

SAMSUNG SDI



2024 Annual General Meeting of Shareholders

Reference Material

Samsung SDI Co., Ltd.

Note about forward-looking statements

Certain statements in this reference statement, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements”. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in our financial reports available on our website at <https://www.samsungsdi.com>

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Notice of Annual General Meeting of Shareholders

Date / Time: March 20, 2024 at 09:00 Korea Standard Time (UTC+9)

Place: The K Hotel Seoul Convention Center, Crystal Ballroom (3rd Floor)
(70, Baume-ro 12-gil, Seocho-gu, Seoul, Korea)

Agenda for the Resolution

Agenda 1. Approval of Financial Statements (FY2023)

Agenda 2. Appointment of Directors

2-1. Reappointment of Executive Director, Jong Sung Kim

2-2. Appointment of Executive Director, Zin Park

Agenda 3. Approval of Director Remuneration Limit (FY2024)

Summary of Agenda

This summary highlights information contained in the accompanying Reference Material.

Agenda 1. Approval of Financial Statements (FY2023)

The Board of Directors (“BOD”) is seeking your approval of the following financial statements for FY2023 beginning on January 1, 2023 and ending on December 31, 2023.

- Consolidated Statements of Financial Position, Comprehensive Income, Changes in Equity, Cash Flows and Separate Statements of Appropriation of Retained Earnings

□ Financial Highlights

(Unit: KRW billion)

Category	FY2023	FY2022	Change
Revenue	22,708.3	20,124.1	12.8%
Operating profit	1,633.4	1,808.0	-9.7%
Net profit	2,066.0	2,039.4	1.3%
Assets	34,038.8	30,257.5	12.5%

* Audit opinion on Samsung SDI's FY2020-2022 financial statements is "Fair."

* Audited financial statements and audit report for FY2023 will be reported through public disclosure site (<http://englishdart.fss.or.kr>) and posted on the webpage (<http://www.samsungsdi.com>) on February 23rd, 2024

□ Annual Dividends

(Unit: KRW)

Category	FY2023	FY2022	Change
Dividends per share	Common 1,000	Common 1,030	-2.91%
	Preferred 1,050	Preferred 1,080	-2.78%

* Please refer to Matters Related to Ad Hoc Public Disclosure Obligation (Fair Disclosure) dated 2022.1.27 as to the details of Shareholder Return Policy from FY2022 through FY2024.

Agenda 2. Appointment of Directors

The BOD seeks to reappoint an Executive Director and appoint a new Executive Director, due to the resignation of ex-Chairman of the BOD, Young Hyun Jun.

The BOD recommends re-electing incumbent Executive Director, Jong Sung Kim, for one Executive Director position, and electing a new candidate, Zin Park, for one Executive Director position.

Jong Sung Kim has nourished his expertise in manufacturing industrial management strategy and finance through his tenure as Head of Financial Management Team at Samsung Display and at VD Business Division of Samsung Electronics. Since December, 2020, Jong Sung Kim has played a critical role in laying the sustainable management foundation of Samsung SDI as Head of Corporate Office by securely pursuing business expansion via increasing revenues and profits, establishing joint ventures with major OEMs, and so on.

As the company shall make continuous investments while pursuing profitable and qualitative growth, Jong Sung Kim is expected to play again a critical role in securely growing the business by enhancing the competency of BOD's financial decision making.

Zin Park, the new Executive Director candidate, has gained concrete comprehension and expertise on the products and business as he has experience from the SDI R&D Center, Automotive & ESS Battery ("AEB") Development Office to Head of SDIEU. As an incumbent Head of AEB Business Division, Zin Park has strengthened sustainable growth base of the business through activities such as founding/expanding global footprints, establishing joint ventures with major OEMs, developing differentiated product line-up, and so on.

In the midst of intense global competition, Samsung SDI is in need of strong initiative and precise decision making to increase manufacturing capabilities and find new markets for business expansion. Zin Park, as Executive Director, is expected to further enhance the BOD's decision making capability based on his experience and expertise on SDI's business and products.

□ Changes of BOD Members

<i>Board Composition (2023)</i>				<i>Proposed (2024)</i>			
Executive Director	Tenure (years)	Title	Gender	Executive Director	Tenure	Title	Gender
Young Hyun Jun	7 (since 2017)	Chairman of the BOD	M	Yoon Ho Choi	3 (since 2022)	CEO & Chairman of the BOD	M
Yoon Ho Choi	2 (since 2022)	CEO	M	Jong Sung Kim	4 (since 2021)	CFO	M
Jong Sung Kim	3 (since 2021)	CFO	M	Zin Park	New	Head of AEB Business	M

※ Young Hyun Jun has resigned as of December, 2023

Independent Director	Tenure (years)	Expertise	Gender	Independent Director	Tenure	Expertise	Gender
Oh Kyung Kwon*	4 (since 2020)	Electric Engineering	M	Oh Kyung Kwon*	5 (since 2020)	Electric Engineering	M
Duk Hyun Kim	4 (since 2020)	Legal/ Human Rights	F	Duk Hyun Kim	5 (since 2020)	Legal/ Human Rights	F
Won Wook Choi	4 (since 2020)	Finance (accounting)	M	Won Wook Choi	5 (since 2020)	Finance (accounting)	M
Mee Kyung Lee	New	ESG	F	Mee Kyung Lee	2 (since 2023)	ESG	F

* Senior Independent Director

* Senior Independent Director

Agenda 3. Approval of Director Remuneration Limit (FY2024)

	FY2024	FY2023	
		Approved	Actual
Total remuneration limit	KRW 12.0 billion	KRW 12.0 billion	KRW 8.1 billion

The BOD is seeking your approval of a remuneration limit of KRW 12.0 billion for FY2024, unchanged from FY2023.

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Agenda

Agenda 1. Approval of Financial Statements (FY2023)

Overview

The BOD is seeking your approval of the following financial statements for FY2023 beginning on January 1, 2023 and ending on December 31, 2023.

- Consolidated Statements of Financial Position, Comprehensive Income, Changes in Equity, Cash Flows and Separate Statements of Appropriation of Retained Earnings

In addition, the BOD determined a year-end dividend of KRW 1,000 per share for Common Stock and KRW 1,050 per share for Preferred Stock, in accordance with the company's Shareholder Return Policy which constitutes the regular dividend to be 1,000 KRW, plus 5~10% annual FCF pay-out. Please refer to Matters Related to Ad Hoc Public Disclosure Obligation (Fair Disclosure) dated 2022.1.27 as to the details of Shareholder Return Policy from FY2022 through FY2024.

