An aerial photograph of a vast, dense forest of tall, green coniferous trees, likely spruce or fir, covering a mountainous landscape. The trees are tightly packed, creating a textured green canopy. The lighting suggests a bright day, with some areas of the forest appearing slightly more vibrant than others.

SGC Energy Quarterly Earnings

October 2021



Disclaimer

Financial information contained in this document is based on consolidated K-IFRS that have not been reviewed by an independent auditor.

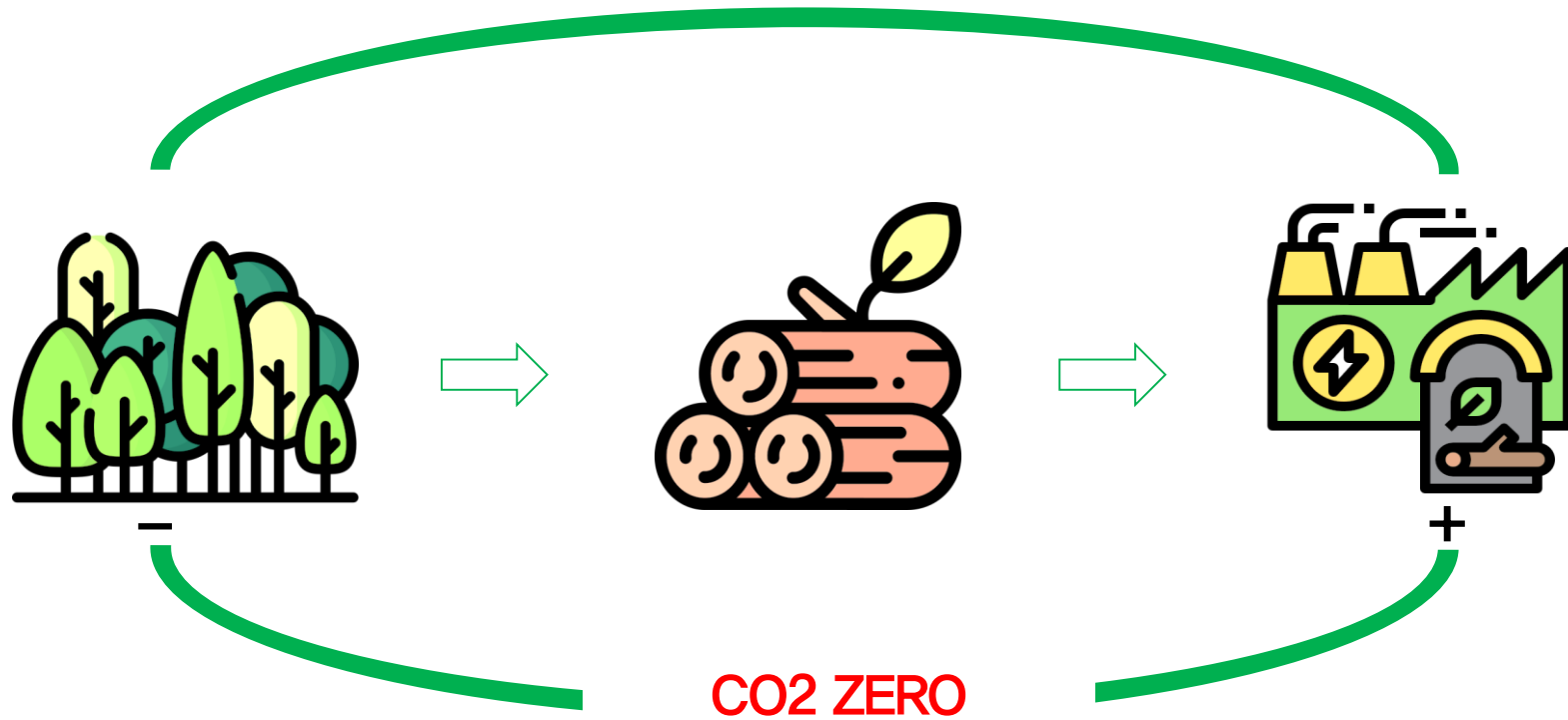
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01 Conversion Process



01 Financial Results (Q3 '21)



※ Q3 '21 Sales 1.23 trillion KRW, 70% of annual target of 1.8 trillion

(unit: millions of KRW)

