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# 01 Financial Highlights ('23.2Q)



- ✓ For FY 9, the target dividend was achieved with KRW 66 for DPS (dividend per share) and 5.28% for IAD (indicated annual dividend)
- ✓ Special dividends from disposal transaction of two gas stations to be KRW91 DPS including usual dividend in both 3Q and 4Q

## Consolidated Financial Highlights

Unit : KRW 100 M / K-IFRS Consolidated

구분	FY 9, '23.2Q (Current)	FY 8, '23.1Q (Previous)	an increase or decrease	
			in amount	%
Operating Revenue	305	306	(1)	(0.02%)
Net Profit	35	37	(2)	(4.8%)
EBITDA	272	272	-	-
Asset	31,176	31,127	(51)	(0.2%)
Liability	21,669	21,525	144	0.7%
Equity	9,507	9,602	(95)	(1.0%)
EBITDA Margin	89%	89%	-	-
Borrowings/ EBITDA (Dividend) <sup>1)</sup>	17.6	17.6	-	-
DPS (KRW)	66.0	66.0	-	-
IAD <sup>2)</sup>	5.28%	5.28%	-	-

1) The settlement cycle of 3 months and borrowings/EBITDA figures calculated based on annually converted EBITDA

2) Calculated based on the public offering price of KRW 5,000.  
(KRW 66 per share\*annual conversion) / Public offering price of KRW 5,000

## Dividend

Unit : KRW

Period	Total Dividend	DPS		Payment Date
		Target	Actual	
FY 6, '22.3Q	KRW 13 B	66	66	Dec. 28, 2022
FY 7, '22.4Q	KRW 13 B	66	66	Mar. 30, 2023
FY 8, '23.1Q	KRW 13 B	66	66	Jul. 6, 2023
<b>FY 9, '23.2Q</b>	<b>KRW 13 B</b>	<b>66</b>	<b>66</b>	<b>Sep. 13, 2023</b>
FY 10, '23.3Q(E)	-	91	-	End of Dec. 2023
FY 11, '23.4Q(E)	-	91	-	End of Mar. 2024

- The expected total dividends and expected DPS for FY 10, 11 was approved at the FY 7 general shareholders' meeting for KRW66. Above the expected DPS of KRW 91 is the company's aims including special dividends from disposal transaction of two gas stations and considering new share issues.
- The forecast information is subject to changes in the business environment, external audits, etc., and actual future performance may differ from what is stated or implied in this document. In addition, the expected payment date above may differ from the actual date, depending on the schedule of the shareholders' meeting.

- ✓ Special dividends from disposal transaction of two gas stations to be KRW91 DPS including usual dividend in both 3Q and 4Q
- ✓ SK REIT Plans to disposal of or adding of value to the others gas stations.

### Disposal

- ▶ SK REIT will sell two gas stations for a total of KRW15.7b
- ✓ The entire gain from sale will be returned to shareholders in the form of special dividends
- ✓ Special dividends from disposal transaction to be KRW91 DPS in both 3Q and 4Q



Busan



Changwon

- ▶ It will aggressively seek either disposal of or adding of value to its 114 gas station assets by end-2023.

### Value-add

- ▶ Sihwa Industry Gas Station, to be developed as an eco-friendly energy platform



- ✓ The function of logistics is added to a gas station  
→ **Asset value is expected to increase**
- ✓ Negotiations are expected for building purchase and rental rates at the time of completion  
→ **Possible to increase rental income**
- ✓ Eco-friendly energy development is combined with future logistics center  
→ **Rental stability is improved in the future**



✓ SK REIT is undergoing a Rights Offering for 37% of its total issued shares and Issuance price of new shares is KRW 4,160 per a share.