The audit opinion on the FY2020-2022 financial statements is "Fair." Audited financial statements and audit report for FY2023 will be reported through public disclosure site (<http://englishdart.fss.or.kr>) and posted on the webpage (<http://www.samsungsdi.com>) on February 23rd, 2024

Financial performance (K-IFRS, consolidated)

(Unit: KRW billion)

Category	FY2023	FY2022	FY2021
Revenue	22,708.3	20,124.1	13,553.2
Operating profit	1,633.4	1,808.0	1,067.6
Net profit	2,066.0	2,039.4	1,250.4
EPS(KRW)	30,044	29,191	17,492
Assets	34,038.8	30,257.5	25,833.2
Liabilities	14,131.6	13,040.0	10,636.5
Equity	19,907.2	17,217.5	15,196.7
Liabilities/equity	71.0%	75.7%	70.0%
ROE	11.1%	12.6%	8.8%

Business Performance

□ Summary of key financial metrics, by business division

(Unit: KRW billion)

Division	Category	FY2023	FY2022	FY2021
Energy Solution	Revenue	20,406.1	17,566.3	10,946.9
	Operation profit	1,342.4	1,253.8	537.6
Electronic Materials	Revenue	2,302.2	2,557.8	2,606.3
	Operation profit	291.0	554.2	530.0
Total	Revenue	22,708.3	20,124.1	13,553.2
	Operation profit	1,633.4	1,808.0	1,067.6
	Margin	7.2%	9.0%	7.9%

In 2023, Samsung SDI marked revenue of 22 trillion 708 billion won, and operating profit of 1 trillion 633 billion won, thanks to our employees' efforts, amid uncertainties of the global business environment caused by geopolitical issues and sluggish market demand caused by high interest rate and inflation. For Samsung SDI, it was a year of strong execution for the goal of becoming a global top tier company by 2030.

With the mid-sized xEV battery business, we strengthened our ground for the North America market via partnership with GM and contract with Stellantis for the second plant, and prepared for the sustainable growth via contract with Hyundai Motor Company and partnership expansion with Volvo.

Moreover, we started producing all-solid state battery ("ASB") samples after the completion of the S-Line, and spurred our race on ASB by forming the dedicated ASB Commercialization Team and propelling the development of ASB materials within our Electronic Materials Business division.

We also enhanced our R&D capabilities by building a new R&D center in Shanghai in sequence of Europe and US, expanding our network for highly-qualified human resources, and increasing the number of IP applications.

For ESG, Samsung SDI joined the Global Battery Alliance in March aiming to establish sustainable battery value-chain, and was awarded the "Best" rating with supply chain co-prosperity assessment by Korean Commissions for Corporate Partnership for the first time since 2011.

This year is expected to be riddled with uncertainties such as high interest rate and raw material supply risks stemming from global recession and unstable geopolitical situation.

We expect the demand recovery timing to be delayed compared to the initial expectation in the markets of powertools, semiconductors, and display. The EV market, which has been at a high growth rate so far, is set to undergo temporary stagnated state, while crossing the "chasm" under the shadows of prolonged global recession.

However dire the situation may be, in 2024, Samsung SDI stands steadfast.

We plan to accelerate commercialization and mass-production preparation of all solid-state battery, a game changer for future EV market. We'll leverage this to bring us leadership in next-gen products and technologies.

In the face of growing price competition in the EV market and increasing share of low cost batteries in the ESS market, we will work to ensure that Samsung SDI has the world's best cost competence in those markets.

Also, to strengthen competitiveness in IT-use pouch battery where we lagged behind recently, we plan to increase investment through efforts such as expansion of dedicated development line.

The electronic materials division will expand product portfolio by commercializing new products such as EUV semiconductor materials and OLED polarizer film.

Last but not least, in a bid to firm up our footing for sustainable growth, we will boost our ESG management by executing the eight strategic tasks for environment management, through aligning our business with EU battery regulations, calculating scope 3 emissions and setting a reduction target, and strengthening the supply chain engagement in the ESG practice.

Return to Shareholders

For fiscal year 2023, the BOD decided a year-end dividend of KRW 1,000 per share for Common Stock and KRW 1,050 per share for Preferred Stock. The total dividend payout is KRW 66.9 billion. Samsung SDI has decided its dividends in accordance with the company's Shareholder Return Policy which constitutes the regular dividend to be 1,000 KRW, plus 5~10% annual FCF pay-out. Please refer to Matters Related to Ad Hoc Public Disclosure Obligation (Fair Disclosure) dated 2022.1.27 as to the details of Shareholder Return Policy from FY2022 through FY2024, or see the summarized reference below.

□ Dividend, Stock Price, etc.

(Unit: KRW billion)

Category	FY2023	FY2022	FY2021
Net Profit (attributable to Owners of the Parent Company)	2,009.2	1,952.1	1,169.8
Dividends	66.9	69.0	66.9
(Per share, KRW)	Common 1,000	Common 1,030	Common 1,000
	Preferred 1,050	Preferred 1,080	Preferred 1,050
Year-end Stock Price (KRW)	472,000	591,000	655,000
Market Price-Dividend Ratio	Common 0.2%	Common 0.2%	Common 0.2%
	Preferred 0.4%	Preferred 0.4%	Preferred 0.3%

[Reference] FY2022 ~ 2024 Shareholder Return Program

In January 2022, we announced the three-year shareholder return policy for FY2022 ~ 2024 to strengthen transparency and communication of shareholder return.

In this policy, regular dividends are set at 1,000 KRW as basis, with additional pay-out of 5-10% of annual Free Cash Flow. Such basis has been set to guarantee the minimal shareholder return in consideration of the possibility that Company would be unable to pay out any dividends with increased CAPEX if dividends were paid only out of Free Cash Flow. Moreover, such additional pay-out from Free Cash Flow has been determined in order to enhance the shareholder return.

We will always keep close attention to our shareholders' opinions, search continuously for an improvement plan, and reflect it in our future policy.

Agenda 2. Appointment of Directors

Overview

Currently, Samsung SDI's BOD consists of a total of seven members - three Executive Directors and four Independent Directors.

Executive Directors are recommended by the BOD among candidates possessing the necessary qualities as a director such as expertise in the business, a strong sense of responsibility, outstanding achievements and experience. The Independent Directors are recommended by the Independent Director Candidates Recommendation Committee based on criteria such as relevance with Company's business, expertise in various fields such as technology, business management, finance and law as well as independence from the management and controlling shareholder.

For 2024 AGM, the BOD seeks to reappoint one Executive Director, Jong Sung Kim, and appoint a new Executive Director, Zin Park, due to the resignation of ex-Chairman of the BOD, Young Hyun Jun.