Category	Q3 '21	Q2 '21	QoQ	Q3 '20 ^{Note,3}	YoY
Sales ^{Note 1}	393,946	422,765	-6.8%	80,227	391.0%
SGC Energy	104,549	96,744	8.1%	80,227	30.3%
SGC eTEC E&C ^{Note 2}	254,506	313,171	-18.7%	^{Note,3} 239,501	6.3%
SGC Solutions	48,675	68,843	-29.3%	^{Note,3} 68,240	-28.7%
Operating profit	27,262	30,264	-9.9%	1,231	2,114.6%
<i>Operating profit Margin</i>	<i>6.9%</i>	<i>7.2%</i>	<i>-0.3%</i>	<i>0.3%</i>	<i>6.6%</i>
Net income	16,978	15,686	8.2%	-2,935	678.5%
NI attributable to controlling interests	9,033	3,753	140.7%	-2,950	406.2%
NI attributable to non-controlling interests	7,945	11,933	-33.4%	15	56,650%
EPS (KRW)	641	271	370	-283	924

* Q3' 20: Sales figure represent consol. financial statements of former GUNJANG ENERGY.
Q2 & Q3 '21: Figures represent consol. financial statements of SGC ENERGY

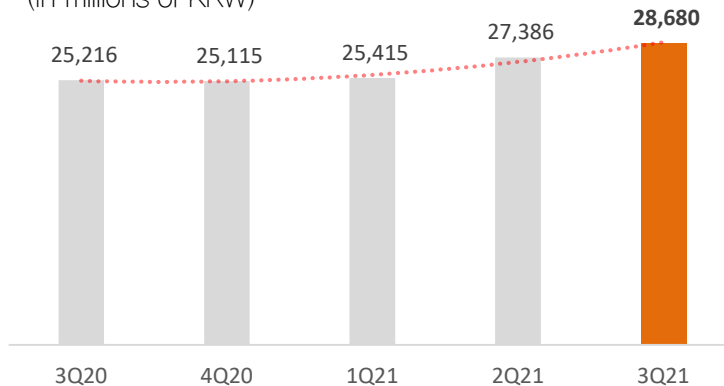
Note 1 Sales : The figure is post-consolidation adjustment

Note 2 SGC eTEC E&C: Includes SGC DEVELOPMENT' s

Note 3 20.Q3 : The QoQ data are pre-merger figures for SGC eTEC E&C and SGC Solutions respectively.

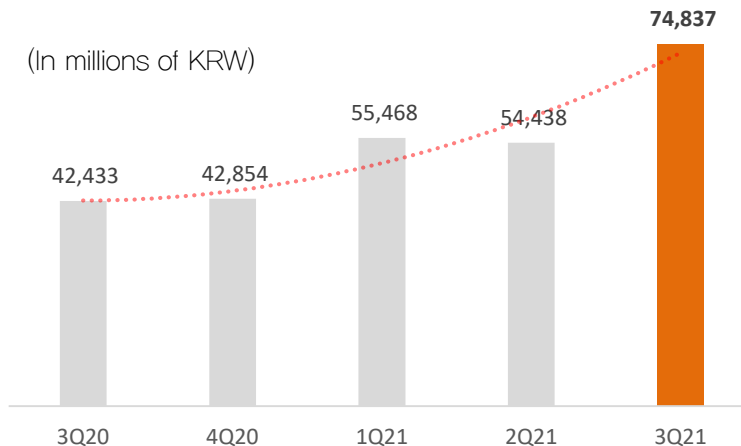
Steam sales: QoQ +4.7%, YoY +13.7%

(In millions of KRW)



Power sales: QoQ +37.5%, YoY +76.4%

(In millions of KRW)



Steam/Power

【Q3 '21】

□ Steam (Heat)

- About 5% increase in sales over QoQ
- Rise in unit price over slight drop in supply

□ Power Generation biz

- About 38% increase in sales over QoQ
- Increase both in volume of power supply as well as SMP or unit price (@ ↑ 17%)

