SGC Energy

Investor Relations

Q1 ’26 Earnings Report

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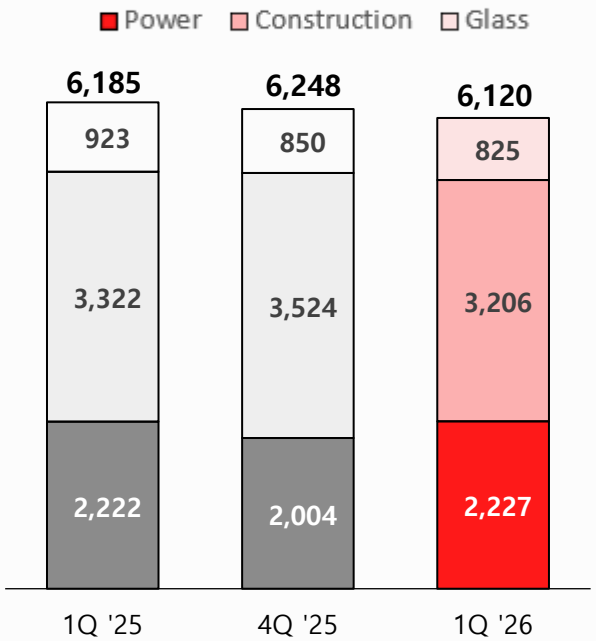
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Q1 '26 Earnings Result

Sales

「Solid Top Line」

612.0 bn

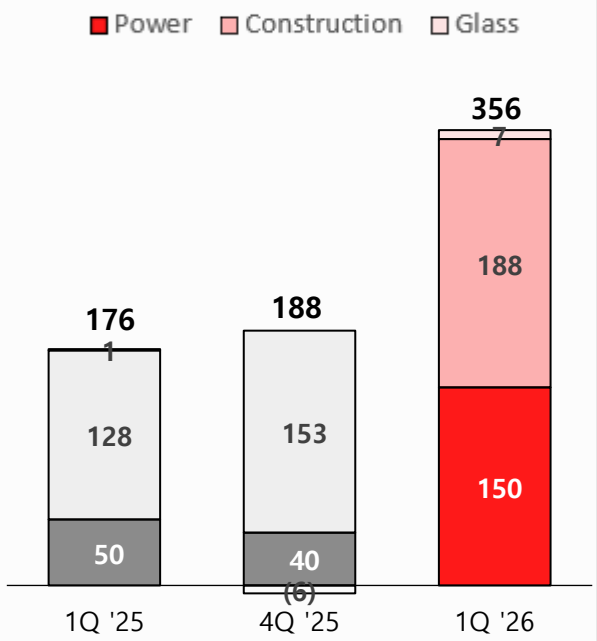


(Unit: KRW 100mn)

Operating Profit

「Robust Profit Growth」

35.6 bn

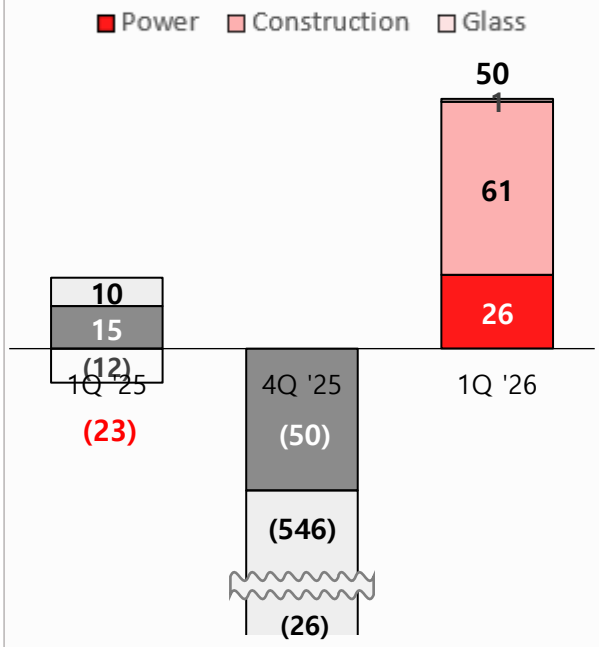


(Unit: KRW 100mn)

Net Profit

「Profit Turnaround」

5.0 bn



(Unit: KRW 100mn)

* Consolidated Total: Consolidated adjustments | Business Segment Results: Simple summation of subsidiary figures prior to consolidation.

