
| | Right-of-use assets | | | | | Lease liabilities |
| | Land | Buildings | Vehicles | Total | | |
| Beginning balance | ₩ 5,160,823,484 | ₩ 2,466,130,508 | ₩ 459,528,480 | ₩ 8,086,482,472 | ₩ 16,158,833,442 | |
| Effect of reestimation and others | - | 28,176,455 | (31,856,609) | (3,680,154) | (5,078,804) | |
| Acquisition/Increase | - | 1,371,521,762 | 557,774,869 | 1,929,296,631 | 1,040,686,285 | |
| Depreciation | (430,068,624) | (1,873,797,350) | (324,320,855) | (2,628,186,829) | - | |
| Interest expenses | - | - | - | - | 667,752,128 | |
| Lease payment | - | - | - | - | (5,458,728,075) | |
| Ending balance | ₩ 4,730,754,860 | ₩ 1,992,031,375 | ₩ 661,125,885 | ₩ 7,383,912,120 | ₩ 12,403,464,976 | |

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- (3) Details of undiscounted contractual redemption plan of lease liabilities related to right-of-use assets of the Company are as follows:

| <i>(In Korean won)</i> | Within one year | | Between 1 year to 4 years | | Later than 4 years | | Total |
|------------------------|------------------------|---------------|--------------------------------------|---------------|-------------------------------|-------------|-----------------|
| Buildings | ₩ | 1,067,300,000 | ₩ | 2,516,452,800 | ₩ | 253,217,200 | ₩ 3,836,970,000 |
| Vehicles | | 112,152,897 | | 33,494,934 | | - | 145,647,831 |
| Investment properties | | 279,067,840 | | 2,289,723 | | - | 281,357,563 |
| Total | ₩ | 1,458,520,737 | ₩ | 2,552,237,457 | ₩ | 253,217,200 | ₩ 4,263,975,394 |

- (4) The separate statement of other comprehensive income shows the following amounts relating to right-of-use assets and lease liabilities:

| <i>(In Korean won)</i> | 2024 | | 2023 | |
|---|-------------|---------------|-------------|---------------|
| Revenue | | | | |
| Interest income of finance lease receivables | ₩ | 40,695,814 | ₩ | 113,182,251 |
| Expenses | | | | |
| Depreciation of right-of-use assets | | 1,730,223,551 | | 2,628,186,829 |
| Interest expenses of lease liabilities | | 343,729,932 | | 667,752,128 |
| Lease payments - short-term leases and leases of low-value assets | | 319,933,386 | | 422,954,753 |
| Net expenses recognized in the separate statement of other comprehensive income | ₩ | 2,353,191,055 | ₩ | 3,605,711,459 |

- (5) Details of undiscounted contractual maturity analysis of finance lease receivables as at December 31, 2024, are as follows:

| <i>(In Korean won)</i> | 2024 | | | |
|------------------------|------------------------|----------------------------------|---------------------------|---------------|
| | Within one year | Between 1 year to 5 years | Later than 5 years | Total |
| Investment properties | ₩ 477,543,600 | ₩ 3,928,181 | ₩ - | ₩ 481,471,781 |

- (6) As at December 31, 2024, there are no future minimum lease payments expected to be received in relation to the non-cancelable operating lease agreement. The future minimum lease payments expected to be received in relation to the non-cancelable operating lease agreement as at December 31, 2023, are as follows:

| <i>(In Korean won)</i> | 2023 | |
|----------------------------|-------------|-------------|
| Within one year | ₩ | 375,663,875 |
| Between 1 year and 5 years | | - |
| Total | ₩ | 375,663,875 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

16. CONSTRUCTION CONTRACTS:

(1) Details of contract assets and liabilities as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | | 2023 | |
|---|-------------|-------------------|-------------|-------------------|
| Accumulated costs | ₩ | 166,059,580,614 | ₩ | 98,980,142,328 |
| Add: Accumulated profit | | 96,304,481,354 | | 32,664,255,167 |
| Accumulated contract revenue | | 262,364,061,968 | | 131,644,397,495 |
| Less: progress billings ¹ | | (274,208,653,184) | | (206,670,197,399) |
| Subtotal | | (11,844,591,216) | | (75,025,799,904) |
| Contract assets and dues from customers | | 1,699,389,168 | | - |
| Contract liabilities and dues to customers ² | ₩ | (13,543,980,384) | ₩ | (75,025,799,904) |

¹ Advance payments of ₩ 5,604 million for delivery are excluded.

² Contract liabilities other than construction contract liabilities of ₩4,000 million are included.

(2) Regarding contracts in progress as at December 31, 2024, that recognized revenue under stage of completion using the cost-based input method, the changes in estimates of total contract revenue and estimated total contract costs for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In millions of Korean won)</i> | | 2024 | | | | | |
|--|---|--|---|--|--|-----------------------------------|--|
| | | Changes in estimated total contract revenue | Changes in estimated total contract cost | Impact on profit or loss for the period | Impact on profit or loss for the future | Changes in contract assets | Changes in contract liabilities |
| Saeng-gag gongjang Guro ¹ | ₩ | - | ₩ (2,427) | ₩ 3,709 | ₩ (1,282) | ₩ - | ₩ (3,709) |
| New construction of Gunpo Mixed Use Development ² | | (6,491) | (7,959) | 993 | 475 | 993 | - |

¹ The Company carries out joint operations with TAEYEONG D & I CO., Ltd., and the percentage of ownership is 60%.

² The Company carries out joint operations with SK Ecoplant Co., Ltd. and Taeyoung Engineering & Construction Co., Ltd., and the percentage of ownership is 33%. The percentage of ownership may change in the future depending on additional area construction and others.

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(In millions of
Korean won)

2023

| | Changes in estimated total contract revenue | Changes in estimated total contract cost | Impact on profit or loss for the period | Impact on profit or loss for the future | Changes in contract assets | Changes in contract liabilities |
|---|---|--|---|---|-------------------------------|------------------------------------|
| Saeng-gag gongjang Guro ¹ | ₩ - | ₩ 7,723 | ₩ (4,022) | ₩ (3,701) | ₩ - | ₩ 4,022 |

¹ The Company carries out joint operations with TAEYEONG D & I CO., Ltd., and the percentage of ownership is 60%.

The impact on profit or loss for the period and future periods is calculated based on the estimated total contract costs based on the circumstances that occurred from the commencement of the contract until the end of the reporting period, and contract costs and contract revenue may change in future periods.

- (3) Contracts that recognizes revenue under the stage of completion using the cost-based input method, for which the contract amount for the year ended December 31, 2024, is more than 5% of previous revenues, are as follows:

(In Korean won)

| | Contract date | Contractual completion date | Progress (%) | Contract assets and dues from customers | | Trade receivables (receivables from construction contracts) | |
|---|------------------|-----------------------------------|-----------------|--|--------------------------------|--|--------------------------------------|
| | | | | Total amount | Accumulated impairment loss | Total amount | Allowance for doubtful account |
| Saeng-gag gongjang Guro | 2022-04-22 | 2025-08-25 | 48.81 | ₩ - | ₩ - | ₩ 2,807,390,280 | ₩ 965,052,551 |
| New construction of Gunpo Mixed Use Development | 2020-12-28 | 2025-09-30 | 38.38 | 1,699,389,168 | - | - | - |

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17. TRADE AND OTHER PAYABLES:

Details of trade and other payables as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | | 2024 | | 2023 | |
|-------------------------------|----------|------|----------------|------|----------------|
| Current | | | | | |
| Trade payables | | ₩ | 9,646,339,782 | ₩ | 14,149,879,031 |
| Non-trade payables | | | 13,504,720,377 | | 34,543,363,498 |
| Current lease liabilities | | | 1,413,424,363 | | 3,167,493,053 |
| Accrued expenses | | | 4,157,308,427 | | 6,201,806,791 |
| | Subtotal | | 28,721,792,949 | | 58,062,542,373 |
| Non-current | | | | | |
| Long-term non-trade payables | | | - | | 1,400,000,000 |
| Non-current lease liabilities | | | 2,371,503,967 | | 9,235,971,923 |
| | Subtotal | | 2,371,503,967 | | 10,635,971,923 |
| | Total | ₩ | 31,093,296,916 | ₩ | 68,698,514,296 |

18. DEBENTURES AND BORROWINGS:

(1) Details of debentures and borrowings as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | | 2023 | |
|-----------------------|-------------------|-------------------|-------------------|-------------------|
| | Current | Non-current | Current | Non-current |
| Short-term borrowings | ₩ 11,000,000,000 | ₩ - | ₩ 35,000,000,000 | ₩ - |
| Long-term borrowings | 264,623,952,245 | 231,957,023,991 | 291,640,688,707 | 435,860,794,381 |
| Debentures | 87,968,279,589 | 31,966,998,266 | 201,459,592,795 | 87,872,678,897 |
| Total | ₩ 363,592,231,834 | ₩ 263,924,022,257 | ₩ 528,100,281,502 | ₩ 523,733,473,278 |

(2) Details of short-term borrowings as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | | Interest rate (%) | 2024 | | 2023 | |
|-----------------------------------|-------------------------------|-------------------|------|----------------|------|----------------|
| Creditor | Category | | | | | |
| Korea Development Bank and others | General borrowings and others | 5.37 – 5.43 | ₩ | 11,000,000,000 | ₩ | 35,000,000,000 |

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(3) Details of long-term borrowings as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| Creditor | Category | Interest rate (%) | 2024 | 2023 |
|-----------------------------------|---|-------------------|-------------------|-------------------|
| Hana Bank and others ¹ | Specific and general borrowings | 3.70 – 8.50 | ₩ 477,686,666,676 | ₩ 692,136,666,668 |
| Woori Bank ² | General borrowings | SOFR 3M+3.02 | - | 38,682,000,000 |
| Woori Bank ³ | General borrowings | 3M CD+3.19 | 22,000,000,000 | - |
| | Subtotal | | 499,686,666,676 | 730,818,666,668 |
| | Less: discount on borrowings | | (3,105,690,440) | (3,317,183,580) |
| | Less: current portion | | (266,366,666,676) | (292,200,000,000) |
| | Less: current portion of discount on borrowings | | 1,742,714,431 | 559,311,293 |
| | Total | | ₩ 231,957,023,991 | ₩ 435,860,794,381 |

¹ Borrowings include an agreement for the early repayment of a portion of the amount upon receipt of proceeds from the sale of assets held by KORAMCO No. 120 General Type Private Real Estate Investment Trust, KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust, and IGIS No. 222 Professional Investors' Private Real Estate Investment Company, in which the Company has invested.

² During the year ended December 31, 2024, the Company established SK eternix Co., Ltd. through the spin-off its renewable energy and ESS business units and transferred the corresponding long-term borrowings to SK eternix Co., Ltd.

³ The Company has entered into an interest rate swap contract to fix the variable interest rate risk (see Notes 22 and 24).

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(4) Details of debentures as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| Category | Issuance date | Redemption date | Stated interest rate (%) | 2024 | 2023 |
|---|---------------|-----------------|--------------------------|------------------|------------------------------------|
| Debentures | 2021.03.12 | 2024.03.12 | 4.50 | ₩ - | ₩ 130,000,000,000 |
| | 2022.03.17 | 2025.03.17 | 5.00 | 40,000,000,000 | 40,000,000,000 |
| | 2022.03.28 | 2025.03.28 | 5.00 | 10,000,000,000 | 10,000,000,000 |
| | 2022.07.27 | 2024.07.26 | 6.00 | - | 20,000,000,000 |
| | 2023.05.31 | 2025.05.19 | 6.90 | 15,000,000,000 | 15,000,000,000 |
| | 2023.10.27 | 2025.04.25 | 7.50 | 16,000,000,000 | 16,000,000,000 |
| | 2023.10.27 | 2025.10.27 | 8.00 | 7,000,000,000 | 7,000,000,000 |
| | 2024.10.16 | 2026.04.16 | 7.50 | 15,000,000,000 | - |
| | 2024.11.28 | 2026.05.28 | 7.50 | 17,000,000,000 | - |
| Subtotal | | | | 120,000,000,000 | 238,000,000,000 |
| Less: discount on borrowings | | | | (64,722,145) | (170,091,963) |
| Less: current portion | | | | (88,000,000,000) | (150,000,000,000) |
| Less: current portion of discount on borrowings | | | | 31,720,411 | 42,770,860 |
| | | | | 31,966,998,266 | 87,872,678,897 |
| Debentures in foreign currency ¹ | 2021.04.23 | 2024.04.23 | SOFR 3M+1.26 | - | 25,788,000,000 (USD 20,000,000) |
| | 2021.07.29 | 2024.07.29 | SOFR 3M+3.19 | - | 25,788,000,000 (USD 20,000,000) |
| Subtotal | | | | - | 51,576,000,000 |
| Less: discount on borrowings | | | | - | (73,636,345) |
| Less: current portion | | | | - | (51,576,000,000) |
| Less: current portion of discount on borrowings | | | | - | 73,636,345 |
| Subtotal | | | | - | - |
| Total | | | | ₩ 31,966,998,266 | ₩ 87,872,678,897 |

¹ Debentures in foreign currency were repaid during the year ended December 31, 2024.

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19. POSTEMPLOYMENT BENEFITS:

The Company operates defined benefit pension plans. The defined benefit obligation is calculated annually by competent and independent actuary using the projected unit credit method.

- (1) Details of net defined benefit assets recognized in the statements of financial position as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | | 2023 | |
|--|-------------|-----------------|-------------|------------------|
| Present value of defined benefit obligations | ₩ | 7,793,272,330 | ₩ | 10,013,984,580 |
| Fair value of plan assets | | (9,155,309,800) | | (10,309,594,223) |
| Net defined benefit assets | ₩ | (1,362,037,470) | ₩ | (295,609,643) |

- (2) Components of retirement benefits by account for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | | 2023 | |
|---------------------------------|-------------|---------------|-------------|---------------|
| Cost of sales | ₩ | 682,620,107 | ₩ | 253,167,563 |
| General administrative expenses | | 1,072,085,844 | | 1,630,105,054 |
| Total | ₩ | 1,754,705,951 | ₩ | 1,883,272,617 |

- (3) Movements in the net defined benefit liabilities (assets) for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | | |
|---|---|--------------------|---|
| | Present value of defined benefit obligations | Plan assets | Net defined benefit liabilities (assets) |
| Beginning balance | ₩ 10,013,984,580 | ₩ (10,309,594,223) | ₩ (295,609,643) |
| Profit or loss | | | |
| Current service cost | 2,021,862,194 | - | 2,021,862,194 |
| Interest expense (income) | 277,221,320 | (566,939,928) | (289,718,608) |
| | 2,299,083,514 | (566,939,928) | 1,732,143,586 |
| Remeasurements recognized as other comprehensive income | | | |
| Loss from plan assets | - | 291,767,748 | 291,767,748 |
| Change in demographic assumptions | 19,030,157 | - | 19,030,157 |
| Change in financial assumptions | (242,931,899) | - | (242,931,899) |
| Experience adjustments | (5,822,290) | - | (5,822,290) |
| | (229,724,032) | 291,767,748 | 62,043,716 |
| Contributions paid | - | (2,739,102,634) | (2,739,102,634) |
| Benefit payments | (1,933,027,711) | 1,811,515,216 | (121,512,495) |
| Transfer from (to) affiliates | (2,357,044,021) | 2,357,044,021 | - |
| Ending balance | ₩ 7,793,272,330 | ₩ (9,155,309,800) | ₩ (1,362,037,470) |

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| (In Korean won) | 2023 | | |
|---|--|---------------------------|--|
| | Present value of defined benefit obligations | Plan assets | Net defined benefit liabilities (assets) |
| Beginning balance | ₩ 10,660,718,528 | ₩ (11,187,503,670) | ₩ (526,785,142) |
| Profit or loss | | | |
| Current service cost | 2,209,833,152 | - | 2,209,833,152 |
| Interest expense (income) | 304,627,791 | (671,188,326) | (366,560,535) |
| | <u>2,514,460,943</u> | <u>(671,188,326)</u> | <u>1,843,272,617</u> |
| Remeasurements recognized as other comprehensive income | | | |
| Loss from plan assets | - | 315,948,018 | 315,948,018 |
| Change in financial assumptions | 363,655,253 | - | 363,655,253 |
| Experience adjustments | (1,330,600,711) | - | (1,330,600,711) |
| | <u>(966,945,458)</u> | <u>315,948,018</u> | <u>(650,997,440)</u> |
| Contributions paid | - | (2,984,087,677) | (2,984,087,677) |
| Benefit payments | (1,771,891,460) | 3,768,768,534 | 1,996,877,074 |
| Transfer from (to) affiliates | (422,357,973) | 448,468,898 | 26,110,925 |
| Ending balance | <u>₩ 10,013,984,580</u> | <u>₩ (10,309,594,223)</u> | <u>₩ (295,609,643)</u> |

(4) Plan assets as at December 31, 2024 and 2023, consist of the following:

| (In Korean won) | 2024 | 2023 |
|------------------------------|-----------------|------------------|
| Ordinary deposits and others | ₩ 9,155,309,800 | ₩ 10,309,594,223 |

(5) The significant actuarial assumptions as at December 31, 2024 and 2023, are as follows:

| (In percentage) | 2024 | 2023 |
|------------------------------|-------|-------|
| Discount rate | 4.62% | 5.25% |
| Salary growth rate (base-up) | 3.00% | 4.50% |

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- (6) While holding all other assumptions constant as at December 31, 2024 and 2023, and in the case where significant actuarial assumptions are within the reasonable and possible changes, the fluctuation of the defined benefit obligations is as follows:

| (In Korean won) | | 2024 | | | |
|-----------------------------|---|---------------|---------------|--------------------|-----------------|
| | | Discount rate | | Salary growth rate | |
| | | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Defined benefit obligations | ₩ | (227,803,913) | ₩ 255,176,308 | ₩ 256,984,895 | ₩ (233,253,156) |

| (In Korean won) | | 2023 | | | |
|-----------------------------|---|---------------|---------------|--------------------|-----------------|
| | | Discount rate | | Salary growth rate | |
| | | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Defined benefit obligations | ₩ | (413,953,083) | ₩ 464,163,280 | ₩ 463,455,564 | ₩ (420,592,659) |

20. OTHER FINANCIAL LIABILITIES:

Details of other financial liabilities as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | | 2024 | 2023 |
|---|---|---------------|------------------|
| Other current financial liabilities | | | |
| Deposits withheld | ₩ | - | ₩ 12,320,000 |
| Leasehold deposits received | | 93,165,471 | 5,667,951,703 |
| Subtotal | | 93,165,471 | 5,680,271,703 |
| Other non-current financial liabilities | | | |
| Leasehold deposits received | | 1,241,090,223 | 4,575,794,678 |
| Financial guarantee liabilities | | 7,346,002,240 | 5,194,574,630 |
| Subtotal | | 8,587,092,463 | 9,770,369,308 |
| Total | ₩ | 8,680,257,934 | ₩ 15,450,641,011 |

As at December 31, 2024, the management evaluated the historical overdue experience of debt instruments subject to financial guarantee contracts and debt status of the debtor, as well as the outlook of the industry to which the debtor belongs, and as a result, the management determined that the credit risk has not increased significantly after initial recognition of financial guarantee liabilities. There are no changes in estimation techniques or material assumptions applied when evaluating financial guarantee liabilities during the year ended December 31, 2024.

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21. OTHER CURRENT LIABILITIES:

Details of other current liabilities as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | | 2023 | |
|-------------------------------|------|---------------|------|-----------------|
| Withholdings | ₩ | 631,223,869 | ₩ | 1,003,850,616 |
| Advance receipts ¹ | | 5,704,510,958 | | 103,122,323,982 |
| Unearned revenues | | 94,617,849 | | 2,140,020,866 |
| Total | ₩ | 6,430,352,676 | ₩ | 106,266,195,464 |

¹ Amounts with nature of contract liabilities received from customers in advance are included.