【Q4 '21 outlook】

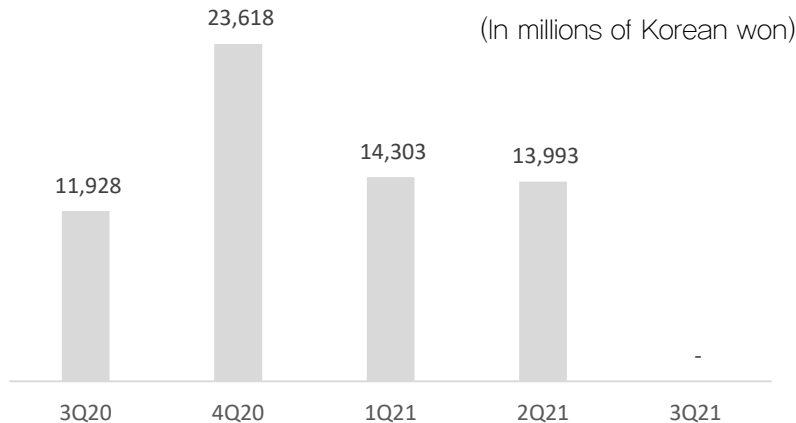
□ Steam biz

- Steam supply expect to increase as customers maintenance season end.

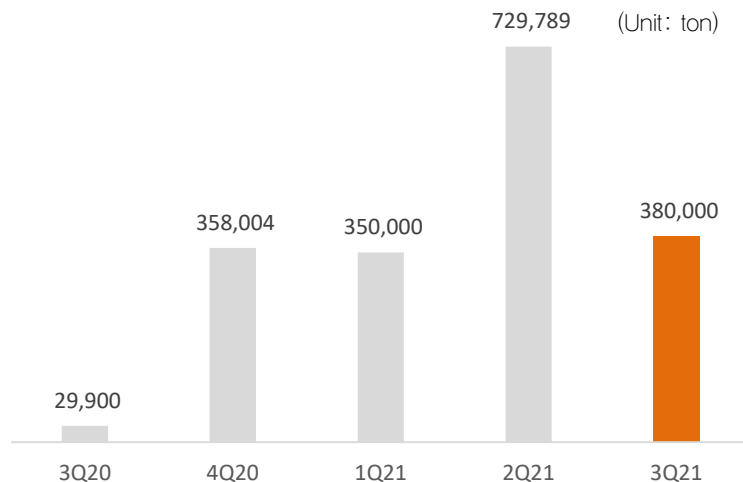
□ Power Generation biz

- SMP or unit price expected to go up as winter begins and LNG Price remains strong.
- Oil price, an 6-mo leading indicator of SMP is expected to remain high until Q1' 22.
- SMP averages above 105krw/kwh in Oct.

REC sales: QoQ –%, YoY –%



CC sales: QoQ –47.9%, YoY +1,170%



REC/Carbon Credit

【Q3' 21】

□ REC

- No REC sales due to deferred contract to Q4' 21
- The deferral took place as Contract pre-announcement of new legislation scheduled in Oct.

□ Carbon Credit

- A 380,000 ton of carbon credit was made at 35,000krw/ton

【Q4' 21 outlook】

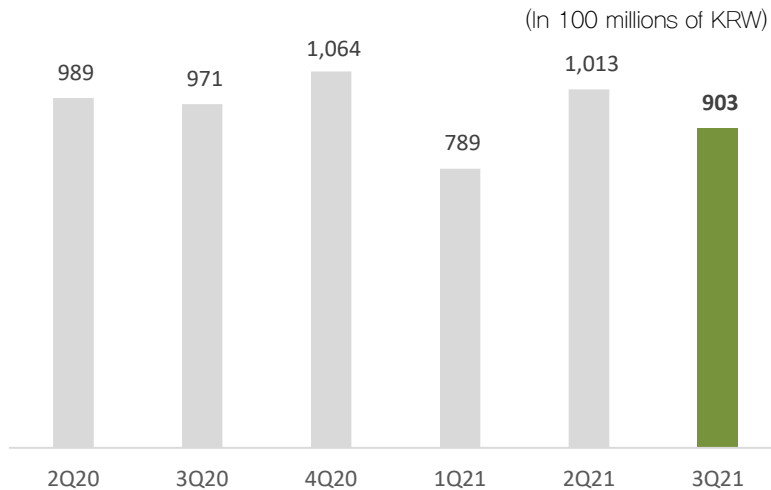
□ REC

- Expected to sell 800,000 ~ 1,000,000 REC
- Focus to contracts for mid- to long-terms.
- Spot price in rising trend as quota for mandatory supply increases.