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Consolidated Business Performance(K-IFRS)

(Unit: KRW 100mn)

Classification	Q1 '26	Q4 '25	QoQ	Q1 '25	YoY
Sales [1]	**6,120**	**6,248**	△2.0%	**6,185**	△1.0%
Power Plant & Energy	**2,227**	2,004	+11.2%	2,222	+0.2%
Construction & Real Estate Development	**3,206**	3,524	△9.0%	3,322	△3.5%
Glass Manufacturing	**825**	850	△3.0%	923	△10.6%
Operating Profit	**356**	**188**	+88.9%	**176**	+102.7%
Power Plant & Energy	**150**	40	+275.8%	50	+202.1%
Construction & Real Estate Development	**188**	153	+22.4%	128	+46.8%
Glass Manufacturing	**7**	-6	Profit turnaround	1	+789.3%
Operating Margin(%)	***5.8%***	***3.0%***	***+2.8%p***	***2.8%***	***+3.0%p***
Non-operating income	**120**	190	△36.9%	110	+8.5%
Non-operating expense	**351**	1,112	△68.4%	345	+1.9%
Net Profit	**50**	**-689**	**Profit turnaround**	**-23**	**Profit turnaround**
Attributable to controlling interest	**45**	-437	Profit turnaround	-28	Profit turnaround
EPS(KRW)	**314**	-3,035	Profit turnaround	-193	Profit turnaround

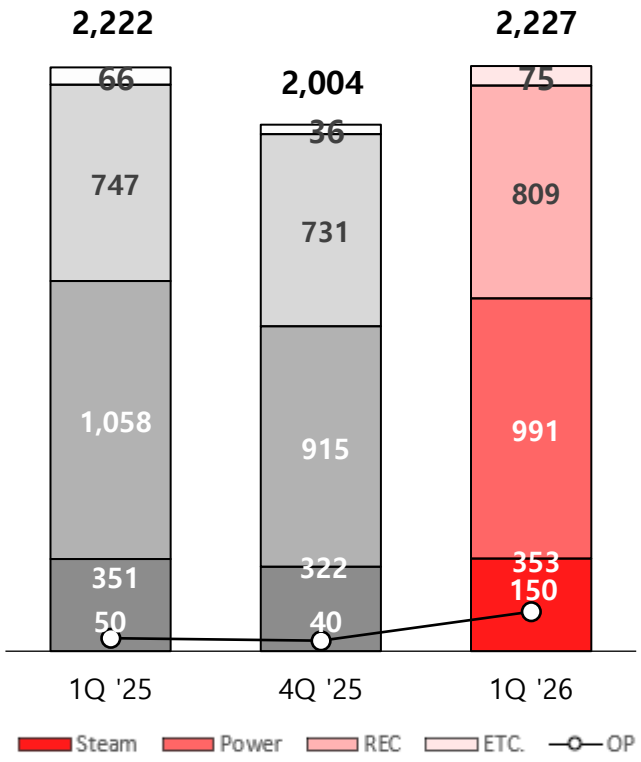
1) Consolidated Total: Consolidated adjustments | Business Segment Results: Simple summation of subsidiary figures prior to consolidation.

Performance by Business Group

Power Plant & Energy

Business Result (Sales/OP)

(Unit: KRW 100mn)



1Q '26 Highlights

- **Growth in power sales and earnings driven by higher SMP** (avg. KRW 107/kWh for 1Q)
  - Crude oil & LNG supply-demand instability alongside wood pellet price stabilization
- **Secured stable profitability by supplying 1.2M RECs**(1.15M contracted, 0.05M spot)
  - Higher RPS mandatory ratio(14% → 15%) and increased REC demand(+7.6%)

2Q '26 Outlook

- **Sustained upward momentum in SMP driven by continued crude oil and LNG supply-demand instability** (April avg. KRW 120/kWh)
- **Continued expansion of cost competitiveness by scaling up domestic unused wood chip input**
  - Cost structure improved through 2x input volume(110k → 220k Ton YoY) and a 10% unit price decrease
- **Strategic carbon credit sales amid rising prices** (+30%, April avg. KRW 17,000/t)