22. DERIVATIVE FINANCIAL INSTRUMENTS:

(1) Details of derivative assets and liabilities as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | | | |
|--------------------------------------|-------------------|---------------|------------------------|---------------|
| | Derivative assets | | Derivative liabilities | |
| | Current | | Non-current | |
| Interest rate swaps | ₩ | - | ₩ | 455,055,481 |
| Over-the counter ("OTC") derivatives | | 6,201,915,653 | | 570,000,000 |
| Total | ₩ | 6,201,915,653 | ₩ | 1,025,055,481 |

| (In Korean won) | 2023 | | | |
|------------------|-------------------|----------------|------------------------|---------------|
| | Derivative assets | | Derivative liabilities | |
| | Current | | Current | Non-current |
| Currency forward | ₩ | - | ₩ | 51,491,861 |
| Currency swaps | | 6,787,685,645 | - | 422,784,085 |
| OTC derivatives | | 6,344,000,000 | - | 8,290,322,430 |
| Total | ₩ | 13,131,685,645 | ₩ | 51,491,861 |
| | | | ₩ | 8,713,106,515 |

The Company evaluates derivatives at fair value at the time of initial recognition and at the end of each reporting period, and in case of derivative contracts with a maturity of one year or longer, the amount considering the time value is reflected in adjusted gains and losses.

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- (2) There are no details of derivative assets and liabilities related to currency swap as at December 31, 2024.

Details of derivative assets and liabilities related to currency swap as at December 31, 2023, are as follows:

(In Korean won and in USD)

| Purchase | | Sell | | 2023 | |
|------------------|------------|----------|----------------|-------------------|------------------------|
| | | | | Derivative assets | Derivative liabilities |
| Currency | Amount | Currency | Amount | Current | Non-current |
| USD ¹ | 20,000,000 | KRW | 22,382,000,000 | ₩ 3,589,934,811 | ₩ - |
| USD ¹ | 20,000,000 | KRW | 23,000,000,000 | 3,197,750,834 | - |
| USD ² | 30,000,000 | KRW | 39,045,000,000 | - | 422,784,085 |
| Total | | | | ₩ 6,787,685,645 | ₩ 422,784,085 |

¹ Matured for the year ended December 31, 2024.

² During the year ended December 31, 2024, the Company established SK eternix Co., Ltd. through spin-off of the renewable energy and ESS business units and transferred the corresponding derivative financial instruments to SK eternix Co., Ltd.

- (3) The Company applies cash flow hedge accounting, which uses interest rate swaps as a hedging instrument to hedge risks arising from changes in interest rates on borrowings with floating rate. Details of derivative assets related to interest rate swaps as at December 31, 2024, are as follows:

(In Korean won)

| Contractor | Contract period | Contractual interest rate | | 2024 | |
|------------|----------------------------|---------------------------|--------------------|--------------------------------------|-------------|
| | | Payment | Receipt | Derivative liabilities (Non-current) | |
| Woori Bank | 2024.07.23 – 2027.04.23 | 6.69% | KRW 3M CD+3.19% | ₩ | 455,055,481 |

- (4) The Company applies fair value hedge accounting, which uses currency forwards as a hedging instrument to fix exchange rate fluctuation risks exposed in payments of imports of raw materials. There are no details of derivative assets and liabilities related to currency forwards as at December 31, 2024. Details of derivative assets and liabilities related to currency forwards as at December 31, 2023, are as follows:

(In Korean won and in USD)

| Purchase | | Sell | | 2023 | |
|------------------|-----------|----------|---------------|----------------------------------|------------|
| Currency | Amount | Currency | Amount | Derivative liabilities (Current) | |
| USD ¹ | 4,910,668 | KRW | 6,382,886,266 | ₩ | 51,491,861 |

¹ Matured for the year ended December 31, 2024.

- (5) As at December 31, 2024, the Company has four OTC derivative contracts (see Note 24-(11) for the details). The Company measures the fair value of OTC derivatives by applying the option-pricing model (binomial model) based on the fair value measurement of the underlying assets and the evaluated

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underlying assets. Details of gain or loss on valuation of derivatives recognized due to OTC derivative contracts for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | |
|--|-----------------------------------|--|---|--|
| | Derivative assets (current) | Derivative liabilities (non-current) | Gain (loss) on valuation of derivative financial instruments | Gain on transaction of derivatives |
| Beneficiary certificates of Hyundai Private Real Estate Investment Trust No. 20 ¹ | ₩ - | ₩ - | ₩ - | - |
| Beneficiary securities of preferred shares (investment trust) of Seongsu commercial facility | 6,060,000,000 | - | (284,000,000) | - |
| Put option of ESSESCO ² | - | - | - | - |
| Type 2 beneficiary securities put option of IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab. ³ | - | - | - | 345,322,430 |
| Beneficiary securities put and call option of DDI LVC Master Real Estate Investment Trust Co., Ltd. ⁴ | - | - | - | - |
| Type 1 shares of Gunpo Mixed Use Development PFV Company | - | 570,000,000 | 5,337,000,000 | - |
| Type 2 beneficiary securities of HHR Special Situation Private Fund No. 13 | 141,915,653 | - | 141,915,653 | - |
| Total | ₩ 6,201,915,653 | ₩ 570,000,000 | ₩ 5,194,915,653 | ₩ 345,322,430 |

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(In Korean won)

| | 2023 | | | |
|--|--------------------------------|---|---|---------------------------------------|
| | Derivative assets (current) | Derivative liabilities (non-current) | Gain (loss) on valuation of derivative financial instruments | Gain on transaction of derivatives |
| Beneficiary certificates of Hyundai Private Real Estate Investment Trust No. 20 ¹ | ₩ - | ₩ - | ₩ - | ₩ 3,703,000,000 |
| Beneficiary securities of preferred shares (investment trust) of Seongsu commercial facility | 6,344,000,000 | - | 1,915,000,000 | |
| Put option of ESSESCO ² | | 2,038,000,000 | (252,000,000) | - |
| Type 2 beneficiary securities put option of IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab. ³ | - | 345,322,430 | (345,322,430) | - |
| Beneficiary securities put and call option of DDI LVC Master Real Estate Investment Trust Co., Ltd. ⁴ | - | - | - | - |
| Type 1 shares of Gunpo Mixed Use Development PFV Company | - | 5,907,000,000 | (5,907,000,000) | - |
| Type 2 beneficiary securities of HHR Special Situation Private Fund No. 13 | - | - | - | - |
| Total | ₩ 6,344,000,000 | ₩ 8,290,322,430 | ₩ (4,589,322,430) | ₩ 3,703,000,000 |

¹ Matured for the year ended December 31, 2023.

² During the year ended December 31, 2024, the Company established SK eternix Co., Ltd. through spin-off of the renewable energy and ESS business units and transferred the put option of ESSESCO (non-current derivative liabilities of ₩2,038 million) to SK eternix Co., Ltd.

³ Matured for the year ended December 31, 2024.

⁴ Although these are OTC derivatives, there is no gain or loss on valuation for the year ended December 31, 2024.

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23. PROVISIONS:

(1) Details of provisions as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | | | 2023 | | |
|-------------------------------------|-----------------|---------------|-----------------|-----------------|-----------------|------------------|
| | Current | Non-current | Total | Current | Non-current | Total |
| Provision for warranty | ₩ 781,976,749 | ₩ - | ₩ 781,976,749 | ₩ - | ₩ 1,493,714,839 | ₩ 1,493,714,839 |
| Provision for loss compensation | 4,484,197,507 | - | 4,484,197,507 | 4,763,722,888 | 929,504,277 | 5,693,227,165 |
| Provision for long-term maintenance | - | - | - | - | 2,745,905,764 | 2,745,905,764 |
| Provision for restoration | 212,274,354 | 371,846,913 | 584,121,267 | - | 844,934,920 | 844,934,920 |
| Total | ₩ 5,478,448,610 | ₩ 371,846,913 | ₩ 5,850,295,523 | ₩ 4,763,722,888 | ₩ 6,014,059,800 | ₩ 10,777,782,688 |

(2) Changes in provisions for the years ended December 31, 2024 and 2023, are as follows:

| (In Korean won) | 2024 | | | | | | |
|-------------------------------------|-------------------|-----------------|-------------------|-------------------|---------------------|-------------------|-----------------|
| | Beginning balance | Additions | Interest expenses | Used | Reversal and others | Spin-off | Ending balance |
| Provision for warranty | ₩ 1,493,714,839 | ₩ - | ₩ - | ₩ (488,758,090) | ₩ - | ₩ (222,980,000) | ₩ 781,976,749 |
| Provision for loss compensation | 5,693,227,165 | 3,554,693,230 | - | (4,763,722,888) | - | - | 4,484,197,507 |
| Provision for long-term maintenance | 2,745,905,764 | - | - | - | - | (2,745,905,764) | - |
| Provision for restoration | 844,934,920 | 220,655,867 | 29,000,480 | - | (510,470,000) | - | 584,121,267 |
| Total | ₩ 10,777,782,688 | ₩ 3,775,349,097 | ₩ 29,000,480 | ₩ (5,252,480,978) | ₩ (510,470,000) | ₩ (2,968,885,764) | ₩ 5,850,295,523 |

| (In Korean won) | 2023 | | | | | |
|-------------------------------------|-------------------|-----------------|-------------------|----------------|-----------------|------------------|
| | Beginning balance | Additions | Interest expenses | Used | Reversal | Ending balance |
| Provision for warranty | ₩ 1,742,952,401 | ₩ - | ₩ - | ₩ (72,166,652) | ₩ (177,070,910) | ₩ 1,493,714,839 |
| Provision for loss compensation | 929,504,277 | 4,763,722,888 | - | - | - | 5,693,227,165 |
| Provision for long-term maintenance | 2,745,905,764 | - | - | - | - | 2,745,905,764 |
| Provision for restoration | - | 835,742,480 | 9,192,440 | - | - | 844,934,920 |
| | ₩ 5,418,362,442 | ₩ 5,599,465,368 | ₩ 9,192,440 | ₩ (72,166,652) | ₩ (177,070,910) | ₩ 10,777,782,688 |

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24. CONTINGENCIES AND COMMITMENTS:

(1) Major commitments for financial transactions of the Company as at December 31, 2024, are as follows:

| (In Korean won) | | Details | Credit limit |
|----------------------|--|---------|----------------|
| Hana Bank and others | Currency derivatives ¹ | ₩ | 22,000,000,000 |
| | General loans | | 14,804,996,000 |
| | Overdrafts | | 4,000,000,000 |
| | Corporate card | | 1,000,000,000 |
| | Agreements for discounting of commercial paper | | 943,000,000 |

¹ Limits for interest rate swap contracts to fix the variable interest rate risk.

(2) Details of the trust contract the Company entered into as at December 31, 2024, are as follows:

| (In millions of Korean won) | | Trust property | Trust company | Beneficiary | Amount | Trust type |
|--|---------------------------|----------------|---------------|---|----------|--|
| 280-6, Seongsu-dong 2-ga, Seongdong-gu, Seoul, etc. | Korea Trust Co., Ltd. | | | First-tier joint: Korea Federation of Community Credit Cooperatives | ₩ 26,000 | Management Land Trust of Knowledge Industry Center Development |
| | | | | First-tier joint: Shinhan Bank and Shinhan Capital Co., Ltd. | 39,000 | |
| | | | | Second-tier: MADW Seongsu W Center Co., Ltd. | 65,000 | |
| 280, Seongsu-dong 2-ga, Seongdong-gu, Seoul, etc. | Mugunghwa Trust Co., Ltd. | | | First-tier joint: Shinhan Bank | 32,500 | Management Land Trust of Knowledge Industry Center Development |
| | | | | First-tier joint: Daegu Bank | 19,500 | |
| | | | | First-tier joint: Shinhan Capital Co., Ltd. | 15,600 | |
| | | | | First-tier joint: KB CAPITAL Co., Ltd. | 13,000 | |
| | | | | First-tier joint: ABLE VIEW TOWER Co., Ltd. | 1,300 | |
| | | | | Second-tier: ABLE VIEW TOWER Co., Ltd. | 35,100 | |
| | | | | Third-tier: SK Ecoplant Co., Ltd. | 90,039 | |
| 12-1, 12, Dangsang-dong 1-ga, Yeongdeungpo-gu, Seoul | Korea Trust Co., Ltd. | | | First-tier joint: Shinhan Bank | 24,000 | Management Land Trust |
| | | | | First-tier joint: Kyobo Life Insurance Co., Ltd. | 42,000 | |

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(In millions of Korean won)

| Trust property | Trust company | Beneficiary | Amount | Trust type |
|---|-----------------------|---|---------|-----------------------|
| 636-89, Guro-dong, Guro-gu, Seoul, etc. | Korea Trust Co., Ltd. | First-tier joint: National Agricultural Cooperative Federation | 42,000 | Management Land Trust |
| | | First-tier joint: Fisheries Cooperative Federation | 18,000 | |
| | | First-tier joint: Korean Reinsurance Company | 18,000 | |
| | | First-tier joint: JB Woori Capital Co., Ltd. | 12,000 | |
| | | First-tier joint: NH Capital Co., Ltd. | 12,000 | |
| | | First-tier joint: KDB Capital Corporation | 6,000 | |
| | | First-tier joint: Shinhan Card Co., Ltd. | 6,000 | |
| | | First-tier joint: NongHyup Bank (Trustee of SHBNPP Private Real Estate Loan Fund No. 1) | 6,000 | |
| | | Second-tier: TAEYOUNG ENGINEERING & CONSTRUCTION | 149,880 | |
| | | First-tier joint: Shinhan Bank | 12,000 | |
| | | First-tier joint: Korea Securities Finance Corporation | 84,000 | |
| | | First-tier joint: Industrial Bank of Korea | 96,000 | |
| | | First-tier joint: National Credit Union Federation of Korea | 36,000 | |
| | | First-tier joint: Ganaan Credit Association | 6,000 | |
| | | First-tier joint: Songpa East Credit Union | 3,600 | |
| | | First-tier joint: Jecheon North Credit Union | 1,200 | |
| | | First-tier joint: CHEONANJEIL COOPERATIVE CREDIT UNION | 4,200 | |
| | | First-tier joint: DAECHONG CREDIT UNION | 960 | |
| | | First-tier joint: SEONRIN COOPERATIVE CREDIT UNION | 1,800 | |
| | | First-tier joint: Nambu Credit Association | 1,560 | |
| | | First-tier joint: Juseong Credit Cooperative | 4,680 | |
| | | First-tier joint: Shinhan Card Co., Ltd. | 36,000 | |
| | | First-tier joint: IBK Capital Corporation | 12,000 | |

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(In millions of Korean won)

| Trust property | Trust company | Beneficiary | Amount | Trust type |
|---|-----------------------------------|---|---------|---------------------------------|
| 23-6, Yongdu-dong, Dongdaemun-gu, Seoul, etc. | Kyobo Asset Trust Co., Ltd. | Second-tier: TAEYOUNG ENGINEERING & CONSTRUCTION | 264,792 | Real estate collateral trust |
| | | First-tier joint: LEETAEWON 1-DONG SAEMAEUL FINANCE FIRM | 3,000 | |
| | | First-tier joint: Eunpyeong New Town Community Credit Cooperatives | 2,400 | |
| | | First-tier joint: Gusandong Saemaeul Finance Firm | 3,000 | |
| | | First-tier joint: GUNPO COMMUNITY CREDIT COOPERATIVE | 5,400 | |
| | | First-tier joint: PAJU SAEMAEUL FINANCE FIRM | 1,200 | |
| | | First-tier joint: Myeongdong Community Credit Cooperatives | 2,760 | |
| | | First-tier joint: ANSAN CENTER SAEVILLAGE SAFE | 4,800 | |
| | | First-tier joint: ICHON COMMUNITY CREDIT COOPERATIVE | 3,600 | |
| | | First-tier joint: SEOBINGGODONG SAE VILLAGE SAFE | 2,400 | |
| | | First-tier joint: SEONGAM SAEMAEUL FINANCE FIRM | 2,400 | |
| | | First-tier joint: Yongin Center Community Credit Cooperative | 3,600 | |
| | | Second-tier: AMAEARIA 1ST Co., Ltd. | 6,000 | |
| | | First-tier joint: GUNPO COMMUNITY CREDIT COOPERATIVE | 600 | |
| 23-22, Yongdu-dong, Dongdaemun-gu, Seoul, etc. | Kyobo Asset Trust Co., Ltd. | First-tier joint: ICHON COMMUNITY CREDIT COOPERATIVE | 720 | Real estate collateral trust |
| | | First-tier joint: SEONGAM SAEMAEUL FINANCE FIRM | 600 | |
| | | First-tier joint: DONGSOMUN SAEMAEUL FINANCE FIRM | 840 | |
| | | | | |

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(In millions of Korean won)

| Trust property | Trust company | Beneficiary | Amount | Trust type |
|---|---------------|--|--------|---------------------------------|
| 532-11, Sinsa-dong, Gangnam-gu, Seoul, etc. | Hana Bank | First-tier joint: SINDANG HWANGHAK KOREAN FEDERATION OF COMMUNITY CREDIT COOPERATIVE | 1,080 | Real estate collateral trust |
| | | First-tier joint: Samcheok Dowon Korean Federation Of Community Credit Cooperatives | 720 | |
| | | First-tier joint: Seongnam Jungbu Community Credit | 6,000 | |
| | | First-tier joint: Seongnam Jeil Community Credit Cooperatives | 3,600 | |
| | | First-tier joint: NAMHANSANSEONG SAEMAEUL SAFE | 1,200 | |
| | | First-tier joint: YANGPYEONGSAE VILLAGE SAFE CHANBER OF COMMERCE AND INDUSTRY | 720 | |
| | | First-tier joint: NOWON KOREAN FEDERATION OF CUMMUNITY CREDIT COOPERATIVES | 1,200 | |
| | | Second-tier: AMAEARIA 1ST CO., Ltd. | 6,000 | |
| | | First-tier joint: Hana Bank Jongro Financial Center Branch | 20,400 | |
| | | First-tier joint: POHANG AGRICULTURAL COOPERATIVE | 6,000 | |
| | | First-tier joint: Busan Bank | 12,000 | |
| | | Second-tier: Hana Bank Jongno Financial Center Branch | 12,000 | |
| | | Third-tier joint: Shinhan Capital Co., Ltd. | 24,000 | |
| | | Third-tier joint: Value Cloud Co., Ltd. | 36,000 | |
| | | Third-tier joint: Korea Investment Savings Bank | 8,400 | |
| | | Third-tier joint: A Capital Co., Ltd | 2,400 | |
| | | Third-tier joint: | 3,600 | |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

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(In millions of Korean won)

| Trust property | Trust company | Beneficiary | Amount | Trust type |
|---|---------------------|---|--------|------------------------------|
| 61-1, Yeonpyeong-ri, Jinjeop-eup, Namyangju-si, Gyeonggi-do, etc. | Shinhan Asset Trust | KIWOOM SAVINGS BANK | | |
| | | Third-tier joint: PEPPER SAVINGS BANK | 12,000 | |
| | | Third-tier joint: WOORI SAVINGS BANK | 3,600 | |
| | | Third-tier joint: Hana Capital, Co, Ltd | 12,000 | |
| | | Third-tier joint: Daishin Savings Bank Co., Ltd. | 12,000 | |
| | | Third-tier joint: JT Saving Bank Co., Ltd. | 6,000 | |
| | | First-tier joint: iM Bank | 13,100 | Real estate collateral trust |
| | | First-tier joint: OK Savings Bank Bundang Branch | 15,720 | |
| | | First-tier joint: JINJU SAVINGS BANK Busan Branch | 3,930 | |
| | | First-tier joint: DONGWON JEIL SAVINGS BANK CO., Ltd. Haeundae Branch | 3,930 | |
| | | First-tier joint: YEGARAM SAVINGS BANK Ulsan Branch | 6,550 | |
| | | First-tier joint: Moa Savings Bank Suwon Branch | 3,930 | |
| | | First-tier joint: YUANTA SAVINGS BANK KOREA | 6,550 | |
| | | First-tier joint: ACUON SAVINGS BANK | 5,240 | |
| 8-14, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul, etc. | Shinhan Asset Trust | First-tier joint: Incheon Savings Bank | 3,930 | |
| | | First-tier joint: young-jin MSB | 2,620 | |
| | | First-tier joint: KUEM HWA SAVINGS BANK | 3,930 | |
| | | First-tier: Seongnamsujeong Community Credit Cooperatives | 12,000 | Real estate collateral trust |
| 8-6, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul | Shinhan Asset Trust | First-tier: Wangsip-Ri Center Sae Village Safe | 2,760 | Real estate collateral trust |

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(In millions of Korean won)

| Trust property | Trust company | Beneficiary | Amount | Trust type |
|---|------------------------|--|--------|---------------------------------|
| 8-8, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul | Shinhan Asset Trust | First-tier: Wangsip-Ri Center Sae Village Safe | 1,440 | Real estate collateral trust |
| 8-1, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul, etc. | Shinhan Asset Trust | First-tier joint: LEETAEWON 1-DONG SAEMAEUL FINANCE FIRM | 600 | Real estate collateral trust |
| | | First-tier joint: Namdaemun Chungmuro Korean Federation of Community Credit Cooperatives | 2,400 | |
| | | First-tier joint: DEURIMSAE VILLAGE SAFE CO. | 2,760 | |
| | | First-tier joint: Bansong Community Credit Cooperatives | 3,000 | |
| | | First-tier joint: Baetel Community Credit Cooperatives | 600 | |
| | | First-tier joint: BYEOLNAE SAEMAEUL FINANCE FIRM | 2,400 | |
| | | First-tier joint: SeJong Community Credit Cooperatives | 1,200 | |
| | | First-tier joint: SINDANG HWANGHAK KOREAN FEDERATION OF COMMUNITY CREDIT COOPERATIVE | 1,200 | |
| | | First-tier joint: ANYANG JEIL SAEMAEUL SAFE CO. | 1,200 | |
| | | First-tier joint: YEOLRIN KOREAN FEDERATION OF COMMUNITY CREDIT COOPERATIVE | 1,200 | |
| | | First-tier joint: Uijeongbu Center Community Credit Cooperatives | 2,400 | |
| | | First-tier joint: JEONTAEK SAEMAEUL FINANCE FIRM | 840 | |
| | | First-tier joint: Jegidong Community Credit Cooperatives | 1,200 | |
| | | First-tier joint: Pocheon Community Credit Cooperatives | 2,400 | |
| | | First-tier joint: HANGANG 2-DONG SAEMAEUL FINANCE | 600 | |

SK D&D Co., Ltd.