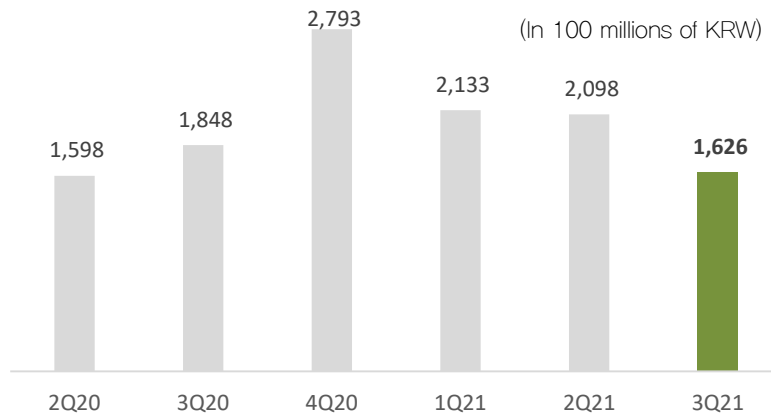
□ Carbon Credit

- Price of KAU21 is expected to rise further.
- CC sales for Q4 estimated between 250,000 to 300,000 ton

Building work: QoQ -18.7%, YoY -10.1%



Plant work: QoQ -22.5%, YoY -12.0%



Construction / Real Estate

【Q3' 21】

□ Building Construction

- Drop in sales due to the advanced progress made in Q3.
- More efforts put to bring up "THE LIV", brand equity

□ Plant Construction

- Warehouse plant projects still at early stages.
- New orders of warehouse plant projects w/ smart technology received.

【Q4' 21 outlook】

□ Building Construction

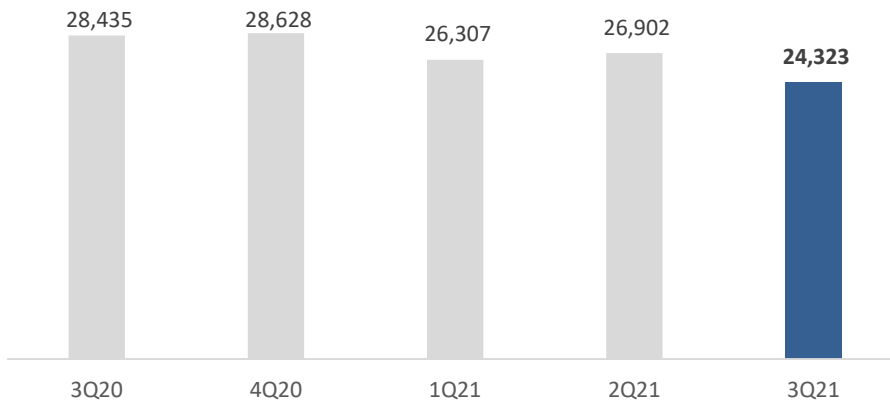
- Profit from sales of GASAN G-Valley Knowledge Center to be fruited.
- OP gets stable as company engages more invested projects.

□ Plant Construction

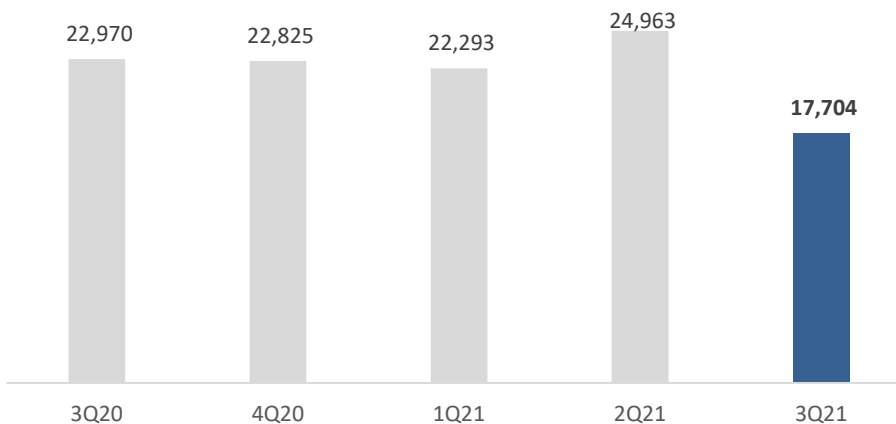
- Sales to go up as new projects progresses.
- New orders overseas to receive as the recovery of COVID-19 begins in SE Asia.