2H '26 Outlook

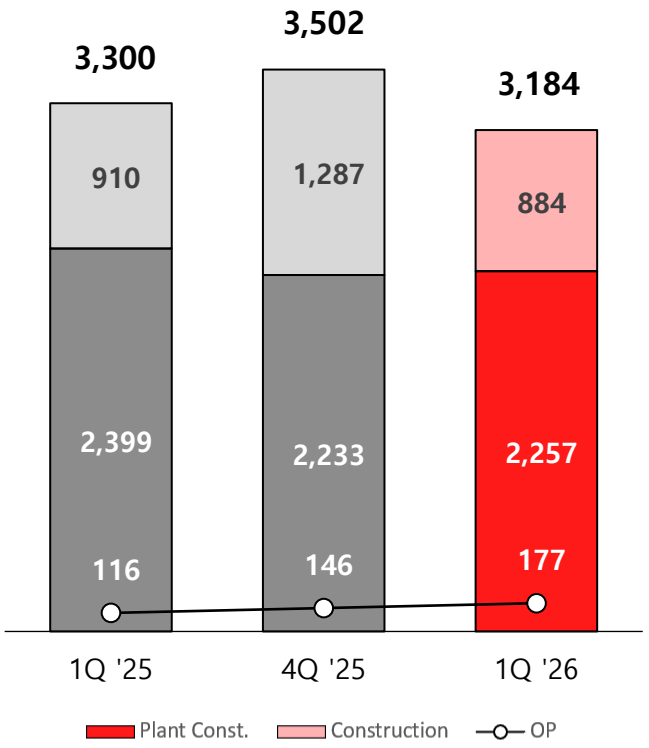
- **Accelerating margin expansion driven by projected SMP increase**
- **REC demand expansion via higher mandatory volume → Price and sales volume growth expected**
- **Increased earnings contribution via higher carbon credit prices** (forecasted KRW 20,000/t)
- **Sustained fuel cost reduction and cost structure improvement via reduced use of high-cost imported wood pellets**

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Construction & Real Estate Development

Business Result (Sales/OP)

(Unit: KRW 100mn)



1Q '26 Highlights

- **Plant Const. : Structural earnings growth driven by progress in global projects**
- **Construction : Securing mid to long-term performance through new order expansion in public and development sectors** (approx. KRW 500bn)

2Q '26 Outlook

- **Plant Const : Entering earnings growth phase via accelerated project execution and cost savings**
- **Construction : Continued pipeline expansion driven by new orders with stable structures**

2H '26 Outlook

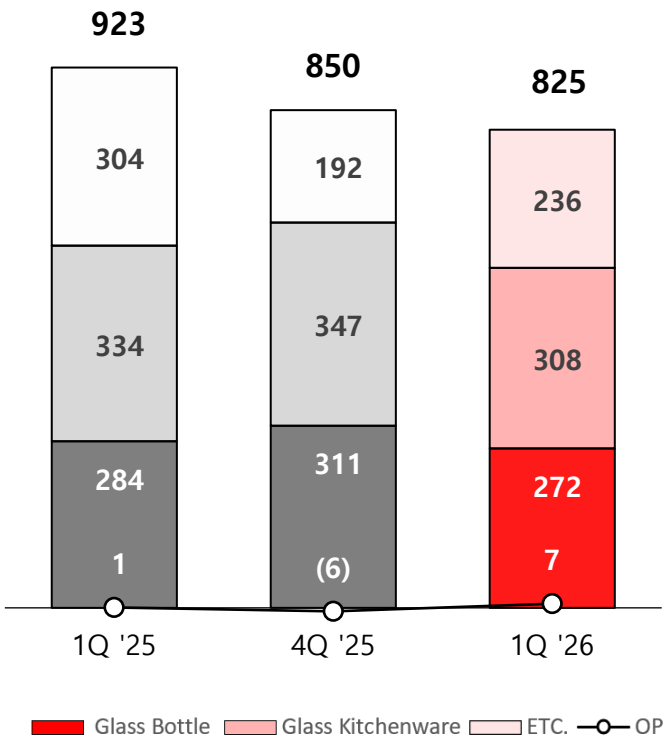
- **Plant Const. : Strengthening growth drivers by optimizing order portfolio**
  - Entering a level-up phase driven by global new order expansion
- **Construction : Securing both stability and growth by expanding both public and development sectors**
  - Public: Establishing a stable revenue base through expansion of SOC and public orders
  - Development : Expanding portfolio centered on high-value projects (semiconductors, pharma/bio, etc.)
- **Financial expense savings via operating cash flow-based debt & structure improvement**