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(In millions of Korean won)

| Trust property | Trust company | Beneficiary | Amount | Trust type |
|--|---------------------|--|--------|------------------------------|
| | | FIRM | | |
| 14-3, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul, etc. | Shinhan Asset Trust | First-tier: Jungwon Community Credit Cooperative | 8,640 | Real estate collateral trust |
| 8-2, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul, etc. | Shinhan Asset Trust | First-tier: Nakwon Community Credit Cooperative | 5,160 | Real estate collateral trust |

(3) Details of guarantees and collateral provided to the Company as at December 31, 2024, are as follows:

(In millions of Korean won)

| Guarantor | Details | Guaranteed amount |
|------------------------------------|--|-------------------|
| Seoul Guarantee Insurance | Approval guarantee insurance and others | ₩ 9,811 |
| Construction Guarantee Cooperative | Subcontracting payment surety and others | 14,157 |

(4) Details of collateral provided to the Company as at December 31, 2024, are as follows:

(In millions of Korean won)

| Guarantor | Details | Collateral amount |
|--|---|-------------------|
| Hanyang Industrial Development Co., Ltd. | Second-class priority on the shares of Metheus Ilsan Complex Logistics Center PFV Co., Ltd. | ₩ 6,000 |

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(5) Details of the assets provided as collateral by the Company as at December 31, 2024, are as follows:

(In Korean won)

| | Provided by | Secured amount | Secured assets | Carrying amount |
|---|---|------------------|---|------------------|
| Investment properties | Hana Bank | ₩ 32,400,000,000 | Land and buildings of Episode Seongsu 121 (26-3, Seongsu-dong 1-ga, Seongdong-gu, Seoul) | ₩ 31,253,317,450 |
| | EAST SEOUL AGRICULTURAL COOPERATIVE | 6,000,000,000 | Land located at 25-13, Samseong-dong | 8,556,123,993 |
| Inventories | Shinhan Capital Co., Ltd.; Korea Investment Savings Bank; A Capital Co., Ltd.; KIWOOM SAVINGS BANK; PEPPER SAVINGS BANK; WOORI SAVINGS BANK; Value Cloud Co., Ltd. | 20,000,000,000 | Shared investments for lands located at 1323-35, 1323-6 and 1323-7, Seocho-dong | 15,091,724,018 |
| Investment in subsidiaries | SEONGMO Credit Cooperative, GYEONGNAM GAON Credit Cooperative, GYEONGNAM MASAN Credit Cooperative, HONGSEONG Credit Cooperative, GUDEOK Credit Cooperative, GUPO Credit Cooperative, Namseoul Credit Cooperative, DALGUBEOL Credit Cooperative, BUSANJIN Credit Cooperative, HALLA Credit Cooperative, ASAN Credit Cooperative, INCHEON DAEGUN Credit Cooperative | 32,160,000,000 | Shares of a subsidiary (DDIOS108) | 2,844,126,302 |
| Investment in associates | Industrial Bank of Korea, National Credit Union Federation of Korea, Eunpyeong Credit Cooperative | 84,000,000,000 | Shares of an associate (DDI Residential No. 1 Subsidiary REIT Co., Ltd.) | 1,821,573,617 |
| | Industrial Bank of Korea, IBK Capital, KDB Capital Corporation, Korea Development Bank, Shinhan Bank ¹ | 300,000,000,000 | Shares of an associate (Gunpo Mixed Use Development PFV Company) | 4,150,241,888 |
| | ABLE GUNPO 1ST CO., Ltd.; Korea Investment Capital; Jiphy Gunpo Co., Ltd.; KISTRIATS 1ST CO., Ltd. ² | 132,000,000,000 | | |
| | Hyundai Engineering & Construction Co., Ltd. | 2,500,000,000 | Shares of an associate (Songpa Biz Cluster PFV Co., Ltd.) | 2,223,452,983 |
| Beneficiary certificates in real estate | Shinhan Capital Co., Ltd.; Hana Capital Co., Ltd.; Daishin Savings Bank Co., Ltd.; JT Saving Bank Co., Ltd.; Korea Investment Savings Bank; A Capital Co., Ltd.; KIWOOM SAVINGS BANK; PEPPER SAVINGS BANK; WOORI SAVINGS BANK; Value Cloud Co., Ltd. ³ | 120,000,000,000 | Beneficiary certificates of 24 other parcels of land and land located at 23-6, Yongdu-dong, Dongdaemun-gu | - |
| | MY S DUNSAN CO., Ltd. ⁴ | 27,600,000,000 | Beneficiary certificates of other parcels of land and land located at 636-89 Guro-dong, Guro-gu | - |
| | KIWOOM Capital Co., Ltd. ⁵ | 20,800,000,000 | Beneficiary certificates of areas located at 76-3 Yeonpyeong-ri, Jinjeop-eup, Namyangju-si, Gyeonggi-do | - |

¹ The Company has provided a joint first-priority collateral to the entities relating to Gunpo Mixed Use Development.

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Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

² The Company has provided a joint second-priority collateral to the entities relating to Gunpo Mixed Use Development.

³ The Company's beneficiary certificates were provided to the entities relating to Yongdu-dong complex housing project as collateral.

⁴ The Company's beneficiary certificates were provided to the entities relating to Saeng-gag gongjang Guro project as collateral.

⁵ The Company's beneficiary certificates were provided to the entities relating to Jinjeop, Namyangju apartment complex project as collateral.

(6) Details of the insurance coverage of the Company as at December 31, 2024, are as follows:

(In millions of Korean won)

| Insured by | Details | Insured amount |
|---|--|----------------|
| DB INSURANCE Co., Ltd. | Package insurance and others | ₩ 10,974 |
| KB Insurance Co., Ltd | Personal information protection compensation liability insurance | 500 |
| Meritz Fire & Marine Insurance CO., Ltd | Package insurance and others | 185,557 |
| Hyundai Marine & Fire Insurance Co., Ltd. | Fire insurance and others | 34,112 |

(7) Details of major litigation pending in which the Company is involved as a defendant as at December 31, 2024, are as follows. The outcome of the lawsuits cannot be predicted as at December 31, 2024.

(In millions of Korean won)

| | Amount | Plaintiff | Defendant | Remark |
|-----------------------------|---------|------------------------------------|--|---|
| Compensation for damages | ₩ 4,965 | Y.H LOGISTICS CO., Ltd. and others | The Company and others | First trial in progress |
| Claim for unjust enrichment | 316 | Choi Yong-won | The Company and others | First trial in progress |
| Claim for service payment | 1,215 | NAMMUN DEVELOPMENT CO. and others | The Company and DDIVC-1 REIT Co., Ltd. | First and third ¹ trials in progress |

¹ Following the reporting period, the Company won the second-instance judgment, but the opposing party has appealed and the case is currently in the process of the third-instance trial.

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Notes to the Separate Financial Statements

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(8) Details of the contingent liabilities related to construction contracts as at December 31, 2024 and 2023, are as follows:

a) Summary

(In millions of Korean won)

| (In millions of Korean won) | | | | | Outstanding loan balance | | | | | | | | | |
|-----------------------------|---------------------|--|-------------------------------|-----------|-----------------------------|---|---|--|---|------------------------|-----|--------|-----------|--|
| Type ¹ | Business segment | Guarantee limit ² | Guarantee amount ² | 2024 | Maturity | | | | | | | 2023 | | |
| | | | | | Not later than three months | Later than three months and not later than six months | Later than six months and not later than one year | Later than one year and not later than two years | Later than two years and not later than three years | Later than three years | | | | |
| Other business es | Main PF | Gunpo TRIARTZ Industrial Knowledge Center | ₩ 378,000 | ₩ 270,612 | ₩ 158,700 | ₩ - | ₩ - | ₩ 158,700 | ₩ - | ₩ - | ₩ - | ₩ - | ₩ 201,000 | |
| | Main PF | Gunpo TRIARTZ Industrial Knowledge Center | 132,000 | 132,000 | 40,000 | - | - | - | 40,000 | - | - | - | | |
| | Collateralized loan | Icheon Baeksamyeon Logistics Center (Building A) | 41,500 | 41,500 | 41,500 | - | - | 41,500 | - | - | - | 41,500 | | |
| | Collateralized loan | Icheon Baeksamyeon Logistics Center (Building B) | 43,500 | 43,500 | 43,500 | - | - | 43,500 | - | - | - | 43,500 | | |
| | Bridge loan | Onsu Station Youth Housing | 29,800 | 29,800 | 29,800 | - | - | - | 29,800 | - | - | 29,800 | | |

¹ The Company has excluded credit enhancement for 'mid-term loan' which has relatively lower risk compared to 'responsible construction' where the subject of guarantee is different from the scope of preparation for the consolidated summary statement.

² The Company has disclosed the amount considering the Company's burden rate on the consolidated summary statement for consortium projects, while information, such as overall limits, is disclosed in the guarantee details.

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b) Details

(In millions of Korean won)

| Business area | Business segment | Types of PF | Types of credit enhancement | Guarantee limit (Total) | Debt-to-equity ratio (Consolidated) | Guarantee amount | Debtor | | Outstanding loan balance (Consolidated) | | Loan period | Date of maturity | Types of loan | Guaranteed completion deposit amount |
|---|--|---------------------|--|-------------------------|-------------------------------------|------------------|---|-------------------------------|---|-----------|-----------------------|------------------|---------------|--------------------------------------|
| | | | | | | | Debtor | Related parties | 2024 | 2023 | | | | |
| The area of 150-1, Dang-dong, Gunpo-si, Gyeonggi-do | Gunpo TRIARTZ Industrial Knowledge Center ² | Main PF | Assumption of obligation | ₩ 300,000 | 76% | ₩ 120,612 | Gunpo Mixed Use Development PFV Company | Investment in an associate | ₩ 158,700 | ₩ 201,000 | 2021.04.23–2025.08.23 | 2025.08.23 | Loans payable | ₩ 228,000 |
| | | | Cash deficiency support ² | 300,000 | 50% | 150,000 | | | | | | | | |
| | | | Assumption of obligation | 132,000 | 100% | 40,000 | | | 40,000 | - | 2024.07.08–2026.11.08 | 2026.11.08 | Loans payable | - |
| | | | Cash deficiency support | 132,000 | 100% | 132,000 | | | | | | | | |
| | | | Early Repayment: If the borrower wishes to repay all or part of the loan early, they may do so only on each interest payment date. However, the borrower must pay the full amount of unpaid accrued interest (including overdue interest) to the lender, and the early repayment amount must be in multiples of ₩100 million, with a minimum amount of ₩1,000 million. | | | | | | | | | | | |
| 267-2, Hyunbang-ri, Baeksamyeon, Icheon-si, Gyeonggi-do (20 additional parcels) | Icheon Baeksamyeon Logistics Center (Building A) | Collateralized loan | Assumption of obligation, Cash deficiency support | 41,500 | 100% | 41,500 | KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust | Investment in a joint venture | 41,500 | 41,500 | 2021.03.24–2025.08.31 | 2025.08.31 | Loans payable | - |
| 270-3, Hyunbang-ri, Baeksamyeon, Icheon-si, Gyeonggi-do (16 additional parcels) | Icheon Baeksamyeon Logistics Center (Building B) | Collateralized loan | Assumption of obligation, Cash deficiency support | 43,500 | 100% | 43,500 | KORAMCO No. 120 General Type Private Real Estate Investment Trust | Investment in a joint venture | 43,500 | 43,500 | 2021.03.24–2025.08.31 | 2025.08.31 | Loans payable | - |
| 108-104 and 108-105, Oryu-dong, Guro-gu | Onsu Youth housing ³ | Bridge loan | Cash deficiency support ¹ | 29,800 | 100% | 29,800 | DDIOS108 | Investment in a subsidiary | 29,800 | 29,800 | 2022.01.28–2026.08.08 | 2026.08.08 | Loans payable | - |

¹ The Company has additional joint guarantee arrangements related to the obligation of guarantee for construction/completion and interim payment loan agreements with subpurchasers, in addition to the stated credit enhancements (see Notes 22-(9) and (10)).

² The ratio for cash deficiency support was changed to 50% during the year ended December 31, 2024.

³ In relation to the senior loan agreement of DDIOS 108, a subsidiary of the Company, the Company entered into a commitment that if the borrower, DDIOS 108, has insufficient funds to repay the loan principal and interest, the Company will lend the shortfall amount by the loan principal and interest in the form of a shareholder loan when DDIOS 108 requested. Although the Company does not provide a guarantee to the senior loan lender, there is a possibility that a shareholder loan may be required in the event of a shortfall in the loan principal and interest by the borrower, DDIOS 108. Therefore, the guarantee limit and loan balance mentioned above represent the amount of DDIOS 108's senior loan. The Company has no additional obligations to the senior lender of DDIOS 108 in relation to this shareholder loan arrangement, such as compensation for damages.

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- (9) Details of the obligations for which the Company is responsible for ensuring proper construction and completion as at December 31, 2024 and 2023, are as follows:

| (In millions of Korean won) | Business segment | 2024 | | | | 2023 | | | |
|--------------------------------|--|---------------------------------------|--------------------|------------------|-----------------------------|---------------------------------------|--------------------|------------------|-----------------------------|
| | | Number of construction projects | Contract amount | Agreed amount | Outstanding loan balance | Number of construction projects | Contract amount | Agreed amount | Outstanding loan balance |
| Other businesses | Gunpo TRIARTZ Industrial Knowledge Center ¹ | 1 | ₩ 562,700 | ₩ 228,000 | ₩ 158,700 | 1 | ₩ 562,700 | ₩ 203,520 | ₩ 201,000 |

¹ In relation to the ongoing Gunpo Integrated Development Project, the Company bears the obligation to assume overlapping debt of ₩156,000 million and debt according to the debt-to-equity ratio of ₩72,000 million in the event of non-compliance with the obligation for responsible construction and completion.

- (10) Details of the joint guarantees the Company entered into in relation to intermediate payment of consumer in relation to real estate development as at December 31, 2024, are as follows:

| (In millions of Korean won) | Financial institutions | Outstanding loan balance | Guaranteed amount | Guarantee limit | Guarantee period |
|--|---|-----------------------------|----------------------|--------------------|---|
| Saeng-gag gong Jang Guro | Nonghyup Bank, Woori Bank, Kookmin Bank, Industrial Bank of Korea, Hana Capital Co., Ltd. | ₩ 315,311 | ₩ 378,373 | ₩ 431,852 | From the initial execution date of the interim payment to March 31, 2026 (However, Woori Bank is until February 27, 2026) |
| Gunpo TRIARTZ Industrial Knowledge Center | Nonghyup Bank, Kookmin Bank, Hana Capital Co., Ltd. | 191,778 | 230,134 | 480,000 | From the initial execution date of the interim payment to October 23, 2026 |

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(11) Details of the OTC derivative contracts held by the Company as at December 31, 2024, are as follows:

a) Beneficiary securities of preferred shares (investment trust) of Seongsu commercial facility

Details

| Counterparty | SSK 1st Co., Ltd. | SSK 2nd Co., Ltd. |
|-----------------------------|--|---|
| Contract date | March 19, 2020 | |
| Maturity date ¹ | The earlier of the day on which the counterparty sells all of the underlying assets, or the day on which all proceeds from the sale of the real estate owned by the REITs, in which the underlying asset is invested, are fully paid, or the day when the preferred share of the REIT is sold, or the day on which the REITs decide to reduce the relevant preferred share for consideration paid, or October 31, 2025 | |
| Nominal amount ² | - Transaction date – July 21, 2020: ₩2,925 million - July 22, 2020 – October 30, 2024: ₩5,850 million - October 31, 2024 – maturity date: ₩4,850 million | - Transaction date – July 21, 2020: ₩2,925 million - July 22, 2020 – October 30, 2024: ₩5,850 million - October 31, 2024 – maturity date: ₩4,850 million |
| Underlying assets | Richmond Private Real Estate Fund No. 91 | Korea Investment Seongsudong Retail Professional Investment Type Private Parent Real Estate Investment Trust |
| Settlement method | The Company pays transaction costs for OTC derivatives according to the contract, and if the settlement price is higher than the transaction price at the time of settlement, the counterparty pays the difference to the Company, and if the settlement price is lower than the transaction price, the Company pays the difference to the counterparty. | |

¹ The maturity date has been extended since the real estate was not sold.

² The amount is the acquisition price of the beneficiary certificate.

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b) Put and call options of beneficiary certificates of DDI LVC Master Real Estate Investment Trust Co., Ltd.

| | Details | |
|-----------------|---|---|
| Counterparty | Put option | Call option |
| Exerciser | DDI LVC Master Real Estate Investment Trust Co., Ltd. | The Company |
| Obligator | The Company | DDI LVC Master Real Estate Investment Trust Co., Ltd. |
| Exercise assets | All issued shares or beneficiary certificates of the last investment organization among the investment organizations established under the memorandum of understanding on joint investment with DDILVC Co., Ltd. | |
| Requirements | When the actual distribution to DDILVC Co., Ltd. is smaller than the distribution in portfolio ¹ | When the actual distribution to DDILVC Co., Ltd. is greater than the distribution in portfolio ¹ |
| Exercise price | The amount expected to be paid to DDILVC Co., Ltd. According to the estimated amount of disposal of the investment asset in relation to the last investment organization + (distribution in portfolio ¹ - actual distribution) | The amount expected to be paid to DDILVC Co., Ltd. According to the estimated amount of disposal of the investment asset in relation to the last investment organization - (distribution in portfolio ¹ - actual distribution) |
| Exercise period | The period from the day before 25 business days to the day before seven business days from the expected date of disposal of the investment assets of the last investment organization | |

¹ Distribution in portfolio: DDILVC Co., Ltd.'s cumulative expected return amount for all investment organizations established under the memorandum of understanding on joint investment.