Glass bottle: QoQ -9.6%, YoY -14.5%

(In millions of KRW)

**Glass Kitchenware: QoQ -29.1%, YoY -22.9%**

(In millions of KRW)

**Glass Biz (B2B/B2C)****【Q3 '21】****□ Glass bottle (B2B)**

- Social distancing under COVID 19 affected sales of bottled-liquor consumption.
- Price for boxed bottles went up.

□ Glass MFG biz (B2C)

- Exports delayed due to difficulties in securing large vessel
- Direct sales decreased, but online sales continued to grow

【Q4 ' 21 outlook】**□ Glass bottle (B2B)**

- Price for non-boxed bottles will go up.
- Sales expected to go up as GOK policy changes to 'With CORONA' from Social Distancing.

□ Glass Kitchenware (B2C)

- Price for on/offline & exports will go up.
- Year-end sales & special online events will boost sales.

SGC GREEN POWER (Renewable Power Plant)

- Operation begins Nov. 2021
- Power generation capacity : 100MWh
(REC weight: 1.5times)



Power Generation /REC

【21.4Q】

□ Power Generation

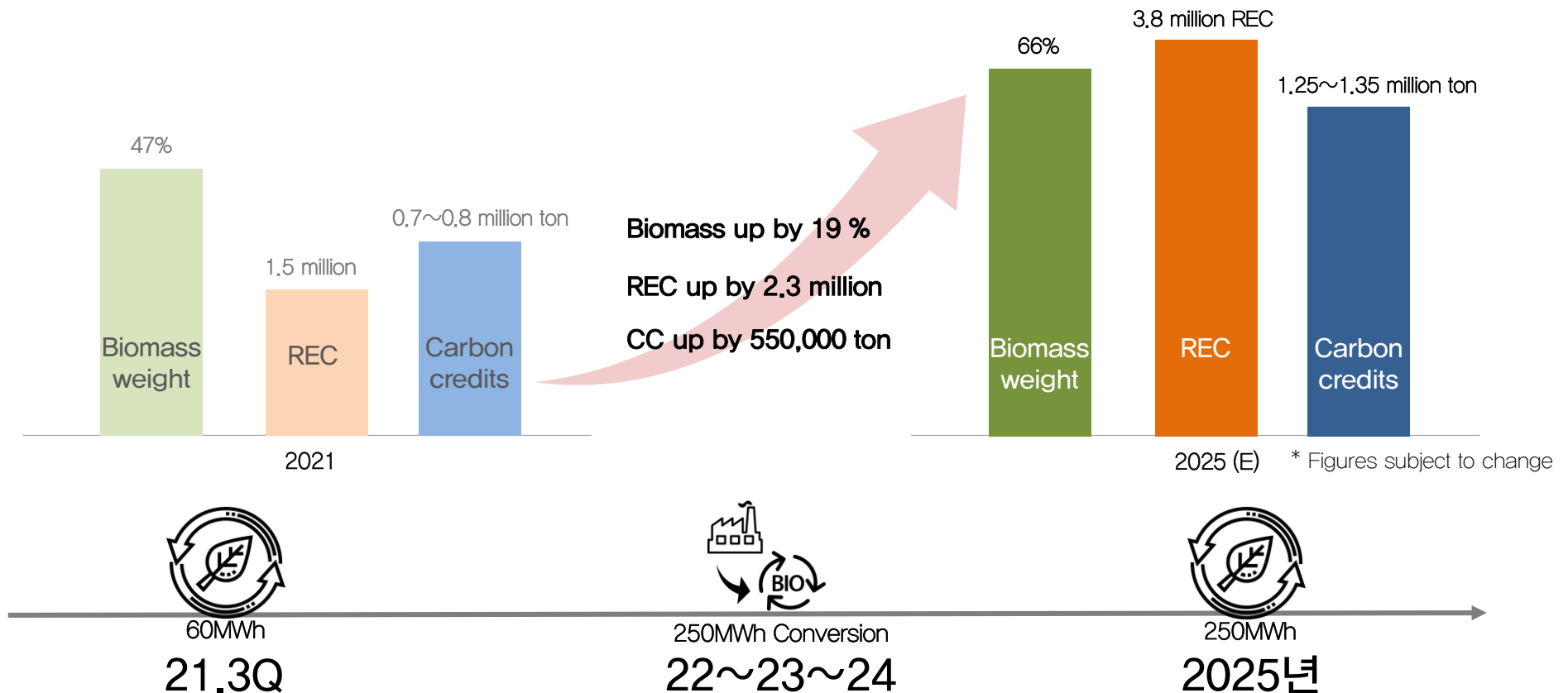
- Available for sale at real-time SMP price.
- Sales incur from Nov. 2021