Performance by Business Group

Glass Manufacturing

Business Result (Sales/OP)

(Unit: KRW 100mn)



1Q '26 Highlights

- **Increased earnings driven by yield improvement post prior-year maintenance**
  - Production Yield : Glass Bottle 86.4% (QoQ 2.8% ↑ / YoY 5.7% ↑)
    Glass Kitchenware 83.8% (QoQ 4.8% ↑ / YoY 6.3% ↑)
- **Glass Kitchenware : Enhanced profitability through SG&A(promotions) cost reduction**

2Q '26 Outlook

- **Glass Bottle : Expected structural demand drop for liquor & beverage bottles due to consumption slowdown**
- **Glass Kitchenware : Sustained earnings via major overseas orders & new domestic channel expansion**

2H '26 Outlook

- **Glass Bottle : Maintaining conservative operations amidst market demand contraction**
  - Tightening cost management in response to cost increase pressures
- **Glass Kitchenware : Profitability expansion via domestic & overseas channel growth**
  - Packaging automation setup by 2H, scheduled to operate in Jan 2027

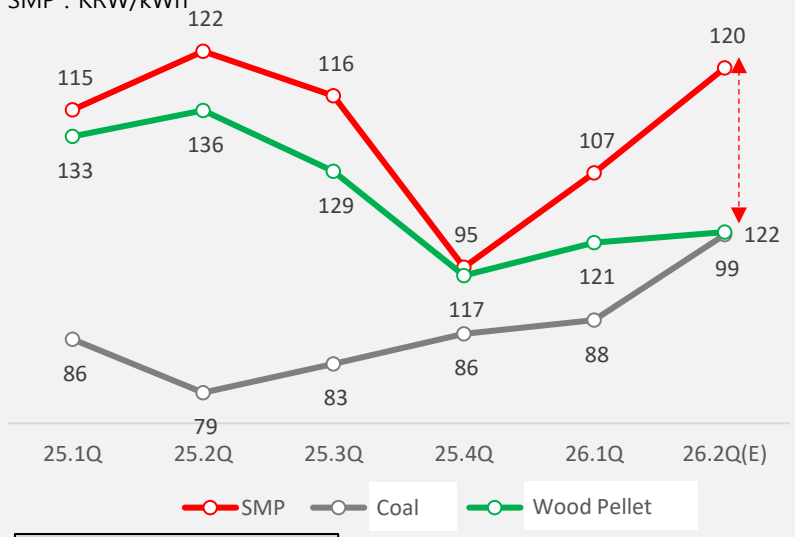
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Key Business Updates_Cost Competitiveness

- **Sales & earnings growth** via higher SMP and stabilized imported wood pellet prices
- **Hedging cost volatility risk** by passing through coal price hikes into steam selling prices

SMP & Fuel Price Trend

* Coal($) : FOB Vostochny to Korea (6,000 kcal/kg)
Wood Pellet($) : FOB Vietnam to Korea
SMP : KRW/kWh



Sales & OP [1)] (Units : KRW / KRW bn)

+5	+10	+15	+20
+16	**+32**	**+49**	**+65**

Outlook & Expected Effects

Trend (QoQ)	SMP 12.5% ↑ Wood Pellet 1.0%↑, Coal 12.3%↑
Outlook	- SMP : Oil/LNG price hikes due to supply-demand imbalance - Coal : Ongoing upward price pressure on US-Iran conflict - Wood Pellet(import) : Domestic REC policy changes and weak demand leading to downward stabilization
Expected Effects	- Profit spread expected to widen due to rising SMP against stabilized fuel costs - SMP Sensitivity: +KRW 10/kWh increase yields approx. +KRW 32.0bn in annual sales & OP

* Source : Argus Media, Korea Power Exchange(KPX)