□ The Board of Directors

Board Composition (2023)

Executive Director	Tenure (years)	Title	Gender
Young Hyun Jun	7 (since 2017)	Chairman of the BOD	M
Yoon Ho Choi	2 (since 2022)	CEO	M
Jong Sung Kim	3 (since 2021)	CFO	M

* Young Hyun Jun has resigned as of December, 2023

Proposed (2024)

Executive Director	Tenure	Title	Gender
Yoon Ho Choi	3 (since 2022)	CEO & Chairman of the BOD	M
Jong Sung Kim	4 (since 2021)	CFO	M
Zin Park	New	Head of AEB Business	M

Independent Director	Tenure (years)	Expertise	Gender
Oh Kyung Kwon*	4 (since 2020)	Electric Engineering	M
Duk Hyun Kim	4 (since 2020)	Legal/ Human Rights	F
Won Wook Choi	4 (since 2020)	Finance (accounting)	M
Mee Kyung Lee	New	ESG	F

* Senior Independent Director

Independent Director	Tenure	Expertise	Gender
Oh Kyung Kwon*	5 (since 2020)	Electric Engineering	M
Duk Hyun Kim	5 (since 2020)	Legal/ Human Rights	F
Won Wook Choi	5 (since 2020)	Finance (accounting)	M
Mee Kyung Lee	2 (since 2023)	ESG	F

* Senior Independent Director

2-1. Reappointment of Executive Director



Jong Sung Kim

CFO
Executive Director since 2020
B.S. in Business, Seoul University

Career

2020~Present	CFO, Executive Vice President of Business Management Office, Samsung SDI
2017~2020	Executive Vice President of Business Management Team of VD Business, Samsung Electronics
2012~2017	Senior Vice President of Business Management Team, Samsung Display
2011~2012	Vice President of Strategy Team, Samsung Electronics
2009~2011	Vice President of Business Management Team, Samsung Mobile Display

Jong Sung Kim, the Executive Director candidate, has played a pivotal role in expansion of the Company's revenue and profit, based on his expertise in finance, business strategy, and knowledge of IT and battery business, during his tenure as Executive Director.

Crucial time as it is for the Company to make continuous investment, profitable and qualitative growth, Jong Sung Kim is expected to play a critical role yet again, in pursuit of stable business growth by enhancing the competency of BOD's financial decision making.

2-2. Reappointment of Executive Director



Zin Park

EVP

Ph.D. in Chemistry, Bonn University
M.A. & B.A. in Chemistry, Yonsei University

Career

2020~Present	Executive Vice President of Automotive & ESS Battery Business, Samsung SDI
2017~2020	Head of SDIEU, Samsung SDI
2015~2017	Vice President of Marketing Group, Automotive & ESS Battery Business, Samsung SDI
2013~2015	Vice President of Cell Development Group, Automotive & ESS Battery Business, Samsung SDI

Zin Park, the new Executive Director candidate, has his distinction in comprehensiveness and expertise on the products and business with experience from the SDI R&D Center, Automotive & ESS Battery ("AEB") Development Office to Head of SDIEU. He has strengthened sustainable growth base of the business through activities such as founding/expanding global footprints, establishing joint ventures with major OEMs, developing differentiated product line-up, and so on.

In the midst of intense global competition, Samsung SDI is in need of strong initiative and precise decision making. Zin Park, as Executive Director, is expected to further enhance the BOD's decision making capability based on his experience and expertise.

Agenda 3. Approval of Director Remuneration Limit (FY2024)

Overview

The BOD is seeking your approval of the total remuneration limit for the fiscal year 2024.

- Total Remuneration Limit: KRW 12.0 Billion

Director Remuneration Structure

Our Director Remuneration practices are designed to emphasize the link between performance and compensation. The Remuneration plan consists of salary, bonus, and other compensation. The bonus includes annual incentives and Long Term Incentive (LTI). Annual incentives includes Overall Performance Incentive (OPI), Target Achievement Incentive (TAI), and special bonus, and are based on target achievements and financial performance. LTI is determined by performance evaluations on a three year interval, and distribute one-third of the incentive in each of the following three years. The evaluation criteria for LTI are ROE, stock performance and EBIT margin.

Compensation Committee

The Compensation Committee was established in 2014 by a resolution of the BOD, without legal mandates. The Committee currently consists of three Independent Directors, chaired by an Independent Director. It is responsible for assessing the appropriateness of director compensation and reviewing the limit on director compensation for the next fiscal year, which will be up for approval by the shareholders at the AGM.

FY2023 Remuneration (Actual)

Directors Remuneration Paid

(Unit: KRW billion)

	FY2023		FY2022	
	Approved	Actual	Approved	Actual
Total	12.0	8.1	16.5	6.3

Independent Director Remunerations

(Unit: KRW million, Person)

	FY2023	FY2022
Number of Directors	4	4
Total Amount	376	358
Average (per person)	94	90

FY2024 Remuneration (To Be Approved)

Directors Remuneration Limit

(Unit: KRW billion, Person)

	FY2024	FY2023
Number of Directors (Independent)	7 (4)	7 (4)
Total Remuneration Limit	12.0	12.0

The BOD is seeking your approval of a remuneration limit of KRW 12.0 billion for FY2024.
(General compensation KRW 9.5billion, Long-term incentive KRW 2.5billion)

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Corporate Governance

The Board of Directors

The BOD is the highest permanent decision-making body of Company and decides matters such as those stipulated by law or Company's Articles of Incorporation, those delegated to the BOD by the General Meeting of Shareholders and important matters regarding Company's basic business policies and business execution. The BOD is also responsible for supervising the work of Company's executive team. To ensure that the BOD effectively performs its decision-making and supervisory function, Samsung SDI sets forth matters such as the power, composition and deliberation of the BOD in detail in the Regulation for the Operation of the Board of Directors.

The Board of Directors decides matters such as those related with the General Meeting of Shareholders, financial matters, matters related with individual Directors, the BOD and committees, and other key business issues. To enhance the efficiency of BOD operation as well as its expertise and independence, the BOD operates several committees including the Audit Committee, the Related Party Transaction Committee, the Management Committee, the Independent Director Candidates Recommendation Committee, the Compensation Committee and the Sustainability Committee, to which the BOD delegates the relevant matters.

□ BOD Members: 6 Directors (as of February 2024)

Executive Directors (2) :	Yoon Ho Choi (Chairman of the BOD), Jong Sung Kim
	* Zin Park shall be added to the BOD as Executive Director contingent upon the approval on Agenda 2-2.

Independent Directors (4) :	Oh Kyung Kwon, Duk Hyun Kim, Won Wook Choi, Mee Kyung Lee
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□ Chairman of the Board

Pursuant to Company's Articles of Incorporation and the Regulation for the Operation of the BOD, the Chairman of the BOD is appointed among Directors through the resolution by the BOD, and different persons may be appointed respectively as the Chairman of the BOD and as the Representative Director of Company.