## Term

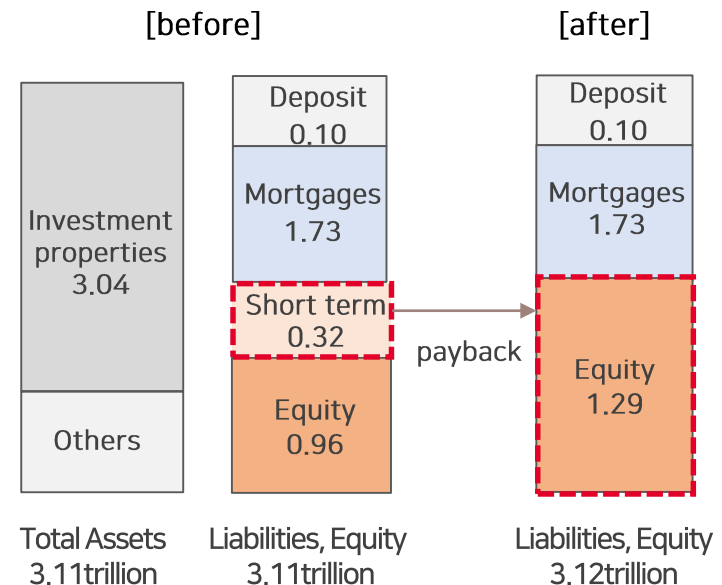
Determination of Particulars for Issuance	
Classes	SK REIT Common new stocks
Issuance method	Shareholders priority public offering
Number of new shares	73,578,600 shares
Ratio	37.43 %
Discount	5 %
Issuance price of new shares	KRW 4,160 per a share
Major schedule	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>July 28</p> <p>Submission of Registration statement</p> </div> <div style="text-align: center;"> <p>Sep 18</p> <p>Determination of issue value</p> </div> <div style="text-align: center;"> <p>Sep 21,22</p> <p>subscription of shareholders</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Oct 5</p> <p>Payment New shares</p> </div> <div style="text-align: center;"> <p>Oct 19</p> <p>Listing of Stocks</p> </div> </div>

## Impacts

### Benefits of a rights offering

- ✓ Payback short-term bonds, lowering its LTV ratio to 59%
- ✓ Cut average funding rate from 3.39% to 3.17%

(Unit :KRW Trillion)



<p><b>AUM</b></p> <p><b>KRW 3.1 trillion</b></p> <p><i>Largest in Korea</i></p>	<p><b>Number of Managed Assets</b></p> <p><b>119</b></p> <p><i>CBD Office - 2 BBD Office - 1 Gas stations across the country - 116</i></p>	<p><b>Market Cap <sup>1)</sup></b></p> <p><b>KRW 844.2 billion</b></p> <p><i>Inclusion in the FTSE Index (Dec. 2022)</i></p>	<p><b>Rate of Increase in Asset Value Compared to Acquisition Price <sup>2)</sup></b></p> <p><b>10.1%</b></p> <p><i>Assets in 2Q, 2023 Appraisal Consulting Criteria</i></p>
<p><b>Credit Rating</b></p> <p><b>AA-</b></p> <p><i>The only and highest rating in Korea</i></p>	<p><b>Vacancy Rate</b></p> <p><b>0.0%</b></p>	<p><b>Annual Average Rate of Dividend<sup>3)</sup></b></p> <p><b>5.28%</b></p> <p><i>Quarterly payment of dividend - the first case in Korea (Mar., June, Sept., and Dec.)</i></p>	<p><b>Ownership</b></p> <p>SK Inc. <b>43%</b></p> <p>Major Institutional <b>23%</b></p> <p>Foreign <b>7.08%</b></p>

1) As of Sep 14, 2023, closing price of KRW 4,295 x 196,554,079 (total number of shares)

2) As of the end of June 2023, Seorin Building had risen by 11.5%, Gas Stations by 13.4%, and U Tower by 8.5%, Jongno Tower by 7.1% compared to the acquisition prices.

3) Based on the settlement of accounts in June 2023 (FY 9), KRW 66 per share X annual conversion / KRW 5,000 (Public offering price)



## Master Lease

Master Lease of SK Inc. (AA+), SK Hynix (AA), and SK Energy (AA), Vacancy risk hedge

## Inflation Linked

Inflation hedge with CPI-linked rent increase

- SK Seorin Bldg.: Seoul CPI-linked (once a year)
- SK U-Tower: Gyeonggi CPI-linked (once a year, max 5.0%)
- Gas Stations: Nationwide CPI-linked (once a year after initial fix for 5 years)

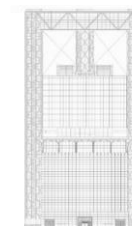
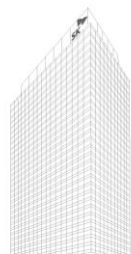
*※ In July 2023, Seorin Building rised +4.5% and U Tower +5.0%.*

## Triple Net

Administrative expenses, insurance premiums, taxes and dues, and CAPEX expenses are paid by the lessee  
 → Limited fluctuations are seen in REIT's profits.