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c) Type 1 shares of Gunpo Mixed Use Development PFV Company

Details

| | |
|-------------------|--|
| Counterparty | TAEYOUNG ENGINEERING & CONSTRUCTION |
| Contract date | January 19, 2023 |
| Maturity date | Distribution date for residual assets according to development completion (or liquidation) of the target company from the date of full payment for the acquisition of the underlying asset in accordance with the sales contract by the profit payer (TAEYOUNG ENGINEERING & CONSTRUCTION) |
| Contract amount | ₩6,766,370,000 |
| Underlying assets | 230,000 shares of type 1 shares |
| Settlement method | The Company shall pay a fixed income pursuant to the contract, and at the final settlement, if the settlement amount for variable income is positive (+), TAEYOUNG ENGINEERING & CONSTRUCTION shall pay to the Company; whereas, if it is negative (-), the Company shall pay the corresponding amount to TAEYOUNG ENGINEERING & CONSTRUCTION. |

d) Type 2 beneficiary securities of HHR Special Situation Private Fund No. 13

Details

| | |
|-------------------|--|
| Counterparty | Hanyang Industrial Development Co., Ltd. |
| Contract date | February 26, 2024 |
| Maturity date | The earlier of the day on which the cumulative payment amount of the investment trust exceeds ₩250 billion (₩25,000,000,000), or the day on which the credit limit of the purchase commitment amount held by the Company and D&D INVESTMENT for the investment trust is exhausted, or the day on which the repurchase period (March 31, 2025) ends. |
| Underlying assets | Type 2 beneficiary securities of HHR Special Situation Private Fund No. 13 |
| Settlement method | (The payment for acquisition of paid beneficiary certificates) + (The interest amount calculated on a daily basis by applying for the payment amount from the date of payment for acquisition of the paid beneficiary certificates to the date of completion of their transfer (i) an annual interest rate of 13% for the period up to September 30, 2024, and (ii) an annual interest rate of 15% for the period starting from October 1, 2024) - (The total amount of distributions, including profits, received from the investment trust during the period from the date of acquisition to the date of transfer in relation to the paid beneficiary certificates) |

The Company measures the fair value of OTC derivatives by performing fair value measurement on the underlying assets and applying option-pricing model (binomial model) and discounted cash flow model based on the underlying assets. Gain or loss on valuation of derivatives recognized due to OTC derivative contracts for the year ended December 31, 2024, is disclosed in the derivative notes (see Note 22-(5)).

(12) Details of joint guarantees provided by or provided to the Company for existing liabilities prior to the date of split-off are as follows:

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Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

| Split-off date | Details | Joint guarantees |
|-----------------|---|---|
| January 1, 2022 | Split-off of D&D Property Solution Co., Ltd. (formerly, D&D Living Solution Co., Ltd.) from the Company | The Company and D&D Property Solution Co., Ltd. (formerly, D&D Living Solution Co., Ltd.) |

(13) Details of joint guarantees provided by or provided to the Company for existing liabilities prior to the date of spin-off are as follows (see Note 36-(7)):

| Spin-off date | Details | Joint guarantees |
|---------------|--|---|
| March 1, 2024 | Spin-off of SK eternix Co., Ltd. from the Company | The Company and SK eternix Co., Ltd. |

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25. RELATED-PARTY TRANSACTIONS:

(1) Details of related parties as at December 31, 2024, are as follows:

| Type | Name of entity |
|---|--|
| Entities with joint control over the Company | SK Discovery Co., Ltd. and Hahn & Co. Development Holdings Co., Ltd. |
| Subsidiaries | D&D INVESTMENT; KORAMCO No. 117 Qualified Investors Private Real Estate Investment Trust; IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab.; DDIYS832 ² ; DDIOS108; D&D Property Solution Co., Ltd.; Jindo Sanwol Solar Power Inc. ¹ ; Hyundai Private Real Estate Investment Trust No. 20; DDISF PFV ³ |
| Joint ventures | KORAMCO No.120 General Type Private Real Estate Investment Trust; KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust; Cheongju Eco Park Co., Ltd. ¹ ; Hanwha Cheongjuecopark Private Equity 1st (Infrastructure) ¹ ; Eumsung Ecopark Co., Ltd. ¹ ; Hanwha Eumseongecopark Private Equity 1st (Infrastructure) ¹ ; HHR Real Estate Private Fund No. 5 ² ; Metheus Ilsan Complex Logistics Center PFV Co., Ltd.; PungBaek Wind Farm Corporation ¹ ; Connectfy Cloud Co., Ltd.; Yakmok Ecopark Co., Ltd. ¹ ; Geumyang Ecopark Co., Ltd. ¹ ; Uiseong Hwanghaksan Windpower Co., Ltd. ¹ ; Chilgok Ecopark Co., Ltd. ¹ ; ApartTech ³ |
| Associates | KintexMall Co., Ltd.; Daegusolar ¹ ; Monnaissance; IGIS No. 135 Professional Investors' Private Placement Real Estate Investment Limited Liab.; DDISY-230 Residential REIT Co., Ltd.; DDISS-280 Retail REIT Co., Ltd.; DDISC-1338 Residential REIT Co., Ltd.; DDISC-1339 Residential REIT Co., Ltd.; DDISC-57 Residential REIT Co., Ltd.; DDI Residential No. 1 Subsidiary REIT Co., Ltd.; Gunpo Mixed Use Development PFV Company; FASSTO; Howbuild; D&D Platform REIT Co., Ltd.; Gulup Wind Power Development Corp. ¹ ; DDIVC-1 REIT Co., Ltd.; DDISC49; DDIYS-40 REIT; Korea Space Data; NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings) ¹ ; Shinhan Normalization General Type Private Real Estate Investment Trust No. 1; DDI Baek-Am Logistics REIT Co., Ltd. ⁴ ; DDI Baek-Am Logistics No. 2 REIT Co., Ltd. ⁴ ; Korea Space Service ⁵ ; Ssgddak Co. Ltd. ⁵ ; Glennmont D&D SOLAR PROJECTS 1 CO., Ltd. ⁶ ; Semicolon Mullae REIT Co., Ltd.; GridFlex, Inc. ¹ ; Songpa Biz Cluster PFV Co., Ltd. ³ ; HHR Special Situation Private Fund No. 13 ³ ; S CITY GONGDEOK PFV Co., Ltd. ³ ; DDI Myeongdong N REIT Co., Ltd. ^{3,4} ; LB No. 58 General Type Private Real Estate Investment Trust ³ |
| Other related parties, such as large-scale business group affiliated company ⁷ | SK Inc.; SK ecoplant Co., Ltd.; SK Networks Co. Ltd.; SKC Ltd.; SK Chemicals Co., Ltd.; SK Innovation Co., Ltd.; SK RENT A CAR CO., Ltd.; SK M&SERVICE CO., Ltd.; SK PICGLOBAL CO., Ltd.; SK BROADBAND CO., Ltd.; HAPPYNARAE Co., Ltd.; SK BIOSCIENCE CO., Ltd.; SK GAS Ltd.; HUVIS CORPORATION; SK MAGIC INC.; SK Pinx Co., Ltd.; Korea Marketplace Systems Co., Ltd.; SK Telecom Co., Ltd.; Ko-one Energy Service Co., Ltd.; SK eternix Co., Ltd. ⁸ ; ESSESCO ⁹ ; SK Hynix Inc.; other related parties |

¹ The entity was sold during the year ended December 31, 2024.

² Distribution of residual assets has been completed, and the entity was liquidated during the year ended December 31, 2024.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

³ The entity was newly acquired during the year ended December 31, 2024.

⁴ The entity is classified as a related party as it is an investment in subsidiary of D&D Platform REIT Co., Ltd., an associate.

⁵ The entity is classified as a related party as it is an investment in subsidiary of Korea Space Data, an associate.

⁶ The entity is classified as a related party as it is an investment in subsidiary of NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings), an associate. However, the entity is excluded from a related party as NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings) was sold during the year ended December 31, 2024.

⁷ The entity is not a related party as defined in paragraph 9 of K-IFRS 1024. However, the entity is classified as a related party in accordance with the resolution of Securities and Futures Commission that defined a large-scale business group affiliated company designated by the Fair Trade Commission as a related party with substantive relationship prescribed in paragraph 10 of K-IFRS 1024 or paragraph 12 of K-IFRS 1024.

⁸ During the year ended December 31, 2024, a new company (SK eternix Co., Ltd.) was established and classified as a large-scale business group affiliated company as a result of spin-off renewable energy and ESS business units.

⁹ The entity is classified as other related party as it has investments in subsidiaries of SK eternix Co., Ltd., a large-scale business group affiliated company.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(2) Sales and purchases with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| Type | Name of entity | 2024 | | |
|--|--|------------------|---------------------------------|----------------------|
| | | Sales and others | Disposal of assets ¹ | Purchases and others |
| Entity with joint control over the Company | SK DISCOVERY CO., Ltd. | ₩ 174,881,387 | ₩ - | ₩ - |
| Subsidiaries | D&D Property Solution Co., Ltd. | 665,058,607 | - | 1,030,543,842 |
| | D&D INVESTMENT | 36,003,848 | - | - |
| | IGIS No.412 Professional Investors' Private Placement Real Estate Investment Limited Liab. | 680,000,000 | - | - |
| | DDIOS108 | 369,742,335 | - | - |
| | DDISF PFV | 1,890,893,259 | - | - |
| Joint ventures | Connectfy Cloud Co., Ltd. | 810,000,000 | - | 26,989,000 |
| | Yakmok Ecopark Co., Ltd. | 7,859,270 | - | - |
| | Uiseong Hwanghaksan Windpower Co., Ltd. | 93,764,384 | - | - |
| Associates | DDISY-230 Residential REIT Co., Ltd. | 408,920,448 | - | - |
| | DDISS-280 Retail REIT Co., Ltd. | 44,069,260 | - | - |
| | Gunpo Mixed Use Development PFV Company | 34,849,376,248 | - | - |
| | D&D Platform REIT Co., Ltd. | 324,630 | - | - |
| | DDIVC-1 REIT Co., Ltd. | 1,200,000,000 | - | - |
| | DDISC49 | 720,000,000 | - | - |
| | Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 | 420,000,000 | - | - |
| | Glenmont D&D SOLAR PROJECTS 1 CO., Ltd. | 33,849,890 | - | - |
| | Semicolon Mullae REIT Co., Ltd. | - | - | 278,997,363 |
| | Songpa Biz Cluster PFV Co., Ltd. | 3,330,814,416 | - | - |
| | S CITY GONGDEOK PFV Co., Ltd. | 122,806,211 | - | - |
| | DDI Myeongdong N REIT Co., Ltd. | 160,136,816,009 | - | - |
| | LB No. 58 General Type Private Real Estate Investment Trust | 219,673,880,000 | - | - |
| | SK INC. | - | - | 3,274,219,104 |
| | SK ECOPLANT CO., Ltd. | - | - | 209,428,241 |
| Other related parties, such as large-scale business group affiliated company | SK NETWORKS CO. Ltd. | - | - | 30,000,000 |
| | SK CHEMICALS CO., Ltd. | 17,365,680 | - | - |
| | SK INNOVATION CO., Ltd. | - | - | 232,364,122 |
| | SK RENT A CAR CO., Ltd. | - | - | 26,150,000 |
| | SK M&SERVICE CO., Ltd. | - | - | 173,112,412 |
| | SK PICGLOBAL CO., Ltd. | 28,536,164 | - | - |
| | SK BROADBAND CO., Ltd. | 13,625,806 | - | 48,890,286 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

| | | | |
|----------------------|--------------------------|----------------------|------------------------|
| HAPPYNARAE Co., Ltd. | - | - | 20,016,982 |
| SK BIOSCIENCE | 2,268,000 | - | - |
| SK GAS Ltd. | 16,161,010 | - | 1,418,892,372 |
| HUVIS CORPORATION | 177,115,450 | - | - |
| SK Magic Co., Ltd. | - | - | 3,223,722 |
| SK Pinx Co., Ltd. | - | - | 30,000,000 |
| SK Telecom Co., Ltd. | - | - | 22,314,560 |
| SK eternix Co., Ltd. | 1,974,452,157 | 186,982,833 | 500,838,833 |
| ESSESCO | 206,339,948 | - | - |
| SK Hynix Inc. | - | - | 911,000 |
| Total | <u>₩ 428,104,924,417</u> | <u>₩ 186,982,833</u> | <u>₩ 7,326,891,839</u> |

¹ It includes the amount classified as profit and loss from discontinued operations in the separate statement of comprehensive income during the year ended December 31, 2024.

² If there is a change in the status of a related party due to a change in ownership during the current period, the transactions are prepared based on the time of change.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| (In Korean won) | | 2023 | | | | | |
|--|---|------------------|----------------|---------------------------------|---|----------------------|-----------------------|
| Type | Name of entity | Sales and others | | Disposal of assets ¹ | | Purchases and others | Acquisition of assets |
| Entity with joint control over the Company | SK DISCOVERY CO., Ltd. | ₩ | 9,629,873 | ₩ | - | ₩ | - |
| Subsidiaries | D&D INVESTMENT | | 353,574,161 | | - | | - |
| | ESSESCO | | 1,394,653,754 | | - | 1,106,311,127 | |
| | IGIS No.412 | | | | | | |
| | Professional Investors' Private Placement | | 120,000,000 | | - | | - |
| | Real Estate Investment Limited Liab. | | | | | | |
| | DDIOS108 | | 991,916,713 | | - | | - |
| | D&D Property Solution Co., Ltd. | | 222,385,810 | | - | 1,437,930,889 | |
| | Hyundai Private Real Estate Investment Trust No. 20 | | 91,886,575 | | - | | - |
| Joint ventures | KORAMCO No.120 General Type Private Real Estate Investment Trust | | 40,000,000 | | - | | - |
| | KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust | | 40,000,000 | | - | | - |
| | Eumsung Ecopark Co., Ltd. | | 80,499,519 | | - | | - |
| | PungBaek Wind Farm Corporation | 33,161,083,627 | | 578,051,330 | | | - |
| | Connectfy Cloud Co., Ltd. | | 336,677,419 | | - | 9,480,000 | |
| | Yakmok Ecopark Co., Ltd. | | 1,792,082,639 | | - | | - |
| | Uiseong Hwanghaksan Windpower Co., Ltd. | | 5,015,627,397 | 742,457,371 | | | - |
| | DDISY-230 Residential REIT Co., Ltd. | | (101,357,172) | | - | | - |
| Associates | Gunpo Mixed Use Development PFV Company | | 15,839,236,802 | | - | | - |
| | Daehoji Solar Park, Inc. | | 28,696,439 | | - | | - |
| | DDIVC-1 REIT Co., Ltd. | | 1,200,000,000 | | - | | - |
| | DDISC49 | | 540,000,000 | | - | | - |
| | DDI YS-40 REIT | | 120,594,594 | | - | | - |
| | Korea Space Data | | - | | - | 650,000 | |
| | Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 | | 123,270,547 | | - | | - |
| | Glenmont D&D SOLAR PROJECTS 1 | | 5,929,921 | | - | | - |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| Type | Name of entity | 2023 | | | |
|--|--|------------------|---------------------------------|----------------------|-----------------------|
| | | Sales and others | Disposal of assets ¹ | Purchases and others | Acquisition of assets |
| Other related parties, such as large-scale business group affiliated company | CO., Ltd. | | | | |
| | Semicolon Mullae REIT Co., Ltd. | - | - | 268,366,860 | - |
| | Chilgok Ecopark Co., Ltd. ² | 2,220,623,409 | - | - | - |
| | SK INC. | - | - | 3,183,139,990 | 252,503,000 |
| | SK ECOPLANT CO., Ltd. | - | - | 203,450,372 | - |
| | SK NETWORKS CO. Ltd. | - | - | 30,000,000 | - |
| | SK shieldus Co., Ltd. ² | 18,502,135 | - | 137,002,877 | - |
| | SK CHEMICALS CO., Ltd. | 50,995,620 | - | - | - |
| | SK INNOVATION CO., Ltd. | - | - | 438,583,900 | - |
| | SK RENT A CAR CO., Ltd. | - | - | 58,665,968 | - |
| | SK M&SERVICE CO., Ltd. | - | - | 122,470,045 | - |
| | SK PICGLOBAL CO., Ltd. | 162,724,643 | - | - | - |
| | SK BROADBAND CO., Ltd. | 10,800,000 | - | 73,476,930 | - |
| | HAPPYNARAE Co., Ltd. | - | - | 48,061,946 | 625,000 |
| | SK BIOSCIENCE CO., Ltd. | 2,268,000 | - | - | - |
| | SK GAS Ltd. | 41,458,640 | - | 2,003,588,080 | - |
| | HUVIS CORPORATION | 874,709,741 | - | - | - |
| | SK Magic Co., Ltd. | - | - | 2,856,758 | - |
| | SK Pinx Co., Ltd. | - | - | 84,064,470 | - |
| | Korea Marketplace Systems Co. | - | - | 5,688,000 | 622,000,000 |
| | SK Telecom Co., Ltd. | - | - | 11,350,500 | - |
| Total | | ₩ 64,788,470,806 | ₩ 1,320,508,701 | ₩ 9,225,138,712 | ₩ 875,128,000 |

¹ It includes the amount billed for the amount recorded as advance payment, etc., by the Company in accordance with the transfer agreement.

² It was excluded from a large-scale business group affiliated company during the year ended December 31, 2023. The transactions are prepared based on the time of change.

³ It includes the amount classified as profit and loss from discontinued operations in the separate statement of comprehensive income during the year ended December 31, 2023.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

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(3) Outstanding balances arising from sales/purchases of goods and services as at December 31, 2024 and 2023, are as follows:

| (In Korean won) | | 2024 | |
|---|---|--------------------------|-----------------|
| Type | Name of entity | Receivables ¹ | Payables |
| Entity with joint control over the Company | SK DISCOVERY CO., Ltd. | ₩ 60,475,611 | ₩ 99,272,451 |
| Subsidiaries | D&D Property Solution Co., Ltd. | 104,267,500 | 499,261,727 |
| | DDIOS108 | 1,517,981,447 | - |
| | DDISF PFV | 1,868,856,164 | - |
| | Connectfy Cloud Co., Ltd. | 74,250,000 | 2,330,900 |
| Joint venture | DDISY-230 Residential REIT Co., Ltd. | 2,335,580,274 | - |
| Associates | DDISS-280 Retail REIT Co., Ltd. | 44,069,260 | - |
| | Gunpo Mixed Use Development PFV Company | 65,663,014 | 30,326,087 |
| | D&D Platform REIT Co., Ltd. | 834,000,000 | - |
| | Songpa Biz Cluster PFV Co., Ltd. | 1,902,945,566 | - |
| Other related parties such as large-scale business group affiliated company | S CITY GONGDEOK PFV CO., Ltd. | 7,540,984 | - |
| | DDI Myeongdong N REIT Co., Ltd. | - | 39,796,894 |
| | SK INC. | 122,753,063 | 351,368,129 |
| | SK ECOPLANT CO., Ltd. | 140,937,000 | - |
| | SK CHEMICALS CO., Ltd. | 4,905,513 | - |
| | SK INNOVATION CO., Ltd. | 6,142,443 | - |
| | SK RENT A CAR CO., Ltd. | - | 30,389,264 |
| | SK M&SERVICE CO., Ltd. | - | 7,463,943 |
| | SK BROADBAND CO., Ltd. | - | 6,600 |
| | HAPPYNARAE Co., Ltd. | - | 13,254,054 |
| | SK BIOSCIENCE CO., Ltd. | 1,226,378 | - |
| | SK GAS Ltd. | 638,824,497 | 2,975,659,624 |
| | SK Telecom Co., Ltd. | - | 10,890,000 |
| | SK eternix Co., Ltd. | 9,536,472 | 330,000,000 |
| Total | | ₩ 9,739,955,186 | ₩ 4,390,019,673 |

¹ Receivables resulting from fund transactions are excluded (see Note 25-(4)).