□ Responsibilities and Duties of Directors

Pursuant to the Article 24 of our Articles of Incorporation, Directors shall take charge of the affairs determined by the BOD or the committee delegated by the BOD. If the Chairman is unable to perform his or her duties, directors act on his or her behalf, as prescribed by the board of directors. Pursuant to the Article 24-2 of our Articles of Incorporation, when a director discovers that he or she is likely to cause significant damage to Company, he or she shall immediately report such fact to the Audit Committee. Pursuant to the Article 25 Prohibition of Competition by Directors, no Director shall effect any transaction which falls within the same class of business as that of Company without the consent of the BOD or such committee as authorized by the Board of Directors, except when a Director is elected with the knowledge that his business is in competition with Company.

□ Director Independence

Director independence shall be determined by the independence requirements set forth by the Korean Stock Exchange listing standards, the Commercial Code, and other related regulations. A Director may not be deemed independent if he or she fails to meet the criteria of applicable standards.

In addition, Samsung SDI has applied Senior Independent Director policy since October 26th, 2023, to reinforce the autonomy of Independent Directors, in order to enhance responsible management centered around the BOD.

□ Election of Directors

Regulations regarding the election, term of office, and election of Directors in case of a vacancy are provided in the Article 22 of our Articles of Incorporation.

It states that Company shall have at least three, but not more than nine, Directors and such Directors shall be appointed at a general meeting of shareholders; provided, however, that Independent Directors shall be elected from candidates recommended by the Independent Director Candidates Recommendation Committee.

Pursuant to the Article 23 of our Articles of Incorporation, all of Company's BOD members', who are elected by a resolution of the AGM, term of office is three years.

□ Election of Directors in case of Vacancy

Any vacancy in the office of Director shall be filled by a resolution of a general meeting of shareholders. However, if the number of Directors does not fall below the number prescribed by the Article 22 of the Article of Incorporation and if there is no difficulty in the administration of business, the foregoing shall not be applicable.

□ Convening of the Meeting of the Board of Directors

There are two types of the BOD meetings.

- Regular meetings—generally held four times a year (once every quarter)
- Extraordinary meetings—held whenever deemed necessary

The Chairman convenes meetings of the BOD, and shall provide members with a notice of meeting, along with an agenda and reasons for the meeting, at least 24 hours in advance. The notice can be in written, oral, and/or electronic forms, and may be omitted with the consent of all Directors. The presence of a majority of all Directors shall constitute a quorum and resolutions shall be adopted by a majority of the votes of Directors attending the meeting; provided that the Board meeting may take place via electronic means, such as by conference call, within the scope provided by relevant laws. Any Director may convene a meeting with consent from the Chairman in the case where the meeting is deemed necessary for the purpose of carrying out his or her duties.

Board Committee

Company's BOD currently operates six sub-committees, i.e. Management Committee, Audit Committee, Related Party Transaction Committee, Independent Director Candidates Recommendation Committee, Compensation Committee, and Sustainability Committee.

Among these committees, the establishment of the Audit Committee and the Independent Director Candidates Recommendation Committee is a statutory requirement under the law including the Korean Commercial Code, and the remaining three committees have been created voluntarily by the BOD to enhance its expertise, independence and efficiency. Details regarding the purpose, composition, authority, operation, qualification and appointment & dismissal of members for each committee are determined by the relevant laws and the resolution by the BOD, and have been set forth in writing in the form of the regulations for the operation of each committee.

Pursuant to the regulations for operation of each committee, resolutions taken by each committee must be notified to each Director, and pursuant to Article 15 of the Regulations for the Operation of the BOD, each Director may demand convocation of a BOD meeting within two days from receiving such notice. The BOD has the power to resolve on matters already resolved by one of its committees, notwithstanding however, that pursuant to Article 415-2(6) of the Korean Commercial Code, matters resolved by the Audit Committee cannot be resolved again by the BOD.

The Management Committee

The purpose of the Management Committee is to promote the efficiency of the BOD operation by addressing matters as delegated by the BOD such as matters of general business management, financial matters and other matters excluding those requiring BOD resolution by law or the Articles of Incorporation. To achieve timely and efficiency decision making, the Management Committee currently consists of two Executive Directors who possess expertise and experience in business management.

Contingent upon the approval on the appointment of the new Executive Director candidate, Zin Park, during 2024 AGM, the Management Committee shall consist of three Executive Directors.

The Audit Committee

The Audit Committee performs auditing of Company's accounting and key business activities, evaluation of Company's internal accounting control system operation, and inspection of the operation of Company's internal monitoring devices. The Audit Committee also supervises the Directors' and the management's professional activities to ensure that reasonable business decisions are reached by Directors and the management.

Currently, Samsung SDI's Audit Committee consists of three Independent Directors including one financial expert (Director Won Wook Choi). The Chairperson of the Audit Committee is appointed through resolution by the Audit Committee.

The Related Party Transaction Committee

The Related Party Transaction Committee was created by the BOD even though there was no legal requirement to do so, in order to enhance the transparency of Company's business management and to inspect related party transactions among affiliates by creating a voluntary fair trade compliance program. Samsung SDI's Related Party Transaction Committee consists of three Independent Directors to guarantee a high degree of independence and fairness.

The Independent Director Candidates Recommendation Committee

The Independent Director Candidates Recommendation Committee examines potential Independent Director candidates and recommends those to be appointed by the General Meeting of Shareholders. The Independent Director Candidates Recommendation Committee consists of three Independent Directors

The Compensation Committee

The BOD resolved to create the Compensation Committee in order to ensure objectivity and transparency in the process for determining director compensation. Pursuant to Article 3 of the Regulations for the Operation of the Compensation Committee, the Committee consists of three Independent Directors.

The Sustainability Committee

The Sustainability Committee is responsible for agenda items for the Company's sustainability management matters such as key strategies and policies on sustainability management, key activities for sustainability management including ESG, items related to enhancing shareholder value and other matters that may significantly impact sustainability management and shareholder value that are deemed necessary for the Committee to discuss. The Sustainability Committee consists of four Independent Directors.