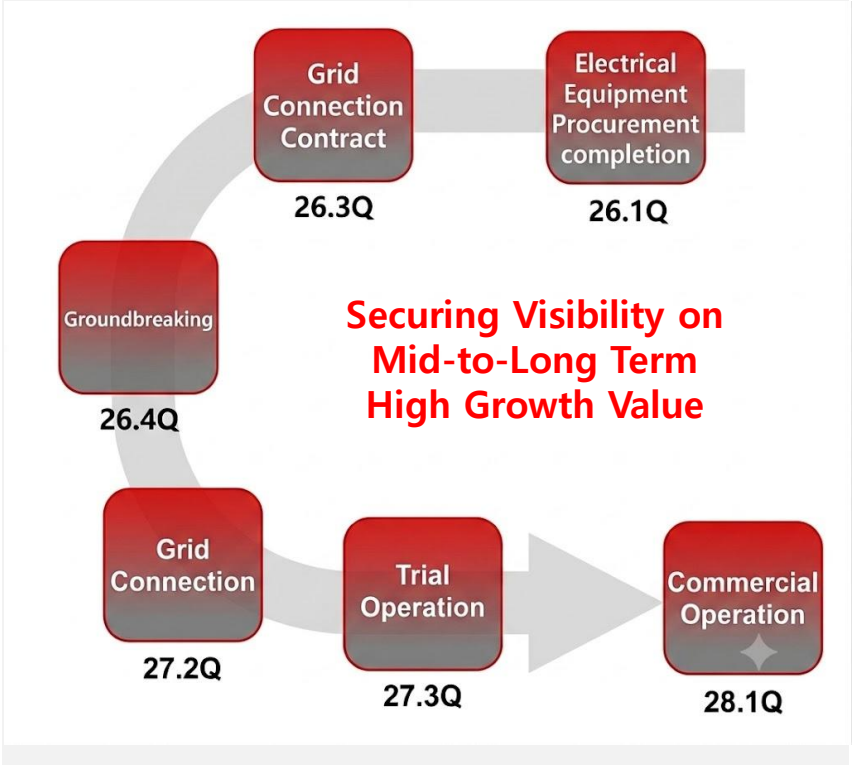
1) Sales & OP : Projected annual growth in revenue & OP per SMP increase (425MW * Annual(320 days)* SMP increase)

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Key Business Updates_ AI Data Center Progress

- **Completed establishment of 2 new entities** in Apr 2026(100% equity stake held by SGC Energy)
- (Phase 1) Groundbreaking : 4Q26, Trial Operation : 3Q27 → Schedule advanced to 1Q27
- **(Phase 2) Business Expansion Discussions : Expected in 1Q27 → Securing further growth options**

Key Milestones



** Note : The schedule above is subject to change depending on regulatory approvals and business conditions.*

Aerial Rendering



* Phase 1 40MW Basis

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Appendix_AI Data Center Special Act

- Deregulating site selection & permitting to boost AI Data Centers; easing power, cooling & tax cost
- **Allowing direct PPA and exempting Grid Impact Assessment**
- Mar 2026 : Passed National Assembly, 2H26: Expected plenary passage & promulgation

Key Highlights	
Direct Power Purchase Agreements (PPA)	- **Permitting direct power trading with power plants** - Securing power supply & price competitiveness; facilitating AI Data Center expansion
Exemption from Grid Impact Assessment	- **Exemption from assessment upon conversion or expansion of AI Data Centers** - Shortened permitting process and increased power demand
Easing Location & Permitting Regulations	- Consolidating fragmented regulations including building and fire safety codes - Lowering entry barriers to attract investments
Support for Power & Cooling Infrastructure	- Support for power/cooling infrastructure development and tax incentives - Strengthening industry competitiveness through reduced operational costs

Consolidated Financial Statements

(In millions of KRW)	1Q26	4Q25	3Q25	2Q25	1Q25
Sales	**612,041**	**624,807**	**598,943**	**618,461**	**618,478**
Power Plant & Energy	222,745	200,390	208,286	217,844	222,192
Construction & Real Estate	320,563	352,413	328,028	338,242	332,218
Glass	82,474	85,027	77,516	77,168	92,280
Investment	419	365	358	345	590
Operating profit	**35,575**	**18,828**	**25,431**	**34,011**	**17,550**
Operating profit Margin (%)	6%	3%	4%	5%	3%
Finance income	11,138	7,808	6,081	9,267	9,484
Finance costs	32,187	77,430	37,817	42,050	33,729
Profit before tax	**12,398**	**-73,383**	**-24,915**	**-2,519**	**-5,926**
Income tax expense	7,354	-4,525	-6,448	2,657	-3,618
Net profit	**5,044**	**-68,859**	**-18,467**	**-5,175**	**-2,308**
profit, attributable to owners of the company	4,524	-43,726	-15,104	234	-2,779
profit, attributable to non-controlling interests	520	-25,133	-3,363	-5,409	470
EBITDA Margin (%)	11%	8%	9%	10%	8%