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| Type | Name of entity | 2023 | |
|--|--|------------------|-------------------|
| | | Receivables | Payables |
| Entity with joint control over the Company | SK DISCOVERY CO., Ltd. | ₩ 10,205,409 | ₩ 160,743,275 |
| Subsidiaries | D&D INVESTMENT | 32,671,029 | 200,000,000 |
| | ESSESCO | 2,450,512,886 | 321,511,313 |
| | IGIS No.412 Professional Investors' Private Placement Real Estate Investment Limited Liab. | 11,000,000 | - |
| | DDIOS108 | 924,000,000 | - |
| | D&D Property Solution Co., Ltd. | 103,916,200 | 578,313,125 |
| | PungBaek Wind Farm Corporation | 949,135,400 | 5,914,800,000 |
| Joint ventures | Connectfy Cloud Co., Ltd. | 127,795,161 | 2,085,600 |
| | Yakmok Ecopark Co., Ltd. | 7,082,639 | - |
| | Uiseong Hwanghaksan Windpower Co., Ltd. | 758,084,768 | 394,100,000 |
| | Chilgok Ecopark Co., Ltd. | - | 89,946,000,000 |
| | DDISY-230 Residential REIT Co., Ltd. | 1,856,600,000 | - |
| | Gunpo Mixed Use Development PFV Company | - | 101,086,957 |
| Associates | NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings) | 2,837,585,000 | 52,000,000 |
| | GLENNMONT D&D SOLAR PROJECTS 1 CO., Ltd. | - | 3,605,300,000 |
| | SK INC. | - | 331,016,979 |
| | SK ECOPLANT CO., Ltd. | 1,040,937,000 | - |
| | SK CHEMICALS CO., Ltd. | 7,450,698 | - |
| | SK INNOVATION CO., Ltd. | - | 46,086,695 |
| | SK RENT A CAR CO., Ltd. | - | 108,057,095 |
| | SK M&SERVICE CO., Ltd. | - | 11,577,864 |
| | SK PICGLOBAL CO., Ltd. | 58,374,640 | - |
| | HAPPYNARAE Co., Ltd. | - | 2,455,233 |
| | SK BIOSCIENCE CO., Ltd. | 1,138,722 | - |
| | SK GAS Ltd. | 996,300,309 | 569,658,148 |
| | HUVIS CORPORATION | 203,511,709 | - |
| | Total | ₩ 12,376,301,570 | ₩ 102,344,792,284 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(4) Fund transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| (In Korean won) | | | 2024 | | | | | | | | | |
|--|---|------------------------------------|-------------------|----------------|----------|-----------------|----------|------------------|----------|------------------|----------------|----------------|
| Type | Name of entity | Details | Beginning balance | | Increase | | Decrease | | Spin-off | | Ending balance | |
| Subsidiaries | DDIOS108 | Current portion of long-term loans | ₩ | 8,800,000,000 | ₩ | 700,000,000 | ₩ | (1,500,000,000) | ₩ | - | ₩ | 8,000,000,000 |
| | DDIOS108 | Short-term loans | | - | | 700,000,000 | | - | | - | | 700,000,000 |
| | DDISF PFV | Current portion of long-term loans | | - | | 38,250,000,000 | | - | | - | | 38,250,000,000 |
| Joint ventures | Yakmok Ecopark Co., Ltd. | Short-term loans | | 1,075,200,000 | | - | | (1,075,200,000) | | - | | - |
| | Uiseong Hwanghaksan Windpower Co., Ltd. | Short-term loans | | 12,400,000,000 | | - | | - | | (12,400,000,000) | | - |
| Associates | DDISY-230 Residential REIT Co., Ltd. | Short-term loans | | 1,100,000,000 | | - | | - | | - | | 1,100,000,000 |
| | Gunpo Mixed Use Development PFV Company | Long-term loans | | 8,426,600,000 | | - | | - | | - | | 8,426,600,000 |
| | Songpa Biz Cluster PFV Co., Ltd. | Long-term loans | | - | | 22,300,000,000 | | - | | - | | 22,300,000,000 |
| | S CITY GONGDEOK PFV CO., Ltd. | Long-term loans | | - | | 5,000,000,000 | | - | | - | | 5,000,000,000 |
| | DDISS-280 Retail REIT Co., Ltd. | Short-term loans | | - | | 3,760,000,000 | | - | | - | | 3,760,000,000 |
| Other related parties, such as large-scale business group affiliated company | SK eternix Co., Ltd. | Short-term loans | | - | | 68,000,000,000 | | (68,000,000,000) | | - | | - |
| Total | | | ₩ | 31,801,800,000 | ₩ | 138,710,000,000 | ₩ | (70,575,200,000) | ₩ | (12,400,000,000) | ₩ | 87,536,600,000 |

SK D&D Co., Ltd.

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(In Korean won)

| Type | Name of entity | Details | 2023 | | | |
|----------------|---|------------------------------------|-------------------|------------------|--------------------|------------------|
| | | | Beginning balance | Increase | Decrease | Ending balance |
| Subsidiary | DDIOS108 | Long-term loans | ₩ 3,000,000,000 | ₩ 5,800,000,000 | ₩ - | ₩ 8,800,000,000 |
| Joint ventures | Chilgok Ecopark Co., Ltd. | Short-term loans | 3,757,200,000 | 3,190,000,000 | (6,947,200,000) | - |
| | Uiseong Hwanghaksan Windpower Co., Ltd. | Short-term loans | - | 12,400,000,000 | - | 12,400,000,000 |
| | Yakmok Ecopark Co., Ltd. | Short-term loans | - | 1,075,200,000 | - | 1,075,200,000 |
| Associates | DDISY-230 Residential REIT Co., Ltd. | Short-term loans | 1,100,000,000 | 1,000,000,000 | (1,000,000,000) | 1,100,000,000 |
| | Hyundai Private Real Estate Investment Trust No. 20 ¹ | Current portion of long-term loans | 1,300,000,000 | 1,800,000,000 | (3,100,000,000) | - |
| | Hyundai Private Real Estate Investment Trust No. 20 ¹ | Short-term loans | - | 200,000,000 | (200,000,000) | - |
| | Gunpo Mixed Use Development PFV Company ² | Current portion of long-term loans | 8,426,600,000 | - | - | 8,426,600,000 |
| | Daehoji Solar Park, Inc. | Current portion of long-term loans | 900,000,000 | - | (900,000,000) | - |
| | Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 | Short-term loans | - | 51,000,000,000 | (51,000,000,000) | - |
| | | | ₩ 18,483,800,000 | ₩ 76,465,200,000 | ₩ (63,147,200,000) | ₩ 31,801,800,000 |

¹ If there is a change in the status of a related party due to a change in ownership during the current period, the transactions are prepared based on the time of change.

² As Gunpo Mixed Use Development PFV Company discontinued applying the equity method, a share of net profit (loss) of associates and joint ventures accounted for using the equity method was reflected in related loans that are part of its net investment, but share of net profit (loss) of associates and joint ventures accounted for using the equity method is excluded in the note above (see Note 10-(1)).

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(5) Details of equity transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| Type | Name of entity | Details | 2024 | 2023 |
|----------------|--|-------------------|-----------------|-----------------|
| Subsidiaries | DDISF PFV | Investments | ₩ 4,750,000,000 | ₩ - |
| | DDIOS108 | Investments | 2,700,000,000 | - |
| | Jindo Sanwol Solar Power Inc. ¹ | Disposal | 728,805,000 | - |
| | KORAMCO No.117 General Type Private Real Estate Investment Trust | Investments | 600,000,000 | - |
| | Hyundai No. 20 Private Real Equity Investment Trust | Disposal | 2,740,077,550 | - |
| | DDIYS832 | Dividend received | - | 6,147,491,640 |
| | DDIYS832 | Disposal | 1,797,611,980 | - |
| | IGIS No.412 Professional Investors' Private Placement Real Estate Investment Limited Liab. | Dividend received | 12,684,377,828 | - |
| | IGIS No.412 Professional Investors' Private Placement Real Estate Investment Limited Liab. | Disposal | 14,503,122,173 | - |
| Joint ventures | Tiger Alternative General Private Real Estate Investment Trust No. 318 | Investments | - | 4,000,000,000 |
| | Tiger Alternative General Private Real Estate Investment Trust No. 318 | Disposal | - | 253,200,000,000 |
| | KORAMCO No.120 General Type Private Real Estate Investment Trust | Investments | - | 10,360,000,000 |
| | KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust | Investments | - | 10,340,000,000 |
| | Connectfy Cloud Co., Ltd. | Investments | - | 4,900,000,000 |
| | HHR Special Situation Private Fund No. 5 | Dividend received | 434,725,512 | 1,361,629,964 |
| | HHR Special Situation Private Fund No. 5 | Disposal | 8,019,481,204 | 9,980,518,796 |
| | Uiseong Hwanghaksan Wind Power Inc. ¹ | Disposal | 2,282,420,000 | - |
| | ApartTech | Investments | 412,634,880 | - |
| | Cheongju Eco Park Inc. ¹ | Disposal | 13,788,000,000 | - |
| | Hanwha Eumseongecopark Private Equity 1st (Infrastructure) | Dividend received | 81,930,130 | 159,230,693 |
| | Hanwha Eumseongecopark Private Equity 1st (Infrastructure) ¹ | Disposal | 20,959,693,000 | - |
| | Hanwha Cheongjuecopark Private Equity 1st (Infrastructure) | Dividend received | 74,036,001 | 142,640,001 |

SK D&D Co., Ltd.

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As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| Type | Name of entity | Details | 2024 | 2023 |
|------------|---|-------------------|----------------|----------------|
| Associates | Hanwha Cheongju Ecopark Private Equity 1st (Infrastructure) ¹ | Disposal | 19,237,414,000 | - |
| | Yakmok Ecopark Co., Ltd. | Investments | - | 1,899,500,000 |
| | Eumsung Ecopark Co., Ltd. ¹ | Disposal | 12,870,000,000 | - |
| | Geumyang Ecopark Co., Ltd. ¹ | Disposal | 3,551,644,000 | - |
| | Chilgok Ecopark Co., Ltd. ¹ | Disposal | 3,994,216,000 | - |
| | Yakmok Ecopark Co., Ltd. ¹ | Disposal | 2,292,000,000 | - |
| | Chilgok Ecopark Co., Ltd. | Investments | - | 2,986,050,000 |
| | Uiseong Hwanghaksan Wind Power Inc. | Investments | - | 4,400,000,000 |
| | Geumyang Ecopark Co., Ltd. | Investments | - | 3,663,000,000 |
| | PungBaek Wind Farm Corporation ¹ | Disposal | 7,221,000,000 | - |
| | Gunpo Mixed Use Development PFV Company | Disposal | - | 6,766,370,000 |
| | DDIVC-1 REIT Co | Investments | 12,250,000,000 | 5,635,000,000 |
| | DDISC49 | Investments | - | 500,000,000 |
| | GridFlex, Inc. ¹ | Disposal | 7,559,475,000 | - |
| | Gulup Wind Power Development Corp. ¹ | Disposal | 1,911,000,000 | - |
| | NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glenmont D&D SOLAR PROJECTS 1 CO., Ltd.) | Investments | 2,837,585,000 | 5,209,077,000 |
| | Daegusolar | Dividend received | 308,672,000 | 365,996,800 |
| | Daegusolar ¹ | Disposal | 1,496,000,000 | - |
| | Songpa Biz Cluster PFV Co., Ltd. | Investments | 2,500,000,000 | - |
| | S CITY GONGDEOK PFV CO., Ltd. | Investments | 1,000,000,000 | - |
| | HHR Special Situation Private Fund No. 13 | Investments | 2,376,000,000 | - |
| | DDI Residential No.1 Subsidiary REIT Co., Ltd. | Dividend received | 900,000,000 | 719,087,117 |
| | D&D Platform REIT Co., Ltd. | Dividend received | 1,662,000,000 | 1,746,000,000 |
| | Daehoji Solar Park, Inc. | Disposal | - | 336,700,000 |
| | Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 | Investments | - | 15,000,000,000 |
| | HHR Special Situation Private Fund No. 13 | Dividend received | 117,973,770 | - |
| | DDISC-57 Residential REIT Co., Ltd. | Dividend received | 101,681,156 | - |
| | FASSTO | Investments | 3,000,184,000 | - |
| | Semicolon Mullae REIT Co., Ltd. | Dividend received | - | 440,000,000 |
| | GridFlex, Inc. | Investments | - | 7,268,316,000 |
| | DDISY-230 Residential REIT Co., Ltd. | Investments | - | 1,200,000,000 |
| | Hyundai Private Real Estate | Dividend received | - | 1,174,318,950 |

SK D&D Co., Ltd.

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(In Korean won)

| Type | Name of entity | Details | 2024 | 2023 |
|------|---|-------------|-------------------|-------------------|
| | Investment Trust No. 20 NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glenmont D&D SOLAR PROJECTS 1 CO., Ltd.) ¹ | Disposal | 7,966,195,000 | - |
| | LB No. 58 General Type Private Real Estate Investment Trust | Investments | 60,000,000,000 | - |
| | D&D Platform REIT Co., Ltd. | Investments | 6,093,165,400 | - |
| | DDI Myeongdong N REIT Co., Ltd. | Investments | 13,000,000,000 | - |
| | Total | | ₩ 260,803,120,584 | ₩ 359,900,926,961 |

¹ The share price transferred to SK eternix Co., Ltd. due to the spin-off is ₩105,857,862,000 during the year ended December 31, 2024.

(6) The compensation paid or payable to key management for employee services for the years ended December 31, 2024 and 2023, consists of the following:

| (In Korean won) | 2024 | 2023 |
|------------------------------|-----------------|-----------------|
| Salaries | ₩ 4,175,186,641 | ₩ 5,250,015,530 |
| Postemployment benefits | 523,568,597 | 807,567,395 |
| Share-based payment expenses | 320,000,900 | 1,166,339,996 |
| Total | ₩ 5,018,756,138 | ₩ 7,223,922,921 |

SK D&D Co., Ltd.

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26. EQUITY:

(1) Details of share capital as at December 31, 2024 and 2023, are as follows:

(In Korean won and
in number of shares)

| | 2024 | | 2023 | |
|-----------------------------------|------------------------------|---------------------------------|------------------|-------------------------------|
| | Ordinary shares ¹ | Preferred shares ^{1,2} | Ordinary shares | Preferred shares ² |
| Total number of authorized shares | 60,000,000 | 40,000,000 | 60,000,000 | 40,000,000 |
| Par value | ₩ 1,000 | ₩ 1,000 | ₩ 1,000 | ₩ 1,000 |
| Total number of issued shares | 18,617,382 | 1 | 22,190,164 | 2,000,000 |
| Share capital | ₩ 18,617,382,000 | ₩ 1,000 | ₩ 22,190,164,000 | ₩ 2,000,000,000 |

¹ During the year ended December 31, 2024, the number of shares and share capital decreased due to the spin-off (spin-off date: March 1, 2024).

² The Company issued convertible preferred shares of ₩132,860 million in 2020, and investors may request a conversion of all or part of the preferred shares into registered ordinary shares of the Company from one year after the issue date of the preferred shares to five years. The issuance price and conversion price of the convertible preferred shares are ₩25,550, and the conversion ratio is 1:1. The conversion price and conversion ratio may be adjusted in the future depending on shares fluctuation. The convertible preferred share is a cumulative, non-participating convertible preferred share with non-voting rights and pays investors a profit dividend of 4% per annum based on the issuance price. The preferred shares have the priority on allocation of residual assets over ordinary shares if the allocation of residual assets for ordinary share exceeds the ratio for preferred share and the Company has the same rights as ordinary share for the excess. During the year ended December 31, 2024, 1,539,252 shares of convertible preferred shares held by Hahn & Co. Development Holdings Co., Ltd. were converted into ordinary shares under the request for conversion.

(2) Details of reserves as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | 2023 |
|-------------------------------------|-------------------|-------------------|
| Share premium ^{1,2} | ₩ 218,427,398,803 | ₩ 283,809,776,297 |
| Other reserves | 6,994,751,850 | 6,994,751,850 |
| Gain on disposal of treasury shares | 384,000 | 384,000 |
| Total | ₩ 225,422,534,653 | ₩ 290,804,912,147 |

¹ The Company issued convertible preferred shares in 2020 and recognized net amount after deducting the capital of preferred shares and direct issue costs from the total amount of convertible preferred shares issued as share premium.

² During the year ended December 31, 2024, share premium decreased due to the spin-off (spin-off date: March 1, 2024).

(3) Details of other components of equity as at December 31, 2024 and 2023, are as follows:

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| <i>(In Korean won)</i> | | 2024 | | 2023 |
|---|---|-------------------|---|------------------|
| Share options ¹ | ₩ | 7,807,997,076 | ₩ | 9,787,581,993 |
| Treasury shares ² | | (137,734,158) | | - |
| Loss on capital decrease ³ | | (147,953,255,689) | | - |
| Share of other comprehensive income of associates | | 6,707,835,767 | | 6,229,591,599 |
| Share of other comprehensive loss of associates | | (21,008,777,650) | | (24,074,526,023) |
| Total | ₩ | (154,583,934,654) | ₩ | (8,057,352,431) |

¹ During the year ended December 31, 2024, the share options decreased due to the spin-off (spin-off date: March 1, 2024).

² Fractional shares (11,291 ordinary shares and 1 preferred share), which occurred due to the spin-off (split date: March 1, 2024), are acquired during the year ended December 31, 2024.

³ In relation to the spin-off (spin-off date: March 1, 2024) that occurred during the year ended December 31, 2024, the fair values of assets and liabilities, which are for distribution to owners, were recorded as unpaid dividends, and the differences between the unpaid dividends and the reduction in the Company's share capital were reflected.

(4) Details of accumulated other comprehensive income as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | | 2024 | | 2023 |
|--|---|-----------------|---|-----------------|
| Share of other comprehensive loss of associates | ₩ | (629,002,001) | ₩ | (384,848,029) |
| Share of other comprehensive income of associates | | 11,719,199 | | 11,719,199 |
| Gain on valuation of financial assets at fair value through other comprehensive income | | 401,489,264 | | 401,479,264 |
| Loss on valuation of financial assets at fair value through other comprehensive income | | (1,055,636,500) | | (1,055,636,500) |
| Gain on valuation of derivative financial instruments | | - | | 863,921,162 |
| Loss on valuation of derivative financial instruments | | (180,936,424) | | (323,712,316) |
| Total | ₩ | (1,452,366,462) | ₩ | (487,077,220) |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(5) Details of retained earnings as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|--|-------------------|-------------------|
| Earned profit reserves ¹ | ₩ 12,883,939,592 | ₩ 11,871,933,032 |
| Retained earnings before appropriation | 476,010,938,255 | 451,914,950,003 |
| Total | ₩ 488,894,877,847 | ₩ 463,786,883,035 |

¹ The Commercial Code of the Republic of Korea requires the Company to appropriate for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued share capital. The reserve is not available for cash dividends payment, but may be transferred to share capital or used to reduce accumulated deficit.

(6) The appropriation of retained earnings for the years ended December 31, 2024 and 2023, is as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|---|-------------------|-------------------|
| Unappropriated retained earnings carried over from prior year | ₩ 440,782,877,843 | ₩ 355,324,251,403 |
| Remeasurements of net defined benefit liabilities | (46,967,094) | 492,805,063 |
| Profit for the year | 38,996,245,706 | 106,741,284,097 |
| Interim dividends | (3,721,218,200) | (9,675,809,600) |
| Earned profit reserves | - | (967,580,960) |
| Retained earnings available for appropriation | 476,010,938,255 | 451,914,950,003 |
| Appropriation of retained earnings | | |
| Cash dividend | 7,442,436,400 | 10,120,065,600 |
| Earned profit reserves | - | 1,012,006,560 |
| Unappropriated retained earnings to be carried forward | ₩ 468,568,501,855 | ₩ 440,782,877,843 |

The appropriation of retained earnings for the year ended December 31, 2024, is expected to be appropriated on March 25, 2025. The appropriation date for the year ended December 31, 2023, was March 26, 2024.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(7) Details of dividend paid (or payable) for the years ended December 31, 2024 and 2023, are as follows:

i) Interim dividends (dividend date: August 12, 2024 (current) and June 30, 2023 (previous))

| <i>(In Korean won)</i> | 2024 | | 2023 | |
|---|-------------|---------------|-------------|---------------|
| Ordinary shares (2024: ₩200 per share, 2023: ₩400 per share) | ₩ | 3,721,218,200 | ₩ | 8,875,809,600 |
| Preferred shares (2023: ₩400 per share) | | - | | 800,000,000 |
| Total | ₩ | 3,721,218,200 | ₩ | 9,675,809,600 |

ii) Annual dividends

| <i>(In Korean won)</i> | 2024 | | 2023 | |
|---|-------------|---------------|-------------|----------------|
| Ordinary shares (2024: ₩400 per share, 2023: ₩400 per share) | ₩ | 7,442,436,400 | ₩ | 8,876,065,600 |
| Preferred shares (2023: ₩622 per share) | | - | | 1,244,000,000 |
| Total | ₩ | 7,442,436,400 | ₩ | 10,120,065,600 |

Dividend in respect of the year ended December 31, 2023, is the same as the dividend proposed for approval of the general shareholders' meeting.