Composition of the BOD committee (as of February 2024)

Committee	Committee Members		
	Chair	Executive Directors	Independent Directors
Management	Yoon Ho Choi (Executive)	Jong Sung Kim	-
Audit	Won Wook Choi (Independent)	-	Oh Kyung Kwon Mee Kyung Lee
Related Party Transactions	Duk Hyun Kim (Independent)	-	Oh Kyung Kwon Won Wook Choi
Independent Director Candidates Recommendation			Oh Kyung Kwon Duk Hyun Kim Won Wook Choi
Compensation	Oh Kyung Kwon (Independent)		Duk Hyun Kim Mee Kyung Lee
Sustainability	Mee Kyung Lee (Independent)	-	Oh Kyung Kwon Duk Hyun Kim Won Wook Choi

Profile of BOD Members (As of February 2024)

□ Executive Directors



Yoon Ho Choi

President & CEO
Executive Director since 2022

B.S. in Business, Sungkyunkwan University

Career

2021~Present President & CEO, Samsung SDI
2020~2021 President & CFO, Corporate Management Office, Samsung Electronics
2017~2020 Executive Vice President, Business Support Task Force, Samsung Electronics
2014~2017 Senior Vice President & CFO, Mobile Communications Business, Samsung Electronics
2010~2014 Vice President, Future Strategy Group, Samsung Electronics



Jong Sung Kim

CFO
Executive Director since 2020

B.S. in Business, Seoul University

Career

2020~Present CFO, Executive Vice President of Business Management Office, Samsung SDI
2017~2020 Executive Vice President of Business Management Team of VD Business, Samsung Electronics
2012~2017 Senior Vice President of Business Management Team, Samsung Display
2011~2012 Vice President of Strategy Team, Samsung Electronics
2009~2011 Vice President of Business Management Team, Samsung Mobile Display

□ Independent Directors



Oh Kyung Kwon

Independent Director since 2020

Ph.D. in Electrical Engineering, Stanford University

M.A. in Electrical Engineering, Stanford University

B.A. in Electronic Engineering, Hanyang University

Career

2020~Present Independent Director, Samsung SDI
 2020~Present Chair-Professor of Electronic Engineering at Hanyang University
 2020~Present Chairman of CAETS
 2017~Present President of National Academy of Engineering, Korea
 2017~Present Independent Director of Yumin Cultural Foundation
 2017~Present Non-Executive Director of Korea Institute of S&T Evaluation and Planning
 1992~2020 Professor of Electronic Engineering at Hanyang University
 2014~2017 Vice Chairman of Korea Federation of Science and Technology Societies
 2010~2011 President of Korea Information Display Association



Duk Hyun Kim

Independent Director since 2020

Ph.D. & M.A. in Law, Hanyang University

B.A. in Law, Hanyang University

Career

2020~Present Independent Director, Samsung SDI
 2018~Present Attorney of Law firm Jin-Sung
 2017~Present Member of Central Committee of Korean Red Cross
 2017~Present Chairperson of the Commission for Democratization movement Activists' Honor-restoration and Compensation
 2018~2020 Human Right Officer of National Counterterrorism Committee
 2011~2013 Deputy Chairperson of Korean Bar Association
 2001~2007 President of Korean Women Lawyers' Association
 1983~1986 Judge of Seoul District Court



Won Wook Choi

Independent Director since 2020

Ph.D. in Business, Columbia University

M.A. in Business, University of Michigan

B.A. in Economics, Yonsei University

Career

2020~Present Independent Director, Samsung SDI
 2004~Present Professor of School of Business of Yonsei University
 2019~Present Independent Director of LIG Nex1
 2016~Present Member of Deliberation Council at Tax Office of Ministry of Strategy and Finance
 2018~2020 Chief Editor Korean Accounting Association
 2015~2017 Chief Editor of Korean Academic Society of Taxation
 2009~2011 Commissioner of National Tax Service
 2009~2011 Member of IFRS, Korea Accounting Institute



Mee Kyung Lee

Independent Director since 2023

M.A. in Psychology, Yonsei University

B.A. in Psychology, Yonsei University

Career

2023~Present	Independent Director, Samsung SDI
2021~Present	President, Korea Green Foundation
2022~Present	Member, Central Environmental Policy Committee
2022~Present	Member, National Assembly Futures Institute
2022~Present	Independent Director, Hybe
2022~2022	Member, Chancellor Nominating Committee
2021~2022	Member, Committee of Carbon Neutrality
2020~2022	Member, Committee of Hydrogen Economy
2019~2021	Ambassador, National Council on Climate and Air Quality
2002~2021	Secretary General & Standing Director, Green Foundation

BOD Activities

□ Board meetings and voting results of Independent Directors in FY2023

Date	Contents of Agenda	Oh Kyong Kwon	Duk Hyun Kim	Won Wook Choi	Mee Kyung Lee	Tae Joo Park
Jan 30 2023	Amendment of the regulations of the Compensation committee	For	For	For	N/A	For
	Appointment of Compliance Assistant	For	For	For		For
	Subscription of product liability insurance	For	For	For		For
	Approval of FY2022 financial statements and annual business report	For	For	For		For
	Report of FY2022 business result and FY2023 Business plan	-	-	-		-
Feb 14 2023	Convention of 53rd regular shareholders' meeting	For	For	For	N/A	For
	Donation to Chung-nam Samsung Institute	For	For	For		For
	Payment guarantee in Samsung SDI Hungary Zrt.	For	For	For		For
	Report of FY2022 operation status of internal accounting management system	-	-	-		-
	Report of operation status of internal accounting management system	-	-	-		-
Mar 15 2023	Appointment of Chairman of the Board	For	For	For	For	N/A
	Appointment of directors and remuneration payment for the Board	For	For	For	For	
	Appointment of committee member	For	For	For	For	
	Appointment of Samsung Compliance Committee member	For	For	For	For	
Apr 27 2023	Report of FY2023 Safety and Health plan	For	For	For	For	N/A
	Approval of facility sales with Samsung SDI Malaysia SDN. Bhd.	For	For	For	For	
	Approval of property transaction contract with Samsung Display Co.,LTD	For	For	For	For	
	Approval of outsourced development contract with Samsung Electronics America Co., LTD	For	For	For	For	
	Report of business result of 1Q23 and business outlook of 2Q23	-	-	-	-	
Jul 27 2023	Approval of consulting contract with Samsung Electronics Co., Ltd.	For	For	For	For	N/A
	Approval of development contract outsourcing with Samsung Display Co., LTD · Approval of outsourcing development contract of CF material for OLEDoS · Approval of outsourcing development contract of QD Ink for QED · Approval of outsourcing development contract of QD PR for Watch	For	For	For	For	
	Approval of Joint operation for Samsung SW Academy for Youth	For	For	For	For	
	Donation to Sungkyunkwan University	For	For	For	For	
	Approval of executing financial donations · Donation to Samsung Life Public Welfare Foundation · Donation to Samsung Welfare Foundation · Donation to Ho-am Foundation	For	For	For	For	
	Participation in paid-in capital increase of Samsung SDI Hungary Zrt.	For	For	For	For	
	Payment guarantee in Samsung SDI Hungary Zrt.	For	For	For	For	