□ REC

- Secured a 20-year long-term supply contract w/ Korea Water Resources Corporation
 - REC sales to be set at government-clearing price.
- First sales incur from 2022 as 2 month due certification period is required.

Big Conversion to Renewable Energy in progress

As a result, approx. 3.8 million RECs and 1.35 million tons of carbon credits to be available for sales by 2025



* 1 to 1.2 million REC of Green Power excluded.

04 Accumulated Figures by Q3'21

(In millions of KRW)

Category	3Q '21 ^{Note1}	3Q '20 ^{Note1}	YoY
Sales ^{Note 1}	1,232,665	293,062	320.6%
SGC Energy	297,536	293,062	1.5%
SGC eTEC E&C ^{Note 2}	862,037	—	—
SGC Solutions	187,700	—	—
Operating profit	88,438	60,856	45.3%
Operating profit Margin	7.2%	20.8%	-13.6%
SGC Energy	15.5%	—	—
SGC eTEC E&C	5.6%	—	—
SGC Solutions	0.5%	—	—
Net income	53,444	31,930	67.4%

^{Note1} Q3 '20 : Figures represent Former GUNJANG ENERGY CONSOLIDATED F/S
Q3 '21 : Figures represent SGC ENERGY CONSOLIDATED F/S

^{Note2} Sales : Figure is post-consolidated adjustment.

Forecasting 2022

【Energy】

- Steam : Ability to transfer fuel price hikes remain.
- Power generation : Strong oil price by Q1,22 support for strong SMP until Q3, 22.
- REC : Strong bargaining power as quota for RPS mandatory supply ratio increases.
- C. credit price expected to rise due to re-opening demand.

【Construction / Real Estate】

- Construction : Increasing invested projects to help maintain profitability and stable CF.
- Plant :
 - Warehouse plant projects w/ smart technology to attract more orders ahead.
 - New overseas orders expected as COVID19 eases

【Glass MFG】

- Glass Bottle: Expected to reduce costs by introducing semi-automated facilities in BOX line
- Glass Kitchenware: Strengthen sales by expanding sales channels and direct transactions
- New trial of specialized glasses for durable goods expected to play a new role in 2022.

Consolidated financial statements (Summary)

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(In millions of KRW)	3Q20	4Q20	1Q21	2Q21	3Q21
Sales	80,227	128,919	415,954	422,765	393,946
SGC Energy	80,227	92,362	96,243	96,744	104,549
SGC eTEC E&C	—	1,327	294,360	313,171	254,506
SGC Solutions	—	47,817	70,182	68,843	48,675
Operating profit	1,231	3,375	30,912	30,264	27,262
Ratio of operating gain to revenue (%)	2%	3%	7%	7%	7%
Financial income	69	791	1,985	2,392	2,570
Financial expense	5,502	7,495	8,540	7,988	7,836
Return on Equity	164	44	—	—	—
Profit before income tax	-3,961	14,132	26,208	23,627	24,912
Income tax expense	-1,027	230	5,428	7,940	7,934
Net income	-2,935	13,903	20,780	15,686	16,978
Controlling Interest net income	-2,950	13,912	13,561	3,753	9,033
Non-controlling interest	14	-9	7,219	11,933	7,945
EBITDA Rate	17%	20%	14%	13%	14%

Note1 Sales : Consolidated Adjustment Reflected Value

* 20.3Q : Former GUNJANG ENERGY NON-CONSOLIDATED F/S

20.4Q : Simple sum of former GUNJANG ENERGY CONSOLIDATED F/S Oct data and SGC ENERGY NON-CONSOLIDATED F/S's Nov~Dec data