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27. SHARE OPTIONS:

(1) The Company has granted share options to executives and employees. Details are as follows:

(In Korean won, in number of shares)

| Grant date | Number of shares to be issued ³ | Exercise period | Exercise price | Fair value at grant date |
|-------------------------|--|-------------------------|----------------|--------------------------|
| 2016-03-18 ¹ | 92,354 | 2018-03-18 – 2025-03-17 | ₩ 38,450 | ₩ 29,025 |
| 2017-03-24 ¹ | 92,354 | 2019-03-24 – 2026-03-23 | 25,900 | 7,671 |
| 2018-03-27 ¹ | 92,353 | 2020-03-27 – 2025-03-26 | 28,500 | 8,707 |
| 2022-03-23 ² | 209,107 | 2025-03-23 – 2029-03-22 | 30,200 | 8,828 – 10,814 |

¹ Exercise price is a remeasured fair value due to the adjustment of the exercise price following the capital increase without consideration on April 10, 2017, and capital increase with consideration on May 23, 2020.

² For the share options granted on March 23, 2022, the fair value at the grant date was calculated differently depending on the vesting period, even under the same conditions.

³ The number of shares to be issued decreased due to the spin-off (spin-off date: March 1, 2024) during the year ended December 31, 2024.

(2) The fair value of share options was calculated according to the binomial option-pricing model, and the variables applied to the model are as follows:

| <i>(In Korean won, in percentage (%))</i> | Granted on March 18, 2016 | Granted on March 24, 2017 | Granted on March 27, 2018 | Granted on March 23, 2022 ¹ |
|---|---------------------------|---------------------------|---------------------------|--|
| Share price at grant date | ₩ 61,700 | ₩ 38,500 | ₩ 27,200 | ₩ 31,250 |
| Exercise price | 38,450 | 25,900 | 28,500 | 30,200 |
| Expected volatility | 73.60 | 30.50 | 29.87 | 36.70 – 40.42 |
| Risk-free interest rate | 1.77 | 2.12 | 2.57 | 2.50 – 2.64 |

¹ For the share options granted on March 23, 2022, variables were applied differently depending on the vesting period even under the same conditions.

SK D&D Co., Ltd.

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(3) Changes in share options for the year ended December 31, 2024, are as follows:

(In Korean won, in number of shares)

| | Number of shares to be issued | | | Valuation | | | |
|-------------------------|-------------------------------|---------------------|----------------|-------------------|---------------------|---------------|-----------------|
| | Beginning balance | Decrease (Spin-off) | Ending balance | Beginning balance | Decrease (Spin-off) | Increase | Ending balance |
| 2016.03.18 ¹ | 120,000 | (27,646) | 92,354 | ₩ 5,223,600,000 | ₩ (1,203,381,104) | ₩ - | ₩ 4,020,218,896 |
| 2017.03.24 ¹ | 120,000 | (27,646) | 92,354 | 1,380,852,000 | (318,112,260) | - | 1,062,739,740 |
| 2018.03.27 ¹ | 120,000 | (27,647) | 92,353 | 1,044,840,000 | (240,703,866) | - | 804,136,134 |
| 2022.03.23 | 271,700 | (62,593) | 209,107 | 2,138,289,993 | (537,388,587) | 320,000,900 | 1,920,902,306 |
| Total | 631,700 | (145,532) | 486,168 | ₩ 9,787,581,993 | ₩ (2,299,585,817) | ₩ 320,000,900 | ₩ 7,807,997,076 |

¹ Cumulative share-based payment expenses due to grant of share options are fully recognized.

28. OPERATING SEGMENT:

(1) The Company is engaged in real estate development/operation business, and the main products and services of each segment are as follows:

Main products and services¹

| | |
|-----------------------------------|---|
| Real estate development/operation | Development and operation of offices/knowledge industry centers/commercial facilities/officetels/rental housing, etc. |
|-----------------------------------|---|

¹ On March 1, 2024, the spin-off date, the Company had split its renewable energy and ESS business units into a new company, SK eternix Co., Ltd., through spin-off in accordance with the provisions of Articles 530-2 to 530-11 of the Commercial Act.

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- (2) Revenue from contracts with customers of the Company and all sales generated domestically for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | | 2024 |
|---|---|-----------------------------------|
| | | Real estate development/operation |
| 1. Revenue from contracts with customers | | |
| At a point in time | | |
| Services | ₩ | 1,025,218,913 |
| Housing | | 375,759,083,106 |
| Operation | | 10,201,061 |
| Subtotal | | 376,794,503,080 |
| Over time | | |
| Services | | 6,450,760,870 |
| Rental | | 12,143,115,440 |
| Construction | | 33,421,097,909 |
| Housing | | 143,934,983,909 |
| Subtotal | | 195,949,958,128 |
| 2. Revenue from other sources | | |
| Profits of associates and joint ventures ¹ | | 33,151,242,590 |
| Total | ₩ | 605,895,703,798 |

¹ Gain on valuation of ₩28,015,988,132, gain on disposal of ₩118,176,177 and reversal of impairment loss of ₩5,017,078,281 from equity method investment held for operating purposes during the year ended December 31, 2024, are included (see Note 10-(2)).

(In Korean won)

| | | 2023 |
|---|---|-----------------------------------|
| | | Real estate development/operation |
| 1. Revenue from contracts with customers | | |
| At a point in time | | |
| Services | ₩ | 836,968,182 |
| Housing | | 4,191,393,855 |
| Operation | | 11,632,441 |
| Subtotal | | 5,039,994,478 |
| Over time | | |
| Services | | 4,497,272,013 |
| Rental | | 7,116,650,576 |
| Construction | | 14,250,586,757 |
| Housing | | 53,172,629,071 |
| Subtotal | | 79,037,138,417 |
| 2. Revenue from other sources | | |
| Profits of associates and joint ventures ¹ | | 234,150,818,759 |
| Total | ₩ | 318,227,951,654 |

¹ Gain on valuation of ₩11,911,991,725 and gain on disposal of ₩222,238,827,034 from equity method investment held for operating purposes during the year ended December 31, 2023, are included (see Note 10-(2)).

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- (3) The transaction amount for major customers who contribute more than 10% of the Company's revenue and the ratio of the total operating revenue for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | | 2024 | | |
|------------|-----------------------------------|------|-----------------|------------|
| | Reportable segment | | Amount | Percentage |
| Customer A | Real estate development/operation | ₩ | 219,673,880,000 | 36.26% |
| Customer B | Real estate development/operation | | 156,085,203,106 | 25.76% |

(In Korean won)

| | | 2023 | | |
|------------|-----------------------------------|------|-----------------|------------|
| | Reportable segment | | Amount | Percentage |
| Customer C | Real estate development/operation | ₩ | 215,472,457,034 | 67.71% |

SK D&D Co., Ltd.

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29. OPERATING EXPENSES:

Details of operating expenses for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|--|-------------------|-------------------|
| Changes in inventories (including land) | ₩ 384,093,996,454 | ₩ 12,275,988,197 |
| Raw materials used | 7,347,135,033 | 3,568,980,099 |
| Employee benefit expenses | 27,440,444,891 | 31,144,881,607 |
| Depreciation (including depreciation of investment property) | 2,625,372,222 | 3,627,920,868 |
| Depreciation of right-of-use assets | 1,503,714,331 | 1,377,959,741 |
| Amortization | 2,365,706,069 | 1,877,902,713 |
| Outsourcing expenses | 72,703,495,151 | 26,690,553,020 |
| Commission expenses | 28,711,020,187 | 26,070,705,273 |
| Taxes and dues | 3,629,539,479 | (185,835,065) |
| Rental expenses | 488,496,617 | 417,553,630 |
| Advertising expense | 396,527,897 | 424,563,299 |
| Losses of associates and joint ventures ¹ | 27,179,976,488 | 29,827,621,741 |
| Other | 21,466,413,719 | 4,719,076,376 |
| Total | ₩ 579,951,838,538 | ₩ 141,837,871,499 |

¹ Loss on valuation from equity method investment held for operating purposes (see Note 10-(2)).

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30. NON-OPERATING INCOME AND EXPENSES:

- (1) Details of other non-operating income and expenses for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|---|------------------|-----------------|
| Other non-operating income | | |
| Rental revenues | ₩ 438,197,497 | ₩ 235,236,672 |
| Gain on disposal of property, plant and equipment | 566,657,952 | - |
| Gain on disposal of intangible assets | 265,324,090 | 67,955,254 |
| Gain on disposal of right-of-use assets | 10,438,202 | 53,894,383 |
| Miscellaneous gains | 10,846,386,153 | 2,901,345,861 |
| Reversal of provision for restoration | 305,940,000 | - |
| Gain on disposal of investment in associates | 413,695,166 | - |
| Gain on disposal of investment in subsidiaries | 3,365,376 | - |
| Gain on disposal of investment in joint ventures | 22,388,095,947 | - |
| Total | ₩ 35,238,100,383 | ₩ 3,258,432,170 |
| Other non-operating expenses | | |
| Loss on disposal of property, plant and equipment | ₩ 212,046,237 | ₩ 20,040,505 |
| Loss on disposal of intangible assets | 12,997,905 | 36,312,821 |
| Loss on disposal of right-of-use assets | - | 106,929,134 |
| Loss on inventory obsolescence | 22,000 | 231,890 |
| Donation | 1,498,826,370 | 519,572,288 |
| Miscellaneous losses | 400,981,656 | 377,934,865 |
| Compensation expenses | 3,554,693,230 | 5,219,722,888 |
| Loss on disposal of investment in associates | 1,510,237,200 | 41,502,413 |
| Impairment loss in investment in associates | - | 3,308,945,987 |
| Total | ₩ 7,189,804,598 | ₩ 9,631,192,791 |

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(2) Details of finance income and costs for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | | 2023 | |
|--|-------------|----------------|-------------|----------------|
| Finance income | | | | |
| Interest income | ₩ | 10,468,153,036 | ₩ | 6,485,074,926 |
| Gain on foreign currency transaction | | 1,070,235 | | - |
| Gain on foreign currency translation | | - | | 9,388,820 |
| Dividend income | | 1,701,955,279 | | 1,143,362,473 |
| Gain on derivative transactions | | 446,819,685 | | 3,709,501,908 |
| Gain on valuation of derivative financial instruments | | 5,535,409,535 | | 2,121,318,916 |
| Reversal of financial guarantee liabilities | | 3,337,298,480 | | 714,016,520 |
| Gain on valuation of financial assets at fair value through profit or loss | | 3,627,960,775 | | 177,058,035 |
| Gain on disposal of financial assets at fair value through profit or loss | | 1,236,328,368 | | 604,186,886 |
| Total | ₩ | 26,354,995,393 | ₩ | 14,963,908,484 |
| Finance costs | | | | |
| Interest expenses | ₩ | 37,354,115,229 | ₩ | 24,352,724,487 |
| Loss on foreign currency transaction | | 8,347,880 | | 2,904,673,722 |
| Loss on foreign currency translation | | 7,630,765 | | 8,682,020 |
| Loss on derivative transactions | | 254,096,503 | | - |
| Loss on valuation of derivative financial instruments | | 284,000,000 | | 6,252,322,430 |
| Financial guarantee expenses | | 3,337,298,480 | | 714,016,520 |
| Loss on valuation of financial assets at fair value through profit or loss | | 1,181,473,823 | | 7,678,137,763 |
| Loss on disposal of financial assets at fair value through profit or loss | | 1,880,000 | | - |
| Total | ₩ | 42,428,842,680 | ₩ | 41,910,556,942 |

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31. TAX EXPENSE:

(1) Income tax expense for the years ended December 31, 2024 and 2023, consists of:

| <i>(In Korean won, in percentage)</i> | 2024 | 2023 |
|---|------------------|------------------|
| Current income taxes | ₩ 11,466,733,149 | 42,635,407,291 |
| Additional payment of income taxes (refunds and others) | (13,907,265) | (759,620,107) |
| Changes in deferred tax due to temporary differences | (2,698,758,789) | (11,159,144,613) |
| Income tax expense charged directly to equity | (899,609,619) | 4,041,696,258 |
| Income tax expense | ₩ 7,854,457,476 | 34,758,338,829 |
| Income tax expense from continuing operations | 5,626,757,292 | 34,098,313,909 |
| Income tax expense from discontinued operations | 2,227,700,184 | 660,024,920 |
| Effective tax rate | 16.76% | 24.56% |

Income tax expense charged directly to the equity as at December 31, 2024 and 2023, is as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|--|-----------------|-----------------|
| Gain on valuation of derivative financial instruments | ₩ 231,490,490 | ₩ 380,347,295 |
| Share of other comprehensive (loss) income of associates | (1,146,176,731) | 3,819,541,340 |
| Actuarial gains and losses | 15,076,622 | (158,192,377) |
| | ₩ (899,609,619) | ₩ 4,041,696,258 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (2) Reconciliation between profit before income tax and income tax expense for the years ended December 31, 2024 and 2023, is as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|--|------------------------|-------------------------|
| Profit before income tax | ₩ 46,850,703,182 | ₩ 141,499,622,926 |
| Income tax based on statutory tax rate | 10,358,966,634 | 32,301,625,678 |
| Adjustments: | | |
| Non-deductible expense (2024: ₩1,129,836,679, 2023: ₩3,329,699,989) | 249,813,550 | 760,132,460 |
| Effect of unrecognized deferred tax among temporary differences | (2,596,395,645) | (1,221,588,317) |
| Refunds of income taxes | (13,907,265) | (759,620,107) |
| Effect of recirculation of corporate income | 1,142,310,858 | 3,466,539,616 |
| Non-deductible dividend income | (49,747,941) | (61,281,103) |
| Others (difference in tax rate, etc.) | (1,236,582,715) | 272,530,602 |
| Income tax expense | <u>₩ 7,854,457,476</u> | <u>₩ 34,758,338,829</u> |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (3) The movements in deferred tax assets and liabilities for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | |
|--|-------------------|-------------------|---|------------------|
| | Beginning balance | Profit or loss | Charged (credited) directly to the equity | Ending balance |
| Investment in subsidiaries and associates | ₩ 29,040,530,478 | ₩ 3,100,530,229 | ₩ (1,146,176,731) | ₩ 30,994,883,976 |
| Defined benefit obligations | 2,349,449,673 | (510,105,540) | - | 1,839,344,133 |
| Depreciation | 242,416,517 | (195,387,479) | - | 47,029,038 |
| Gain (loss) on foreign currency translation | 1,527,616,823 | (715,993,312) | - | 811,623,511 |
| Gain (loss) on valuation of securities | 4,386,973,160 | (3,767,476,285) | - | 619,496,875 |
| Unpaid annual leave | 180,621,832 | (60,648,885) | - | 119,972,947 |
| Long-term employee benefits | 72,296,442 | (23,797,662) | - | 48,498,780 |
| Provision for warranty | 362,972,706 | (172,952,357) | - | 190,020,349 |
| Provision for loss compensation | 225,869,539 | (225,869,539) | - | - |
| Finance costs on advance receipts | 1,370,932,956 | (1,328,234,816) | - | 42,698,140 |
| Accrued income | (533,665,941) | (473,103,296) | - | (1,006,769,237) |
| Plan assets | (2,349,449,673) | 510,105,540 | - | (1,839,344,133) |
| Interest on construction funds | (14,560,989,589) | 3,444,399,343 | - | (11,116,590,246) |
| Valuation of derivatives | (1,073,714,729) | (415,752,785) | 231,490,490 | (1,257,977,024) |
| Provision for long-term maintenance | 667,255,101 | (667,255,101) | - | - |
| Conversion of journal entry (lease) | 225,348,022 | (153,128,764) | - | 72,219,258 |
| Allowance for doubtful account | 313,363,411 | 150,638,645 | - | 464,002,056 |
| Asset impairment | 543,720,789 | - | - | 543,720,789 |
| Actuarial gains and losses | - | (15,076,622) | 15,076,622 | - |
| Long-term borrowings (present value discounts) | (806,075,610) | 51,392,831 | - | (754,682,779) |
| Allowance for valuation loss of completed projects | 228,306,923 | - | - | 228,306,923 |
| Allowance for valuation loss of land | 78,166,835 | 1,168,049,959 | - | 1,246,216,794 |
| Loss on impairment of investment assets | 79,218,000 | - | - | 79,218,000 |
| Bonuses | 2,311,659,000 | (956,934,000) | - | 1,354,725,000 |
| Others | 1,166,783,816 | (77,123,806) | - | 1,089,660,010 |
| | ₩ 26,049,606,481 | ₩ (1,333,723,702) | ₩ (899,609,619) | ₩ 23,816,273,160 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | 2023 | | | |
|--|-------------------|-----------------|--|------------------|
| | Beginning balance | Profit or loss | Charged (credited) directly to the equity | Ending balance |
| Investment in subsidiaries and associates | ₩ 15,971,124,092 | ₩ 9,249,865,046 | ₩ 3,819,541,340 | ₩ 29,040,530,478 |
| Defined benefit obligations | 2,590,554,602 | (241,104,929) | - | 2,349,449,673 |
| Depreciation | 220,326,398 | 22,090,119 | - | 242,416,517 |
| Gain on foreign currency translation | 1,221,258,106 | 306,358,717 | - | 1,527,616,823 |
| Gain on valuation of securities | 2,745,051,386 | 1,641,921,774 | - | 4,386,973,160 |
| Unpaid annual leave | 159,812,743 | 20,809,089 | - | 180,621,832 |
| Long-term employee benefits | 57,248,531 | 15,047,911 | - | 72,296,442 |
| Provision for warranty | 423,537,433 | (60,564,727) | - | 362,972,706 |
| Provision for loss compensation | 225,869,539 | - | - | 225,869,539 |
| Finance costs on advance receipts | 315,334,600 | 1,055,598,356 | - | 1,370,932,956 |
| Accrued income | (465,297,100) | (68,368,841) | - | (533,665,941) |
| Plan assets | (2,590,554,602) | 241,104,929 | - | (2,349,449,673) |
| Interest on construction funds | (8,261,624,583) | (6,299,365,006) | - | (14,560,989,589) |
| Valuation of derivatives | (1,480,062,287) | 26,000,263 | 380,347,295 | (1,073,714,729) |
| Provision for long-term maintenance | 667,255,101 | - | - | 667,255,101 |
| Conversion of journal entry (lease) | 33,236,136 | 192,111,886 | - | 225,348,022 |
| Allowance for doubtful account | 339,017,927 | (25,654,516) | - | 313,363,411 |
| Asset impairment | 543,720,789 | - | - | 543,720,789 |
| Actuarial gains and losses | - | 158,192,377 | (158,192,377) | - |
| Long-term borrowings (present value discounts) | (980,703,602) | 174,627,992 | - | (806,075,610) |
| Allowance for valuation loss of completed projects | 228,306,923 | - | - | 228,306,923 |
| Allowance for valuation loss of land | 78,166,835 | - | - | 78,166,835 |
| Loss on impairment of investment assets | 79,218,000 | - | - | 79,218,000 |
| Bonuses | 2,021,031,000 | 290,628,000 | - | 2,311,659,000 |
| Others | 748,633,901 | 418,149,915 | - | 1,166,783,816 |
| | ₩ 14,890,461,868 | ₩ 7,117,448,355 | ₩ 4,041,696,258 | ₩ 26,049,606,481 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (4) Details of unrecognized temporary differences related to investment assets as deferred tax assets (liabilities) as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|---|---------------------------|---------------------------|
| Investment in subsidiaries ¹ | ₩ (30,722,493,128) | ₩ (20,037,737,385) |
| Investment in joint ventures and associates | 60,000,000 | 60,000,000 |
| | <u>₩ (30,662,493,128)</u> | <u>₩ (19,977,737,385)</u> |

¹ Among the deductible (taxable) temporary differences in subsidiaries in which the Company holds 100% of the shares, deductible temporary differences consist of temporary differences with respect to subsidiaries for which it is probable that the temporary difference will not reverse in the foreseeable future and taxable profits will not be available and taxable temporary differences consist of temporary differences with respect to subsidiaries with a 100% non-inclusion rate of dividend income, although temporary differences are expected to be reversed only through dividends, not disposals.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

32. EARNINGS PER SHARE:

- (1) Details of calculation of basic and diluted earnings per ordinary share from continuing operations for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won, in shares)</i> | 2024 | | 2023 | |
|--|-------------|----------------|-------------|----------------|
| Profit attributable to ordinary shares from continuing operations ¹ | ₩ | 37,255,824,013 | ₩ | 94,468,799,372 |
| Weighted-average number of ordinary shares outstanding ² | | 19,244,938 | | 22,189,705 |
| Basic and diluted earnings per share from continuing operations ³ | ₩ | 1,936 | ₩ | 4,257 |

¹ Preferred shares are deducted from profit attributable to ordinary shares from continuing operations.