	Report of business result of 2Q23 and business outlook of 3Q23	-	-	-	-
Aug 21 2023	Report on advice of Compliance Committee for joining the Federation of Korean Industries	-	-	-	-
Sep 27 2023	Approval of investment in 2nd factory of StarPlus Energy	For	For	For	For
Oct 26 2023	Approval of consulting contract with Samsung Electronics Co., Ltd.	For	For	For	For
	Approval of facility sales with StarPlus Energy	For	For	For	For
	Participation in paid-in capital increase of StarPlus Energy	For	For	For	For
	Participation in paid-in capital increase of Samsung SDI Malaysia SDN. Bhd.	For	For	For	For
	Subscription of package insurance	For	For	For	For
	Participation in fund contribution of Employee Welfare Fund	For	For	For	For
	Amendment of regulations governing the Board of Directors	For	For	For	For
	Appointment of senior independent director	For	For	For	For
	Amendment of regulations governing the Related Party Transactions Committee	For	For	For	For
	Report of policy enactment on rights and responsibilities of Chief Security Officer	-	-	-	-
Report of business result of 3Q23 and business outlook of 4Q23	-	-	-	-	
Nov 30 2023	Approval of recall insurance subscription	For	For	For	For
	Payment guarantee in Samsung SDI Hungary Zrt.	For	For	For	For
	Approval of transaction limit with affiliates for FY2024 · Approval of transaction limit with stakeholders such as majority shareholders · Approval of transaction limit with directors	For	For	For	For
	Donation to Sharing Hope Campaign	For	For	For	For
	Report of inspection results of Compliance Regulations	-	-	-	-
	Report of validity evaluation of Compliance System	-	-	-	-
Dec 27 2023	Contribution for DB retirement pension plan	For	For	For	For

※ Tae Joo Park has resigned and Mee Kyung Lee has been newly appointed as the Independent Director through 53rd AGM (March 15th, 2023)

□ Committee Participation of Independent Directors in FY2023

Related Party Transaction Committee

Date	Agenda
Jan 27 2023	Deliberation of product liability insurance policy subscription review
	Report of related party transactions in 4Q22
Feb 13 2023	Deliberation of donation to Chung-nam Samsung Institute
	Deliberation of payment guarantee in Samsung SDI Hungary Zrt.
Apr 26 2023	Deliberation of appointment of chairperson of the Related Party Transactions Committee
	Deliberation of contract for facility sales with Samsung SDI Energy Malaysia Sdn. Bhd.
	Deliberation of property transaction with Samsung Display Co.,LTD
	Deliberation of development contract outsourcing with Samsung Electronics America Co., LTD
	Report of related party transactions in 1Q23
Jul 26 2023	Deliberation of consulting contract with Samsung Electronics
	Deliberation of outsourcing development contract with Samsung Display Co., LTD · Deliberation of development contract outsourcing of CF material for OLEDoS · Deliberation of development contract outsourcing of QD Ink for QED · Deliberation of development contract outsourcing of QD PR for Watch
	Deliberation of Joint operation for Samsung SW Academy for Youth
	Deliberation of donation to Sungkyunkwan University
	Deliberation of executing financial donations · Donation to Samsung Life Public Welfare Foundation · Donation to Samsung Welfare Foundation · Donation to Ho-am Foundation
	Deliberation of participation in paid-in capital increase of Samsung SDI Hungary Zrt.
	Deliberation of payment guarantee in Samsung SDI Hungary Zrt.
	Report of related party transactions in 2Q23
Oct 25 2023	Deliberation of consulting contract with Samsung Electronics Co., Ltd.
	Deliberation of contract for facility sales with StarPlus Energy
	Deliberation of participation in paid-in capital of StarPlus Energy
	Deliberation of participation in paid-in capital increase of Samsung SDI Malaysia SDN. Bhd.
	Deliberation of subscription of package insurance policy
	Deliberation of participation in fund contribution of Employee Welfare Fund
	Report of related party transactions in 3Q23
Nov 28 2023	Deliberation of recall insurance policy subscription
	Deliberation of payment guarantee in Samsung SDI Hungary Zrt.
	Deliberation of transaction limit with affiliates for FY2024 · Deliberation of transaction limit with stakeholders such as majority shareholders · Deliberation of transaction limit with directors
Dec 22 2023	Deliberation of accumulation of DB retirement pension plan

Compensation Committee

Date	Agenda
Feb 13 2023	Review of remuneration for Directors
	Review of remuneration limit for Directors

Audit Committee

Date	Agenda
Jan 27 2023	Report of operation status of internal accounting management system in FY2022
	Report on FY2022 final accounts and FY2023 business outlook
	Report of financial donations in 4Q22
Feb 13 2023	Report of FY2022 financial statements and annual business report
Apr 26 2023	Appointment of chairperson of the Audit Committee
	Inspection of compliance with selection standard of auditors
	Report on 1Q23 final accounts
	Report of operation plan proposal of internal accounting management system in FY2023
Jul 26 2023	Report of financial donations in 1Q23
	Report on pre-approval enactment of non-audit service of external auditors
	Report on 2Q23 final accounts
Oct 25 2023	Report of financial donations in 2Q.23
	Report on 3Q23 final accounts
Nov 28 2023	Report of financial donations in 3Q22
	Report on contract proposal with designated external auditors

Sustainability Committee

Date	Agenda
Jan 27 2023	Approval of joining GBA
	Report sustainable management plan in FY2023
	Report on progress of environmental management tasks
	IR Report
Apr 26 2023	Appointment of chairperson of Sustainability Committee
	Report of joining GBA
	Report on status of Global ESG disclosure standards
	Report on publishing plan for Sustainability Report
	IR Report
Jul 26 2023	Report on publishing result for Sustainability Report
	Report of Scope 3 calculation result
	Report on acquiring certifications from the Carbon Trust
	IR Report
Oct 25 2023	Report on amendment of business partners' code of conduct
	Report on achievements of Environment-Friendly Management for 1st anniversary
	Report of procedure for global corporate disclosure standards
	IR Report

The Independent Director Candidates Recommendation Committee

Date	Agenda
Jan 27 2023	Appointment of chairperson
Feb 14 2023	Recommendation of candidates for independent directors

Share Ownership Structure

As of the end of 2023, the total number of Samsung SDI shares outstanding is 70,382,426.

The number of common shares outstanding and preferred shares outstanding are 68,764,530 (98%) and 1,617,896 (2%), respectively.

The number of total treasury stocks of Samsung SDI is 3,509,791 with 3,331,391 common shares (5% of common shares issued) and 178,400 preferred shares (11% of preferred shares issued).

Ownership Structure as of the End of FY2023

	Foreign Investors	Local Institution	Individuals	Treasury Shares	Controlling Shareholders	Total
Common	44.9%	16.2%	13.6%	4.8%	20.4%	100%

Stock ownership status of shareholders over 5%

Shareholders	Holding shares	Ownership (%)	Note
Samsung Electronics	13,462,673	19.58%	End of FY2023
National Pension Service of Korea	5,238,134	7.62%	End of FY2023

Independent Auditor Fees

The following table presents fees for professional audit services rendered by KPMG Samjong Accounting Corp.(Samjong) for the audit of Samsung SDI's annual financial statements for the past three years (FY2020–2022), and fees billed for other services rendered by Samjong during those periods.