21.1Q/2Q/3Q : SGC ENERGY NON-CONSOLIDATED F/S

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of KRW)	2019.12.31	2020.12.31	2021.09.30
Current assets	197,446	780,569	710,510
Cash and cash equivalents	18,974	174,682	164,763
Short-term financial instruments	85,398	18,111	7,812
Account & Other Receivables	45,415	337,897	199,297
Non-current assets	1,288,727	1,885,101	1,903,802
Tangible assets	1,178,031	1,451,249	1,463,359
Intangible assets	1,435	8,321	12,925
Right-of-use assets	74,809	78,961	75,224
Investments in real estate	—	99,833	108,570
Deferred income tax assets	10,154	4,392	2,877
Total assets	1,486,173	2,665,670	2,614,312
Current liabilities	281,164	1,385,618	1,122,262
Accounts & Other payables	89,255	332,907	239,814
Borrowings and debentures	181,673	809,360	239,814
Lease liabilities	2,320	5,494	6,053
Current income tax liability	4,716	8,011	13,914
Non-current liabilities	778,833	611,975	806,290
Borrowings and debentures	682,959	489,487	681,796
Lease liabilities	74,476	77,359	74,358
Total liabilities	1,059,997	1,997,593	1,928,552
Capital stock	52,050	73,385	73,385
Capital surplus(Other capital)	- 6,686	426,461	426,416
Retained earnings	379,123	87,237	91,345
Non-controlling interest	1,847	101,131	125,059
Total shareholders' equity	426,176	668,077	685,760
Total liabilities and equity	1,486,173	2,665,670	2,614,312

SGC ENERGY. 12

Non-consolidated financial statements (Summary)

Non-Consolidated Statements of Comprehensive Income

(In millions of KRW)	3Q20	4Q20	1Q21	2Q21	3Q21
Sales	80,416	92,444	96,244	96,744	104,549
Cost of sales	80,339	86,187	77,368	83,529	83,900
Operating profit	77	6,257	18,875	11,196	18,645
Ratio of operating gain to revenue (%)	0%	7%	20%	12%	18%
Financial income	1,557	2,717	1,838	1,056	-881
Financial expense	5,774	11,140	6,756	6,511	6,488
Profit before income tax	-3,786	-5,986	13,874	5,717	11,248
Income tax expense	-1,027	1,442	2,365	1,934	2,482
Net income	-2,760	-7,428	11,509	3,784	8,766
EBITDA Rate	16%	27%	39%	31%	36%

* 20.3Q : Former GUNJANG ENERGY NON-CONSOLIDATED F/S
 20.4Q : Simple sum of former GUNJANG ENERGY CONSOLIDATED F/S Oct data and
 SCG ENERGY NON-CONSOLIDATED F/S's Nov~Dec data
 21.1Q/2Q/3Q : SGC ENERGY NON-CONSOLIDATED F/S

Non-Consolidated Statements of Financial Position

(In millions of KRW)	2019.12.31	2020.12.31	2021.09.30
Current assets	183,030	160,653	215,426
Cash and cash equivalents	10,371	32,530	66,974
Short-term financial instruments	81,307	2,362	2,861
Account & Other Receivables	40,623	63,693	55,954
Non-current assets	1,140,302	1,485,570	1,429,587
Tangible assets	26,084	313,994	313,994
Intangible assets	1,021,288	960,221	923,587
Right-of-use assets	1,435	1,482	8,562
Investments in real estate	74,809	71,056	67,943
Deferred income tax assets	—	—	—
	10,154	—	—
Total assets	1,323,332	1,646,223	1,645,013
Current liabilities	205,090	700,101	608,254
Accounts & Other payables	49,581	36,555	61,199
Borrowings and debentures	141,673	604,400	497,916
Lease liabilities	2,320	2,671	2,837
Current income tax liability	4,716	4,015	6,875
Non-current liabilities	693,833	389,308	488,491
Borrowings and debentures	597,959	268,229	390,438
Lease liabilities	74,476	72,215	70,208
	—	9,300	9,300
Total liabilities	898,923	1,089,409	1,096,745
Capital stock			
Capital surplus(Other capital)	52,050	73,385	73,385
Retained earnings	—	420,105	420,105
Non-controlling interest	-4,358	-1,679	-11,421
	376,717	65,080	66,277
Total equity	424,409	556,814	548,268
Total liabilities and equity	1,323,332	1,646,223	1,645,013