² Treasury shares acquired as a result of the spin-off during the year ended December 31, 2024, are reflected.

³ For the years ended December 31, 2024 and 2023, since there is no dilutive effect, basic and diluted earnings per ordinary share from continuing operations are the same.

- (2) Details of calculation of basic and diluted earnings per preferred share from continuing operations for the year ended December 31, 2023, are as follows:

| <i>(In Korean won, in shares)</i> | 2023 | |
|---|-------------|----------------|
| Profit attributable to preferred shares from continuing operations ¹ | ₩ | 10,525,012,569 |
| Weighted-average number of preferred shares outstanding ² | | 2,000,000 |
| Basic and diluted earnings per share from continuing operations ³ | ₩ | 5,263 |

¹ It is the amount corresponding to the percentage of preferred shares among the amount after deducting the dividend on preferred shares from the annual 4% dividend and the profit from continuing operations attributable to ordinary shares.

² Treasury shares acquired as a result of the spin-off during the year ended December 31, 2024, are reflected. Since there is no weighted-average number of preferred shares outstanding, as 1,539,252 shares of convertible preferred shares held by Hahn & Co. Development Holdings Co., Ltd. have been converted into ordinary shares, earnings per preferred share have not been calculated.

³ There are no potentially dilutive preferred shares to be considered when calculating diluted earnings per preferred share for the year ended December 31, 2023, therefore, the basic and diluted earnings per preferred share from continuing operations are the same.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (3) Details of calculation of basic and diluted earnings per ordinary share from discontinued operations for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won, in shares)</i> | 2024 | 2023 |
|--|-----------------|-----------------|
| Profit attributable to ordinary shares from discontinued operations ¹ | ₩ 1,740,421,693 | ₩ 1,572,298,343 |
| Weighted-average number of ordinary shares outstanding ² | 19,244,938 | 22,189,705 |
| Basic and diluted earnings per share from discontinued operations ³ | ₩ 90 | ₩ 71 |

¹ Preferred shares are deducted from profit attributable to ordinary shares from discontinued operations.

² Treasury shares acquired as a result of the spin-off during the year ended December 31, 2024, are reflected.

³ For the years ended December 31, 2024 and 2023, since there is no dilutive effect, basic and diluted earnings per ordinary share from discontinued operations are the same.

- (4) Details of calculation of basic and diluted earnings per preferred share from discontinued operations for the year ended December 31, 2023, are as follows:

| <i>(In Korean won, in shares)</i> | 2023 |
|---|---------------|
| Profit attributable to preferred shares from discontinued operations ¹ | ₩ 175,173,814 |
| Weighted-average number of preferred shares outstanding ² | 2,000,000 |
| Basic and diluted earnings per share from discontinued operations ³ | ₩ 87 |

¹ It is the amount corresponding to the percentage of preferred shares among the amount after deducting the dividend on preferred shares from the annual 4% dividend and the profit from discontinued operations attributable to ordinary shares.

² Treasury shares acquired as a result of the spin-off during the year ended December 31, 2024, are reflected. Since there is no weighted average number of preferred shares outstanding, as 1,539,252 shares of convertible preferred shares held by Hahn & Co. Development Holdings Co., Ltd. have been converted into ordinary shares, earnings per preferred share have not been calculated.

³ There are no potentially dilutive preferred shares to be considered when calculating diluted earnings per preferred share for the year ended December 31, 2023, therefore, the basic and diluted earnings per preferred share from discontinued operations are the same.

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Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (5) Weighted-average number of ordinary shares outstanding and the weighted-average number of preferred shares outstanding for calculation of basic and diluted earnings per share are as follows:

a) Basic and diluted earnings per ordinary share

| <i>(In shares)</i> | Period | Changes in details | Number of shares | Number of days | Weighted-average number of shares |
|--------------------|---------------|---|-------------------------|-----------------------|--|
| 2024 | 1/1 – 12/31 | Beginning balance | 22,190,164 | 366/366 | 22,190,164 |
| | 3/29 – 12/31 | Spin-off | (5,112,034) | 278/366 | (3,882,911) |
| | 3/29 – 12/31 | Acquisition of fractional shares | (11,291) | 278/366 | (8,576) |
| | 5/21 – 12/31 | Conversion of convertible preferred share into ordinary share | 1,539,252 | 225/366 | 946,261 |
| | Total | | | | <u>19,244,938</u> |
| 2023 | 1/1 – 12/31 | Beginning balance | 22,189,524 | 365/365 | 22,189,524 |
| | 9/20 – 12/31 | Treasury share disposal | 640 | 103/365 | 181 |
| | Total | | | | <u>22,189,705</u> |

¹ For the years ended December 31, 2024 and 2023, since there is no dilutive effect, basic and diluted earnings per ordinary share are the same.

b) Basic and diluted earnings per preferred share

| <i>(In shares)</i> | Period | Changes in details | Number of shares | Number of days | Weighted-average number of shares |
|--------------------|---------------|---------------------------|-------------------------|-----------------------|--|
| 2023 | 1/1 – 12/31 | Beginning balance | 2,000,000 | 365/365 | 2,000,000 |
| | Total | | | | <u>2,000,000</u> |

¹ There are no potentially dilutive preferred shares to be considered when calculating diluted earnings per preferred share for the year ended December 31, 2023, therefore, the basic and diluted earnings per preferred share are the same.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

33. CASH FLOWS:

- (1) Adjustments to cash generated from (used in) operations for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|--|------------------|-------------------|
| Loss related to equity method (operating) | ₩ 27,179,976,488 | ₩ 29,827,621,741 |
| Depreciation | 4,912,118,550 | 21,133,145,144 |
| Depreciation of investment property | 926,948,878 | 1,684,704,580 |
| Depreciation of right-of-use assets | 1,730,223,551 | 2,628,186,829 |
| Amortization | 2,536,271,892 | 2,847,062,470 |
| Bad debt expenses | 1,055,661,662 | 2,504,096,283 |
| Loss on disposal of right-of-use assets | - | 106,929,134 |
| Loss on disposal of property, plant and equipment | 212,046,237 | 21,492,537 |
| Loss on disposal of intangible assets | 12,997,905 | 51,100,000 |
| Loss on valuation of inventories | 15,009,280,625 | - |
| Loss on inventory obsolescence | 22,000 | 231,890 |
| Share-based payment expenses | 320,000,900 | 1,166,339,996 |
| Postemployment benefits | 1,754,705,951 | 1,883,272,617 |
| Employee benefits | 15,800,000 | - |
| Interest expenses | 39,685,878,851 | 38,615,388,308 |
| Loss on foreign currency translation | 851,289,546 | 786,325,110 |
| Contribution to provision for long-term maintenance | - | - |
| Contribution to provision for losses | 3,554,693,230 | 4,763,722,888 |
| Loss on derivative transactions | 254,096,503 | 394,824,175 |
| Loss on valuation of derivative financial instruments | 284,000,000 | 6,555,814,291 |
| Loss on valuation of firm commitments | - | 579,568,048 |
| Financial guarantee expenses | 3,337,298,480 | 844,920,630 |
| Loss on valuation using equity method | 9,434,054,399 | 17,103,285,207 |
| Loss on disposal of investment in associates | 1,510,237,200 | 96,085,534 |
| Impairment loss on investment in associates | - | 3,308,945,987 |
| Loss on valuation of financial assets at fair value through profit or loss | 1,181,473,823 | 7,678,137,763 |
| Loss on disposal of financial assets at fair value through profit or loss | 1,880,000 | - |
| Income tax expense | 7,854,457,476 | 34,758,338,829 |
| Profits related to equity method (operating) | (33,151,242,590) | (234,150,818,759) |
| Interest income | (11,390,908,521) | (10,318,293,814) |
| Dividend income | (1,745,591,649) | (1,346,089,777) |
| Gain on foreign currency translation | - | (91,031,605) |
| Reversal of provision for impairment | (363,426) | (2,366,348,712) |
| Reversal of warranty provision | - | (177,070,910) |
| Reversal of provision for restoration | (305,940,000) | - |
| Gain on derivative transactions | (491,015,697) | (4,295,335,401) |
| Gain on valuation of derivative financial instruments | (5,713,150,865) | (2,137,527,816) |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

| <i>(In Korean won)</i> | 2024 | 2023 |
|--|-------------------------|---------------------------|
| Gain on valuation of firm commitments | - | (438,060,857) |
| Gain on disposal of property, plant and equipment | (566,657,952) | (40,584,165) |
| Gain on disposal of intangible assets | (265,324,090) | (67,955,254) |
| Reversal of financial guarantee liabilities | (3,337,298,480) | (844,920,630) |
| Gain on valuation of financial assets at fair value through profit or loss | (3,769,048,479) | (177,058,035) |
| Gain on disposal of financial assets at fair value through profit or loss | (1,256,722,115) | (604,186,886) |
| Gain on valuation using equity method | (14,398,321,946) | (13,124,739,981) |
| Gain on disposal of right-of-use assets | (10,438,202) | (53,894,383) |
| Miscellaneous gains (effect of reestimating the lease) | (262,485,565) | (1,398,651) |
| Gain on disposal of investment in subsidiaries | (3,365,376) | (11,622,934) |
| Gain on disposal of investment in joint venture | (22,388,095,947) | - |
| Gain on disposal of investment in associates | (413,695,166) | (186,568,608) |
| Gain on disposal of discontinued operations | (2,587,562,631) | - |
| Total | <u>₩ 21,558,185,450</u> | <u>₩ (91,093,967,187)</u> |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(2) Changes in operating assets and liabilities for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|---|-------------------|-------------------|
| Disposal of investment in associates (operating) | ₩ - | ₩ 6,766,370,000 |
| Acquisition of investment in associates (operating) | (88,750,000,000) | (22,335,000,000) |
| Disposal of investment in joint ventures (operating) | 8,019,481,204 | 263,180,518,796 |
| Acquisition of investment in joint ventures (operating) | - | (24,700,000,000) |
| Disposal of investment in subsidiaries (operating) | 19,040,811,703 | - |
| Acquisition of investment in subsidiaries (operating) | (8,050,000,000) | - |
| Decrease (increase) in trade and other receivables | (15,550,969,104) | 13,561,543,945 |
| Decrease (increase) in inventories | 353,099,665,533 | (75,124,535,801) |
| Increase in contract assets | (1,699,389,168) | - |
| Decrease (increase) in contract costs | 3,245,256,363 | (1,105,603,748) |
| Increase in other current assets | (27,176,787,726) | (54,036,764,791) |
| Decrease (increase) in other non-current assets | 572,474,844 | (475,443,439) |
| Increase (decrease) in trade and other payables | (11,457,376,085) | 9,156,461,668 |
| Increase (decrease) in contract liabilities | (3,154,219,520) | 24,937,455,850 |
| Increase (decrease) in other current liabilities | (3,801,198,946) | 88,680,481,775 |
| Increase (decrease) in other non-current liabilities | (4,915,926,578) | 4,532,555,959 |
| Decrease in lease receivables | 1,209,989,586 | 1,994,156,874 |
| Transfer from and to associates | - | 26,110,925 |
| Benefit payments | (121,512,495) | 1,996,877,074 |
| Decrease in provisions | (5,252,480,978) | (72,166,652) |
| Contribution to plan assets | (2,739,102,634) | (2,984,087,677) |
| Total | ₩ 212,518,715,999 | ₩ 233,998,930,758 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (3) The statements of cash flows of the Company are prepared using the indirect method. Significant transactions not affecting cash flows for the years ended December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | 2023 |
|---|-----------------|-----------------|
| Change in scope of consolidation | ₩ - | ₩ 2,644,456,696 |
| Transfer of borrowings to current portion | 339,066,882,756 | 257,119,006,630 |
| Transfer of loans to current portion | 37,823,400,000 | 9,155,876,932 |
| Transfer of financial assets at fair value through profit or loss to current portion | 2,376,000,000 | - |
| Transfer of lease receivables to current portion | 745,258,702 | 742,079,380 |
| Transfer of advance payments to property, plant and equipment, and intangible assets | - | 2,858,313,500 |
| Transfer of advance payments to inventories | 8,346,904,158 | 29,887,823,854 |
| Transfer of construction-in-progress to property, plant and equipment property | 2,237,963,930 | 968,405,245 |
| Transfer of construction-in-progress to intangible assets | 771,950,000 | 1,358,824,755 |
| Transfer of inventories to property, plant and equipment property | - | 944,576,358 |
| Transfer of inventories to investment properties | - | 857,015,575 |
| Non-trade receivables related to the disposal of property, plant and equipment and intangible assets | - | 701,908,506 |
| Acquisition of right-of-use assets (new contract for lease liabilities) | 3,278,509,190 | 1,040,686,285 |
| Acquisition of right-of-use assets (provision for restoration) | 220,655,867 | 835,742,480 |
| Acquisition of right-of-use assets (present value discounts of deposits provided) | 214,341,797 | 52,867,866 |
| Non-trade payables related to the acquisition of property, plant and equipment, and intangible assets | - | 632,608,582 |
| Transfer of leasehold deposits provided to current portion | 24,824,835 | - |
| Transfer of leasehold deposits received to current portion | 69,427,178 | 2,688,333,330 |
| Transfer of leasehold deposits received to unearned revenues | 160,110,248 | 1,572,395,151 |
| Acquisition of financial guarantee liabilities (newly established) | 5,488,726,090 | 5,900,456,040 |
| Transfer of provision for restoration to current portion | 212,274,354 | - |
| Transfer of lease liabilities to current portion | 2,049,172,348 | 4,513,582,251 |
| Transfer of debentures to current portion | 87,897,619,841 | 200,371,643,662 |
| Transfer of derivative assets to current portion | - | 11,437,991,981 |

SK D&D Co., Ltd.

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As at and for the Years Ended December 31, 2024 and 2023

- (4) Changes in liabilities arising from financial activities for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | |
|---|---------------------|----------------------|---------------------|-------------------|
| | Beginning balance | Financing cash flows | Others ¹ | Ending balance |
| Short-term borrowings | ₩ 35,000,000,000 | ₩ 3,000,000,000 | ₩ (27,000,000,000) | ₩ 11,000,000,000 |
| Current lease liabilities | 3,167,493,053 | (3,284,511,879) | 1,530,443,189 | 1,413,424,363 |
| Current portion of long-term borrowings | 291,640,688,707 | (362,737,499,998) | 335,720,763,536 | 264,623,952,245 |
| Current portion of debentures | 201,459,592,795 | (45,382,000,000) | (68,109,313,206) | 87,968,279,589 |
| Long-term borrowings | 435,860,794,381 | 186,884,300,006 | (390,788,070,396) | 231,957,023,991 |
| Non-current debentures | 87,872,678,897 | 93,533,000,000 | (149,438,680,631) | 31,966,998,266 |
| Non-current lease liabilities | 9,235,971,923 | - | (6,864,467,956) | 2,371,503,967 |
| Dividend payable | - | (13,841,283,800) | 13,841,283,800 | - |
| Total | ₩ 1,064,237,219,756 | ₩ (141,827,995,671) | ₩ (291,108,041,664) | ₩ 631,301,182,421 |

¹ Effects on foreign currency translation of liabilities, transfers to current portion, changes due to the spin-off, etc., are included.

(In Korean won)

| | 2023 | | | |
|---|---------------------|----------------------|---------------------|---------------------|
| | Beginning balance | Financing cash flows | Others ¹ | Ending balance |
| Short-term borrowings | ₩ 8,000,000,000 | ₩ 27,000,000,000 | ₩ - | ₩ 35,000,000,000 |
| Current lease liabilities | 3,444,886,749 | (4,790,975,947) | 4,513,582,251 | 3,167,493,053 |
| Current portion of long-term borrowings | 196,816,861,002 | (162,352,700,000) | 257,176,527,705 | 291,640,688,707 |
| Current portion of debentures | 74,924,581,109 | (75,000,000,000) | 201,535,011,686 | 201,459,592,795 |
| Long-term borrowings | 554,649,931,717 | 136,413,766,668 | (255,202,904,004) | 435,860,794,381 |
| Non-current debentures | 250,136,172,342 | 37,917,000,000 | (200,180,493,445) | 87,872,678,897 |
| Non-current lease liabilities | 12,713,946,693 | - | (3,477,974,770) | 9,235,971,923 |
| Dividend payable | - | (19,795,619,200) | 19,795,619,200 | - |
| Total | ₩ 1,100,686,379,612 | ₩ (60,608,528,479) | ₩ 24,159,368,623 | ₩ 1,064,237,219,756 |

¹ Effects on foreign currency translation of liabilities and transfers to current portion, etc., are included.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

34. FAIR VALUE:

(1) The Company has classified fair value measurements in accordance with the fair value hierarchy, which reflects the significance of the inputs used in fair value measurement. The levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(2) Fair value hierarchy classifications of the financial instruments that are measured at fair value as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| | 2024 | | | |
|---|---------|-------------------|------------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | ₩ - | ₩ 114,531,933,873 | ₩ 53,944,184,738 | ₩ 168,476,118,611 |
| Derivatives not designated as hedging | - | - | 6,201,915,653 | 6,201,915,653 |
| Financial liabilities | | | | |
| Derivatives designated as hedging | - | 455,055,481 | - | 455,055,481 |
| Derivatives not designated as hedging | - | - | 570,000,000 | 570,000,000 |

(In Korean won)

| | 2023 | | | |
|---|---------|------------------|------------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | ₩ - | ₩ 26,177,058,035 | ₩ 50,131,121,618 | ₩ 76,308,179,653 |
| Derivatives designated as hedging | - | 6,787,685,645 | - | 6,787,685,645 |
| Derivatives not designated as hedging | - | - | 6,344,000,000 | 6,344,000,000 |
| Financial liabilities | | | | |
| Derivatives designated as hedging | - | 474,275,946 | - | 474,275,946 |
| Derivatives not designated as hedging | - | - | 8,290,322,430 | 8,290,322,430 |

The fair value of cash and cash equivalents, trade receivables, other receivables, other financial assets, long-term and short-term financial assets, trade payables, other payables, long-term and short-term borrowings and other financial liabilities is excluded from fair value disclosure because the effect of discount is not significant, as their fair values are similar to the carrying amounts.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (3) Valuation techniques used in the fair value measurements categorized within Level 3 of the fair value hierarchy as at December 31, 2024 and 2023, are as follows:

(In Korean won)

| (In Korean won) | | 2024 | | | |
|--------------------------|------------------|---|-------------------------------------|------------------|--|
| | Fair value | Valuation techniques | Unobservable inputs | Application rate | Relationship between unobservable inputs and fair value measurements |
| Beneficiary certificates | ₩ 16,201,665,051 | Income approach: The discounted cash flow method is used to estimate the present value of future economic benefits (considering cash outflows from management fees for the purchase of beneficiary certificates) that are expected to be derived from the ownership of an investee | Long-term growth rate | - | Fair value increases (decreases) as growth rate increases (decreases) |
| | | | Weighted average cost of capital | 7.29% – 9.07% | Fair value decreases (increases) as the discount rate increases (decreases) |
| | | | Cost of equity | 15.10% – 17.29% | Fair value decreases (increases) as the discount rate increases (decreases) |
| Unlisted investment | 37,742,519,687 | Income approach: The discounted cash flow method is used to estimate the present value of future economic benefits that are expected to be derived from the ownership of an investee | Long-term growth rate | - | Fair value increases (decreases) as growth rate increases (decreases) |
| | | | Cost of equity | 14.70% | Fair value decreases (increases) as the discount rate increases (decreases) |
| Derivative assets | 6,201,915,653 | Binomial option pricing model and discounted cash flow model: For contracts that include options, the option value is calculated through the binomial model for the payoff, and the discounted cash flow model is used to estimate the present value of future economic benefits of the underlying assets | Discount rate | 6.52% – 8.73% | Fair value of the option increases (decreases) as the underlying asset increases (decreases) |
| Derivative liabilities | 570,000,000 | | Volatility of the underlying assets | 12.6% – 50.0% | |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