Independent Auditor Fees between FY2022 to FY2024

(Unit: KRW million)

FY	Auditor	Audit Services (KRW Million)	Non-Audit Services	Audit Opinion
54 th (FY2023)	Samjong KPMG	1,620	-	-
53 rd (FY2022)	Samjong KPMG	1,480	-	Fair
52 nd (FY2021)	Samjong KPMG	1,370	-	Fair

* Audited financial statements and audit report for FY2023 will be reported through public disclosure site (<http://englishdart.fss.or.kr>) and posted on the webpage (<http://www.samsungsdi.com>) on February 23rd, 2024

Result of General Meeting of Shareholders

□ 53rd General Meeting of Shareholders

Agenda for the Resolution		Approval Rate
Proposal 1	Approval of the 2022 Financial Statements of the Company	93.4%
Proposal 2	Reappointment of Executive Director, Young Hyun Jun	79.6%
	Reappointment of Independent Director, Oh Kyung Kwon	97.8%
	Reappointment of Independent Director, Duk Hyun Kim	99.2%
	Appointment of Independent Director, Mee Kyung Lee	95.5%
Proposal 3	Reappointment of Audit Committee Member, Oh Kyung Kwon	98.2%
	Appointment of Audit Committee Member, Mee Kyung Lee	93.7%
Proposal 4	Reappointment of Independent Director, Won Wook Choi, to become Audit Committee Member	97.2%
Proposal 5	Approval of the Remuneration Limit of the Director in FY2023	99.5%

* Approval Rate : Number of shares approved / Number of shares exercising voting rights

Corporate Website

More details on Company's corporate governance structure can be found in Company's annual report (<http://englishdart.fss.or.kr>) and Company's website (<https://www.samsungsdi.com>)

**Consolidated Financial Statements of
Samsung SDI Co., LTD. and Subsidiaries**

Index to Financial Statements

※ Audited financial statements with the independent auditor's opinion are not available as of today but will be reported through public disclosure site (<http://englishdart.fss.or.kr>) and posted on the webpage (<http://www.samsungsdi.com>) on February 23rd, 2024.

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Consolidated Statements of Financial Position (As of December 31, 2023 and 2022)

<i>(In thousands of won)</i>	2023	2022
Assets		
Cash and cash equivalents	1,524,461,361	2,614,271,850
Trade and other receivables, net	3,402,869,055	2,933,814,799
Inventories, net	3,297,368,930	3,204,515,835
Other investments	602,098,501	534,662,104
Other current assets	353,200,052	335,800,401
Current derivative assets	7,031,294	28,637,386
Current assets	9,187,029,193	9,651,702,375
Long-term trade and other receivables, net	33,739,219	6,879,322
Investments in associates and joint venture	9,996,233,433	8,940,282,255
Property, plant and equipment, net	11,893,348,077	8,965,469,799
Intangible assets, net	858,929,747	814,931,163
Investment property	147,320,486	147,558,866
Deferred tax assets	211,071,364	168,913,514
Other non-current investments, including derivatives	1,364,181,993	1,245,883,337
Other non-current assets	93,180,479	137,715,011
Non-current derivative assets	-	6,070,438
Employee benefit assets	253,826,202	172,119,091
Non-current assets	24,851,831,000	20,605,822,796
Total assets	34,038,860,193	30,257,525,171
Liabilities		
Trade and other payables	4,538,845,024	4,285,754,046
Income tax payable	101,894,653	229,613,881
Advance received	607,331,856	230,132,847
Unearned revenue	18,823,553	78,688,354
Short-term borrowings	2,868,274,952	2,851,183,214
Derivative liabilities	-	57,510
Provisions	383,763,099	331,508,976
Current liabilities	8,518,933,137	8,006,938,828
Non-current trade and other payables	541,922,917	697,531,225
Long-term advance received	61,184,782	50,623,505
Long-term borrowings	2,849,524,920	2,297,040,000
Net employee benefit liabilities	2,276,047	2,005,410
Non-current derivative liabilities	-	82,319
Long-term provisions	93,140,664	91,878,306
Deferred tax liabilities	2,064,627,748	1,893,923,422
Non-current liabilities	5,612,677,078	5,033,084,187
Total liabilities	14,131,610,215	13,040,023,015
Equity		
Share capital	356,712,130	356,712,130
Share premium	5,001,974,693	5,001,974,693
Other components of equity	(345,131,584)	(345,131,584)
Accumulated other comprehensive income	1,162,152,893	1,003,816,893
Retained earnings	12,335,665,246	10,468,351,381
Equity attributable to owners of the Parent Company	18,511,373,378	16,485,723,513
Non-controlling interests	1,395,876,600	731,778,643
Total equity	19,907,249,978	17,217,502,156

Consolidated Statements of Comprehensive Income (As of December 31, 2023 and 2022)

(In thousands of won, except per share information)

	<u>2023</u>	<u>2022</u>
Revenue	22,708,300,498	20,124,069,516
Cost of sales	(18,726,384,091)	(15,903,322,834)
Gross profit	3,981,916,407	4,220,746,682
Selling, general and administrative expenses	(2,348,547,442)	(2,412,733,669)
Operating profit	1,633,368,965	1,808,013,013
Other non-operating income	76,645,597	62,998,019
Other non-operating expenses	(50,310,957)	(206,316,946)
Finance income	1,055,087,475	1,390,645,973
Finance costs	(1,245,885,498)	(1,442,761,340)
Share of income of associates and joint venture	1,017,238,435	1,039,696,670
Profit before income tax	2,486,144,017	2,652,275,389
Income tax expense	(420,097,455)	(612,913,941)
Profit for the year	2,066,046,562	2,039,361,448
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of net defined benefit liabilities	(99,099,458)	87,645,869
Gain (loss) on valuation of financial assets at FVOCI	88,659,820	(166,678,917)
Related tax	15,507,203	(3,040,696)
Items that are or may be reclassified to profit or loss:		
Gain on valuation of derivatives instruments for cash flow hedge	(23,111,866)	(67,984,703)
Change in equity of equity-method accounted investees	(16,687,756)	(9,615,209)
Foreign operations – foreign currency translation differences	90,240,991	17,859,070
Related tax	10,507,100	1,937,146
Other comprehensive income for the year, net of tax	66,016,034	(139,877,440)
Total comprehensive income for the year	2,132,062,596	1,899,484,008
Profit attributable to:		
Owners of the Parent Company	2,009,207,126	1,952,148,536
Non-controlling interests	56,839,436	87,212,912
Total comprehensive income attributable to:		
Owners of the Parent Company	2,094,600,653	1,848,403,992
Non-controlling interests	37,461,943	51,080,016
Earnings per share		
Basic earnings per share - Ordinary share	30,044	29,191
Basic earnings per share - Preferred share	30,094	29,241