※ Sales : consolidated adjustments

(In millions of KRW)	2026.03.31	2025.12.31	2024.12.31
Current assets	1,349,512	1,268,969	1,320,315
Cash and cash equivalents	220,290	223,656	317,746
Short-term financial instruments	13,795	26,345	16,880
Account & Other Receivables	493,133	513,729	416,425
Non-current assets	2,026,540	2,065,308	2,115,985
Tangible assets	1,275,767	1,308,837	1,380,373
Intangible assets	14,032	14,178	12,542
Right-of-use assets	47,454	48,515	52,711
investments in real estate	500,930	502,455	480,965
Deferred income tax assets	77,383	77,734	59,609
Total assets	**3,376,052**	**3,334,277**	**3,436,300**
Current liabilities	2,072,949	1,887,368	1,633,747
Accounts & Other payables	381,040	372,437	362,139
Borrowings and debentures	1,504,005	1,318,872	1,026,790
Lease liabilities	6,900	7,740	7,959
Current income tax liability	5,700	3,408	21,736
Non-current liabilities	557,152	687,672	914,317
Borrowings and debentures	475,766	604,962	820,249
Lease liabilities	52,501	54,101	59,355
Total liabilities	**2,630,101**	**2,575,040**	**2,548,064**
Capital stock	73,385	73,385	73,385
Capital surplus(Other capital)	459,682	459,682	426,553
Retained earnings	167,157	181,937	270,807
Non-controlling interest	58,565	58,077	130,625
Total shareholders' equity	**745,951**	**759,237**	**888,236**
Total liabilities and equity	**3,376,052**	**3,334,277**	**3,436,300**

Separate Financial Statements

(In millions of KRW)	1Q26	4Q25	3Q25	2Q25	1Q25
Sales	**179,090**	**157,087**	**161,024**	**171,468**	**178,069**
Cost of sales	163,497	153,427	149,478	155,930	173,308
Operating profit	**12,044**	**355**	**7,679**	**12,592**	**1,703**
Operating Profit Margin (%)	7%	0.2%	5%	7%	1%
Financial income	4,347	4,159	22,548	5,949	6,441
Financial expense	10,577	10,500	11,071	11,170	12,308
Profit before tax	**5,844**	**-7,306**	**19,011**	**7,562**	**-3,706**
Income tax expense	3,486	-1,302	545	1,523	-4,448
Net profit	**2,358**	**-5,917**	**18,380**	**6,039**	**741**
EBITDA Margin (%)	17%	12%	16%	18%	11%

(In millions of KRW)	2026.03.31	2025.12.31	2024.12.31
Current assets	308,476	285,142	372,545
Cash and cash equivalents	117,964	104,913	195,090
Short-term financial instruments	10,000	10,000	13,858
Account & Other Receivables	63,710	59,399	56,863
Non-current assets	1,272,269	1,299,692	1,320,356
Investments in subsidiaries	348,343	348,343	318,999
Tangible assets	744,169	769,946	827,527
Intangible assets	7,299	7,373	5,891
Right-of-use assets	44,614	45,625	49,718
Total assets	**1,580,745**	**1,584,834**	**1,692,901**
Current liabilities	737,178	674,107	750,226
Accounts & Other payables	75,048	54,195	69,525
Borrowings and debentures	646,278	606,585	651,524
Lease liabilities	3,601	3,644	3,480
Current income tax liabilities	4,918	2,351	16,054
Non-current liabilities	182,733	233,524	258,116
Borrowings and debentures	119,176	169,105	187,844
Lease liabilities	51,083	51,893	55,298
Total liabilities	**919,911**	**907,631**	**1,008,342**
Capital stock	73,385	73,385	73,385
Capital surplus(Other capital)	420,105	420,105	420,105
Retained earnings	169,766	186,135	191,666
Total equity	**660,834**	**677,203**	**684,559**
Total liabilities and equity	**1,580,745**	**1,584,834**	**1,692,901**

Thank you