2023

| | | Fair value | Valuation techniques | Unobservable inputs | Application rate | Relationship between unobservable inputs and fair value measurements |
|------------------------------------|---|----------------|--|---|---|---|
| Beneficiary certificates | ₩ | 16,430,701,931 | Income approach: The discounted cash flow method is used to estimate the present value of future economic benefits (considering cash outflows from management fees for the purchase of beneficiary certificates) that are expected to be derived from the ownership of an investee | Long-term growth rate Weighted average cost of capital Cost of equity | - 6.60% – 7.47% 14.09% – 15.85% | Fair value increases (decreases) as growth rate increases (decreases) Fair value decreases (increases) as the discount rate increases (decreases) Fair value decreases (increases) as the discount rate increases (decreases) |
| Unlisted investment | | 20,721,419,687 | Income approach: The discounted cash flow method is used to estimate the present value of future economic benefits that are expected to be derived from the ownership of an investee | Long-term growth rate Weighted average cost of capital | - - | Fair value increases (decreases) as growth rate increases (decreases) Fair value decreases (increases) as the discount rate increases (decreases) |
| Investment convertible notes, etc. | | 12,979,000,000 | Discounted cash flow: The fair value of investment convertible notes is measured by adding the fair value of general bonds that do not include conversion rights and the fair value of conversion rights, which are embedded derivatives (call options). The fair value of general bonds without conversion rights is measured by discounting the future cash flows of the bonds by applying the market interest rate applied to entities with similar creditworthiness to those of the issuer of convertible notes, and the fair value of conversion rights is measured using an option pricing model. Price volatility, which is a significant input used to measure the fair value of conversion rights, is estimated based on past stock price changes of the alternative companies. | Cost of equity Price volatility | 16.82% - | Fair value increases (decreases) as price volatility increases (decreases) |
| Derivative assets | | 6,344,000,000 | Binomial option pricing model and discounted cash flow model: For contracts that include options, the option value is calculated through the binomial model for the payoff, and the discounted cash flow model is used to estimate the present value of future economic benefits of the underlying assets | Discount rate Cost of equity Volatility of the underlying assets | 6.06% – 21.95% 15.22% 14.00% – 45.00% | Fair value of the option increases (decreases) as the underlying asset increases (decreases) |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

35. PURPOSE AND POLICY OF FINANCIAL RISK MANAGEMENT:

The Company's principal financial liabilities comprise trade and other payables, borrowings and debentures. These financial liabilities arise from the Company's operating activities. Also the Company has financial assets, including trade and other receivables, cash and cash equivalents and loans, which are directly derived from its operations.

The Company is exposed to market risk, credit risk and liquidity risk and its key management oversees the management of these risks. It is the Company's policy not to undertake any trading in derivatives for speculative purposes.

(1) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types: interest rate risk, foreign currency risk and other price risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company internally measures its interest rate risk based on 1%, which reflects the management's assessment of a reasonable level of interest rate risk.

As at December 31, 2024, long-term borrowings with variable interest rate are ₩77,162 million (2023: ₩73,957 million).

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. As at December 31, 2024, the Company does not have any monetary assets or liabilities denominated in foreign currencies. The book amounts of the Company's monetary assets and liabilities denominated in foreign currencies as at December 31, 2023, are as follows:

| <i>(In Korean won)</i> | 2023 | |
|------------------------|---------------|--------------------------------|
| | Assets | Liabilities¹ |
| USD | ₩ 75,946 | ₩ - |
| GBP | - | 98,507,400 |

¹ The Company has applied hedge on foreign currency denominated, and the hedge was determined to be effective for foreign currency risk, so the amount was excluded (see Note 22-(2)).

SK D&D Co., Ltd.

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The table below summarizes the impact of weakened/strengthened functional currency on the Company's profit (loss) for the year. The analysis is based on the assumption that functional currency has weakened/strengthened by 5%, with all other variables held constant. The Company internally assesses the currency risk against changes in exchange rate fluctuations regularly. The impact on profit or loss is limited, as the Company effectively manages foreign currency risk through currency futures trading.

| (In Korean won) | 2023 | |
|-----------------|-------------|-------------|
| | Increase 5% | Decrease 5% |
| USD | ₩ 3,797 | ₩ (3,797) |
| GBP | (4,925,370) | 4,925,370 |

The Company has entered into a loss limit agreement for derivative transactions, allowing it to conduct foreign exchange transactions with a bank without providing separate collateral.

(2) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations, resulting in a financial loss to the Company.

a) Trade and other receivables

The Company engages in credit transactions only with customers who have robust credit quality, as determined by the Company's credit investigation procedure. The Company regularly monitors the balances of trade and other receivables and reassesses customer credit ratings to maintain exposure level of impairment loss risk to unimportant level.

At the end of the reporting period, the Company individually recognizes whether major customer receivables are impaired or not, and additionally, in the case of a large number of small receivables, it is included in a group of financial assets with similar credit risk characteristics and ECLs of the Company are calculated collectively. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets described in Note 3.

b) Other assets

Credit risks associated with the Company's other assets, which consist of cash, short-term deposits and short-term and long-term loans arise from the default by the counterparties. Maximum exposure to credit risks will be the book value of the related assets. The Company deposits its surplus funds in Woori Bank and other financial institutions whose credit ratings are high; therefore, credit risk related to financial institutions is considered limited.

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

As at December 31, 2024, financial assets exposed to credit risk are as follows. The carrying amount indicates the maximum of exposure to credit risk.

| <i>(In Korean won)</i> | | 2024 | | 2023 |
|---|---|------------------------|---|------------------------|
| Financial assets at fair value through profit or loss | ₩ | 168,476,118,611 | ₩ | 76,308,179,653 |
| Financial assets at amortized cost | | 194,414,947,223 | | 403,061,410,940 |
| Derivatives designated as hedging | | - | | 6,787,685,645 |
| Derivatives not designated as hedging | | 6,201,915,653 | | 6,344,000,000 |
| | ₩ | <u>369,092,981,487</u> | ₩ | <u>492,501,276,238</u> |

(3) Liquidity risk

Liquidity risk refers to the risk that the Company may default on the contractual obligations that become due.

The Company manages its risk to a shortage of funds using a recurring liquidity planning tool. The Company matches the financial liabilities with the financial assets taking into account the maturity dates and cash flow from operating activities of those financial assets.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

| <i>(In Korean won)</i> | | 2024 | | | |
|---|---|-------------------------------|---------------------------------------|---------------------------------------|--------------------------|
| | | Less than 3 months | Between 3 months to 1 year | Between 1 year and 4 years | Total |
| Trade and other payables ¹ | ₩ | 15,301,706,437 | ₩ - | ₩ - | ₩ 15,301,706,437 |
| Short-term borrowings | | 146,835,616 | 11,109,057,808 | - | 11,255,893,424 |
| Current portion of long-term borrowings | | 78,218,539,359 | 200,103,032,833 | - | 278,321,572,192 |
| Current portion of debentures | | 51,224,794,521 | 38,543,328,767 | - | 89,768,123,288 |
| Long-term borrowings | | 3,464,599,562 | 33,024,216,301 | 216,414,423,758 | 252,903,239,621 |
| Debentures | | 591,780,822 | 1,808,219,178 | 32,843,698,630 | 35,243,698,630 |
| Long-term financial guarantee liabilities | | - | - | 7,346,002,240 | 7,346,002,240 |
| | ₩ | <u>148,948,256,317</u> | ₩ <u>284,587,854,887</u> | ₩ <u>256,604,124,628</u> | ₩ <u>690,140,235,832</u> |

¹ Lease liabilities and non-financial debts are excluded.

SK D&D Co., Ltd.

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As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

| | 2023 | | | | | |
|---|-----------------------|-------------------------------|-------------------------------|------------------|---------------------|--|
| | Less than 3 months | Between 3 months to 1 year | Between 1 year and 4 years | Over 4 years | Total | |
| Trade and other payables ¹ | ₩ 29,805,199,941 | ₩ - | ₩ - | ₩ - | ₩ 29,805,199,941 | |
| Short-term borrowings | 27,255,233,808 | 8,003,438,904 | - | - | 35,258,672,712 | |
| Current portion of long-term borrowings | 6,308,644,255 | 296,295,085,126 | - | - | 302,603,729,381 | |
| Current portion of debentures | 131,823,480,495 | 72,301,659,677 | - | - | 204,125,140,172 | |
| Long-term trade and other payables ¹ | - | - | 800,000,000 | 600,000,000 | 1,400,000,000 | |
| Long-term borrowings | 7,132,371,827 | 21,430,803,154 | 427,402,324,703 | 27,317,105,806 | 483,282,605,490 | |
| Debentures | 1,320,123,288 | 3,989,383,562 | 89,675,493,151 | - | 94,985,000,001 | |
| Long-term financial guarantee liabilities | - | - | 5,194,574,630 | - | 5,194,574,630 | |
| | ₩ 203,645,053,614 | ₩ 402,020,370,423 | ₩ 523,072,392,484 | ₩ 27,917,105,806 | ₩ 1,156,654,922,327 | |

¹ Lease liabilities and non-financial debts are excluded.

The amounts of financial liabilities by remaining maturity included in above represent undiscounted contractual principal, which differ from the carrying amount of financial liabilities recognized in the separate statements of financial position, and includes interest on financial liabilities to be paid in the future.

The total guaranteed amount under the financial guarantee contracts exposed to liquidity risk, other than the above, is ₩507,089 million (2023: ₩218,306 million), and the limit of the guarantee is ₩911,852 million (2023: ₩791,852 million) (see Note 24-(10)). In addition, the Company provides a Cash Deficiency Support agreement, with the maximum exposure to liquidity risk amounting to ₩546,800 million (2023: ₩421,000 million) under the agreement (see Note 24-(8)).

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(4) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain sound capital structure, the Company may adjust the dividend payments to shareholders, reduce issued capital or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2024.

The Company uses the debt ratio divided by total liabilities by equity capital. The total liabilities, equity capital and debt ratio as at December 31, 2024 and 2023, are as follows:

| <i>(In Korean won)</i> | 2024 | | 2023 | |
|------------------------|-------------|-----------------|-------------|-------------------|
| Total liabilities | ₩ | 706,905,528,747 | ₩ | 1,374,341,944,914 |
| Equity capital | | 576,898,494,384 | | 770,237,529,531 |
| Debt ratio | | <u>122.54%</u> | | <u>178.43%</u> |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

36. SPIN-OFF:

- (1) The Company established SK eternix Co., Ltd. (newly established company) through spin-off renewable energy and ESS business units, with the resolution of the board of directors on September 15, 2023, and the approval of the general shareholders' meeting on February 2, 2024. The newly established company has been relisted on the Korea Exchange's stock market on March 29, 2024, after relisting review in accordance with Article 38, Paragraph 1, Item 2, Article 39, Article 41 and Article 42 of the Korea Exchange's Securities Market Listing Regulations.

Details of spin-off are as follows:

Details

| | |
|-------------------------------|--|
| Companies subject to spin-off | The Company (existing company) SK eternix Co., Ltd. (newly established company) |
| Completion of stock spin-off | March 1, 2024 |

- (2) For non-cash assets that are non-reciprocal distributions, and where the owners of the same equity are treated equally, the Company recognizes the non-cash assets using the fair value at the date when the Company declares a distribution and has an obligation to distribute these assets to its owners. In relation to this, the dividends payable recognized by the Company on March 1, 2024, amount to ₩221,208 million. The difference of the said dividends payable is adjusted in the Company's equity.

In measuring the dividends payable, the Company measured the fair value of the segments subject to distribution using the estimate of independent external valuation and the valuation model.

These measurements are classified in Level 3. Significant input used in the fair value measurement are as follows:

Assumption

| | |
|----------------------|------|
| Discount rate | 8.9% |
| Terminal growth rate | 1.0% |

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As at and for the Years Ended December 31, 2024 and 2023

- (3) The Company's assets and liabilities for distribution to owners are as follows. The Company recognized the difference between the amount of the asset and liabilities for distribution to owners and dividend payable at fair value as gains on disposal of discontinued operations.

(In millions of Korean won)

2024

Assets for distribution to owners

| | | |
|---------------------------------------|---|---------|
| Current assets | ₩ | 471,750 |
| Cash and cash equivalents | ₩ | 214,830 |
| Short-term loans | | 21,193 |
| Trade and other receivables | | 27,664 |
| Inventories | | 150,806 |
| Current derivative financial assets | | 487 |
| Other current assets | | 56,770 |
| Non-current assets | | 234,685 |
| Long-term trade and other receivables | | 1,639 |
| Long-term financial instruments | | 8,132 |
| Long-term investment property | | 16,368 |
| Long-term loans | | 31 |
| Property, plant and equipment | | 190,848 |
| Right-of-use assets | | 5,131 |
| Intangible assets | | 3,728 |
| Other non-current financial assets | | 37 |
| Other non-current assets | | 2,747 |
| Derivative assets | | 1,092 |
| Deferred tax assets | | 4,932 |
| Total | | 706,435 |

Liabilities related to a group of assets for distribution to owners

| | | |
|---|--|---------|
| Current liabilities | | 334,319 |
| Trade and other payables | | 14,949 |
| Current portion of long-term borrowings | | 6,050 |
| Current portion of debentures | | 149,984 |
| Contract liabilities | | 58,328 |
| Other current financial liabilities | | 12 |
| Other current liabilities | | 104,996 |
| Non-current liabilities | | 153,496 |
| Long-term trade and other payables | | 4,583 |
| Long-term borrowings | | 82,336 |
| Debentures | | 61,570 |
| Provisions | | 2,969 |

SK D&D Co., Ltd.

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As at and for the Years Ended December 31, 2024 and 2023

(In millions of Korean won)

2024

| | | |
|---|-------|---------|
| Derivative financial liabilities | 2,038 | |
| Total | | 487,815 |
| Carrying amount of net assets (A) | | 218,620 |
| Dividend payable (B) | | 221,208 |
| Profit from discontinued operations (B-A) | ₩ | 2,588 |

(4) Details of profit and loss on discontinued operations due to the spin-off for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

2024

2023

| | | | | |
|---|---|-----------------|---|------------------|
| Operating revenue | ₩ | 10,982,587,999 | ₩ | 86,506,551,086 |
| Operating expenses | | (8,953,970,223) | | (75,960,248,272) |
| Operating profit | | 2,028,617,776 | | 10,546,302,814 |
| Finance income | | 1,663,828,668 | | 5,825,403,468 |
| Finance costs | | (3,271,102,401) | | (16,449,095,105) |
| Other income | | 987,622,861 | | 2,651,388,557 |
| Other expenses | | (28,407,658) | | (166,502,658) |
| Profit from discontinued operations before tax | | 1,380,559,246 | | 2,407,497,076 |
| Income tax expense | | (2,227,700,184) | | (660,024,920) |
| (Loss) profit from discontinued operations after tax | | (847,140,938) | | 1,747,472,156 |
| Gain on disposal of discontinued operations | | 2,587,562,631 | | - |
| Profit from discontinued operations (including gain on disposal of discontinued operations) | | 1,740,421,693 | | 1,747,472,156 |

(5) Cash flows from discontinued operations for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

2024

2023

| | | | | |
|--|---|-----------------|---|-----------------|
| □. Cash flows used in operating activities | ₩ | (9,596,631,434) | ₩ | (7,103,595,543) |
| □. Cash flows from investing activities | | 3,195,891,215 | | 18,977,275,620 |
| □. Cash flows from financing activities | | 104,680,876,923 | | 25,223,859,352 |
| □. Cash flows from discontinued operations | | 98,280,136,704 | | 37,097,539,429 |

SK D&D Co., Ltd.

Notes to the Separate Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(6) Rights and obligations transferred to the spun-off company

Active and passive assets; other rights and obligations, including rights and obligations under public law; and factual relations with monetary value (including licensing, labor relations, contract relations, litigation, etc.), which are related to the business subject to divide, are carried over to the spun-off company; otherwise, they are carried over to the original company.

(7) Responsibilities of the Company according to the spin-off

In accordance with Article 530(9)(1) of Commercial Law, the newly established company and the existing company are jointly liable for the liabilities of the Company before the spin-off date.

37. SUBSEQUENT EVENTS:

(1) Decision to increase short-term borrowings

On January 15, 2025, the board of directors decided to set a limit of ₩60 billion on the issuance of short-term electronic debentures to secure operating funds and others.

(2) Decision to cash dividend

The Company resolved to annual dividends at the board of directors' meeting on February 10, 2025, and the details are as follows:

| Details | |
|-----------------|--|
| Dividend amount | Ordinary shares: ₩7,442,436,400 (₩400 per share) |
| Dividend yield | 6.23% |
| Dividend date | March 31, 2025 |
| Payout date | April 22, 2025 |

38. APPROVAL OF ISSUANCE OF THE SEPARATE FINANCIAL STATEMENTS:

The separate financial statements of 2024 were approved for issue by the board of directors on February 10, 2025, and will be approved by the shareholders at their Annual General Meeting on March 25, 2025.

Independent Auditor's Report on Internal Control over Financial Reporting

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
SK D&D Co., Ltd.:

Opinion on Internal Control over Financial Reporting

We have audited SK D&D Co., Ltd.'s (the "Company") internal control over financial reporting as at December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We also have audited, in accordance with Korean Standards on Auditing, the separate financial statements of the Company, which comprise the separate statement of financial position as at December 31, 2024, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies, and our report dated March 12, 2025, expressed an unqualified opinion.

Basis for Opinion on Internal Control over Financial Reporting

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibility under these standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of internal control over financial reporting, and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for Internal Control over Financial Reporting

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Report on the Effectiveness of Internal Control over Financial Reporting.

Those charged with governance have the responsibilities for overseeing internal control over financial reporting.

Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting

Our responsibility is to express opinion on the Company's internal control over financial reporting based on our audit. We conducted the audit in accordance with Korean Standards on Auditing. Those standards

require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

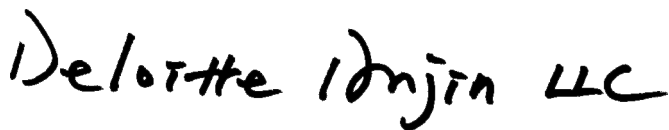
An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded, as necessary, to permit preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor's report is Hee-wan Park, certified public accountant.



Seoul, Korea
March 12, 2025

This report is effective as at March 12, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the Company's internal control over financial reporting thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Management's Report on the Effectiveness of Internal Control over Financial Reporting

(English Translation of a Report Originally Issued in Korean)

To the Shareholders, Board of Directors and Audit Committee of
SK D&D Co., Ltd.

We, as the president and the internal control over financial reporting ("ICFR") officer of SK D&D Co., Ltd. (the "Company"), assessed the effectiveness of the design and operation of the Company's ICFR for the year ended December 31, 2024.

The Company's management, including we, is responsible for designing and operating ICFR. We assessed the design and operating effectiveness of ICFR in the prevention and detection of an error or a fraud which may cause material misstatements in the preparation and disclosure of reliable separate financial statements. We designed and operated ICFR in accordance with *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting* established by the Operating Committee of ICFR in Korea (the "ICFR Committee"), and we conducted an evaluation of ICFR based on *Best Practice Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting* established by the ICFR Committee.

Based on the assessment results, we believe that the Company's ICFR as at December 31, 2024, is designed and operating effectively, in all material respects, in accordance with *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We certify that this report does not contain any untrue statement of a fact or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statement which causes material misunderstandings, and we have reviewed and verified this report with sufficient due care.

March 4, 2025

Han-youn Jeong, ICFR officer

Do-hyun Kim, chief executive officer