Consolidated Statements of Change in Equity (As of December 31, 2023 and 2022)

<i>(In thousands of won)</i>	Share capital	Capital surplus	Other capital	Accumulated other comprehensive income	Retained earnings	Non-controlling interests	Total equity
Balance at January 1, 2022	356,712,130	5,001,974,693	(345,131,584)	1,174,235,558	8,516,473,334	492,435,184	15,196,699,315
Comprehensive income							
Profit for the year	-	-	-	-	1,952,148,536	87,212,912	2,039,361,448
Remeasurements of the defined benefit plan	-	-	-	-	66,674,121	-	66,674,121
Gain on valuation of derivatives instruments for cash flow hedge	-	-	-	(52,195,555)	-	-	(52,195,555)
Changes in fair values of financial assets at FVOCI	-	-	-	(148,747,865)	-	-	(148,747,865)
Change in equity of equity-accounted investees	-	-	-	(23,467,212)	-	-	(23,467,212)
Foreign operations – foreign currency translation differences	-	-	-	53,991,967	-	(36,132,896)	17,859,071
Total comprehensive income	-	-	-	(170,418,665)	2,018,822,657	51,080,016	1,899,484,008
Transactions with shareholders							
directly recognized in equity							
Dividends to owners of the company	-	-	-	-	(66,944,610)	(2,553,942)	(69,498,551)
Capital contribution from non-controlling interest	-	-	-	-	-	191,354,614	191,354,614
Capital reduction of non-controlling interest	-	-	-	-	-	(537,230)	(537,230)
Balance at December 31, 2022	356,712,130	5,001,974,693	(345,131,584)	1,003,816,893	10,468,351,381	731,778,642	17,217,502,156

<i>(In thousands of won)</i>	<u>Capital stock</u>	<u>Capital surplus</u>	<u>Other capital</u>	<u>Accumulated other comprehensive income</u>	<u>Retained earnings</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2023	356,712,130	5,001,974,693	(345,131,584)	1,003,816,893	10,468,351,381	731,778,642	17,217,502,156
Comprehensive income							
Profit for the year	-	-	-	-	2,009,207,126	56,839,436	2,066,046,562
Remeasurements of the defined benefit plan	-	-	-	-	(72,942,473)	-	(72,942,473)
Gain on valuation of derivatives instruments for cash flow hedge	-	-	-	(17,010,333)	-	-	(17,010,333)
Changes in fair values of financial assets at FVOCI	-	-	-	78,010,037	-	-	78,010,037
Change in equity of equity-accounted investees	-	-	-	(12,282,188)	-	-	(12,282,188)
Foreign operations – foreign currency translation differences	-	-	-	109,618,484	-	(19,377,493)	90,240,991
Total comprehensive income	-	-	-	158,336,000	1,936,264,653	37,461,943	2,132,062,596
Transactions with shareholders							
directly recognized in equity							
Dividends to owners of the company	-	-	-	-	(68,950,788)	(2,605,626)	(71,556,414)
Capital contribution from non-controlling interest	-	-	-	-	-	629,241,640	629,241,640
Balance at December 31, 2023	356,712,130	5,001,974,693	(345,131,584)	1,162,152,893	12,335,665,246	1,395,876,599	19,907,249,978

Consolidated Statements of Cash Flows (As of December 31, 2023 and 2022)

<i>(In thousands of won)</i>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Profit for the year	2,066,046,562	2,039,361,448
Adjustments for expense (benefit)	1,497,883,704	1,415,752,593
Changes in assets and liabilities	(938,384,206)	(500,717,670)
Interest received	80,023,127	34,121,360
Interest paid	(221,312,632)	(81,139,252)
Dividends received	17,095,214	12,250,892
Income taxes paid	(397,830,255)	(278,533,207)
Net cash provided by operating activities	<u>2,103,521,514</u>	<u>2,641,096,164</u>
Cash flows from investing activities		
Decrease in other investments	2,889,653,378	223,573,857
Proceeds from disposal of property, plant and equipment	11,714,680	20,379,233
Proceeds from disposal of intangible assets	-	1,122,015
Disposal of subsidiaries and affiliates	2,000,000	19,709,386
Increase in government grants	99,099,063	52,827,228
Acquisition of other investments	(3,003,927,026)	(408,355,803)
Acquisition of property, plant and equipment	(4,048,246,716)	(2,808,898,170)
Acquisition of intangible assets	(12,458,762)	(4,583,865)
Acquisition of subsidiaries and affiliates	(42,680,000)	(42,010,000)
Net cash used in investing activities	<u>(4,104,845,383)</u>	<u>(2,946,236,119)</u>
Cash flows from financing activities		
Proceeds from short-term borrowings	4,049,049,429	1,239,602,699
Proceeds from long-term borrowings	1,005,861,108	807,737,420
Capital contribution from non-controlling interest	629,241,640	191,354,614
Dividends paid	(71,550,149)	(69,498,551)
Repayment of debentures	(220,000,000)	-
Repayment of short-term borrowings	(3,990,031,780)	(1,508,607,082)
Repayment of long-term borrowings	(463,850,373)	(1,296,152)
Capital reduction from non-controlling interest	-	(29,750)
Repayment of lease liabilities	(36,058,841)	(30,563,962)
Net cash provided by financing activities	<u>902,661,034</u>	<u>628,699,236</u>
Net increase in cash and cash equivalents	<u>(1,098,662,835)</u>	<u>323,559,281</u>
Cash and cash equivalents at January 1	2,614,271,850	2,325,692,348
Effect of fluctuations in exchange rate on cash held	8,852,346	(34,979,779)
Cash and cash equivalents at December 31	<u>1,524,461,361</u>	<u>2,614,271,850</u>

Separate Statements of Appropriation of Retained Earnings (For the year ended December 31, 2023 and 2022)

(1) Statement of retained earnings of the Parent Company in equity for the years ended December 31, 2023 and 2022 are summarized as follows:

<i>(In thousands of won)</i>	2023	2022
(i) Unappropriated retained earnings	749,103,066	931,049,574
- Retained Earnings from Previous Year	157,090	13,689
- Defined benefit plan actuarial gain	(72,236,322)	65,197,678
- Profit (loss) for the Year	821,182,298	865,838,207
(ii) Transfer of discretionary reserve	-	-
(iii) Changed retained earnings	(749,094,610)	(930,892,484)
- Legal reserve	-	(3,701,695)
- Dividends	(66,944,610)	(68,950,789)
- Reserve of facility	(682,150,000)	(858,240,000)
Total	8,456	157,090

(END)