# 05 Summary of Assets



Classification	SK Seorin Building	SK Energy Gas Stations	SK U-Tower	Jongno Tower
Location	99 Seorin-dong, Jongro-gu, Seoul	116 nationwide	25-1 Jeongja-dong, Bundang-gu, Seongnam-si	6, Jongno 2ga, Jongno-gu, Seoul
Asset type	Office	Gas station	Office	Office(74%) & Retail(26%)
Total floor area	83,828m <sup>2</sup> (25,358 py)	85,369m <sup>2</sup> (25,822 py)	86,804m <sup>2</sup> (26,258 py)	60,600.6m <sup>2</sup> (18,332py)
Land area	5,779m <sup>2</sup> (1,748 py)	170,942m <sup>2</sup> (51,710 py)	9,967.80m <sup>2</sup> (3,015 py)	5,007.9m <sup>2</sup> (1,514.9py)
Purchase price (Purchase date)	KRW 1,003.0billion (July 6, 2021)	KRW 766.4billion (July 7, 2021; Nov. 25, 2021)	KRW 507.2billion (June 9, 2022)	KRW 621.5billion (Dec. 19, 2022)
Appraisal-consultation Value <sup>(1)</sup>	KRW 1,003 billion	KRW 869.3 billion	KRW 548.6 billion	KRW 665.8 billion
Tenant	SK Inc. (NICE Investors Service AA+, May 24, 2021)	SK Energy (NICE Investors Service AA, Mar. 24, 2021)	SK Hynix (NICE Investors Service AA, June 29, 2021)	Major tenant: SK Green Campus
Rental-escalation Structure	Linked with CPI-increase rate for Seoul for previous year (Threshold: 1.5%)	(One to five years) Rental fixed (At least six years) Linked with nationwide CPI-increase rate for previous year	Linked with CPI-increase rate for Seoul for previous year (Threshold: 1.5%, Cap: 5.0%)	3% rent/management cost compared to previous year
Who bears the management cost <sup>(2)</sup>	Triple net	Triple net	Triple net	Market practice applied

Note 1) Appraisal consultation fulfilled by Kyungil Appraisal Corporation, as of June 31, 2023

Note 2) Management cost Triple Net: Tenant bears maintenance costs, insurance premiums, taxes and public imposts

## Consolidated BS (Unit: 100 millions of KRW)

	FY 7 ('22.12.31)	FY 8 ('23.03.31)	FY 9 ('23.06.30)
<b>Current Assets</b>	<b>807</b>	<b>707</b>	<b>802</b>
Cash and cash equivalents	753	656	746
Other current assets	54	51	56
<b>Non-current Assets</b>	<b>30,467</b>	<b>30,420</b>	<b>30,375</b>
Long-term financial instruments	75	75	75
Investment properties	30,392	30,345	30,300
<b>Total assets</b>	<b>31,274</b>	<b>31,127</b>	<b>31,176</b>
<b>Current liabilities</b>	<b>7,271</b>	<b>6,975</b>	<b>5,909</b>
Short-term borrowings	3,944	3,645	2,447
Debentures	3,199	3,199	3,200
Other current liabilities	129	130	262
<b>Non-current liabilities</b>	<b>14,315</b>	<b>14,550</b>	<b>15,760</b>
Long-term borrowing	12,312	12,319	13,519
Debentures	-	1,308	1,321
Leasehold deposits received	825	831	834
Other non-current liabilities	99	92	86
<b>Total liabilities</b>	<b>21,586</b>	<b>21,525</b>	<b>21,669</b>
Share Capital	983	983	983
Other paid-in capital	8,701	8,674	8,657
Retained earnings	3	(55)	(132)
<b>Total equity</b>	<b>9,687</b>	<b>9,602</b>	<b>9,507</b>
<b>Total liabilities and equity</b>	<b>31,273</b>	<b>31,127</b>	<b>31,176</b>

## Non-Consolidated BS (Unit: 100 millions of KRW)

	FY 7 ('22.12.31)	FY 8 ('23.03.31)	FY 9 ('23.06.30)
<b>Current Assets</b>	<b>453</b>	<b>358</b>	<b>482</b>
Cash and cash equivalents	408	321	441
Other current assets	45	18	41
<b>Non-current Assets</b>	<b>23,361</b>	<b>23,325</b>	<b>23,288</b>
Long-term financial instruments	7,604	7,604	7,604
Investment properties	15,758	15,721	15,684
<b>Total assets</b>	<b>23,814</b>	<b>23,683</b>	<b>23,770</b>
<b>Current liabilities</b>	<b>4,749</b>	<b>4,449</b>	<b>3,380</b>
Short-term borrowings	1,499	1,199	-
Debentures	3,199	3,199	3,200
Other current liabilities	52	51	180
<b>Non-current liabilities</b>	<b>9,395</b>	<b>9,627</b>	<b>10,837</b>
Long-term borrowing	7,828	7,832	9,029
Debentures	-	1,308	1,321
Leasehold deposits received	449	452	455
Other non-current liabilities	38	35	32
<b>Total liabilities</b>	<b>14,144</b>	<b>14,076</b>	<b>14,217</b>
Share Capital	983	983	983
Other paid-in capital	8,701	8,674	8,657
Retained earnings	(13)	(50)	(87)
<b>Total equity</b>	<b>9,671</b>	<b>9,607</b>	<b>9,553</b>
<b>Total liabilities and equity</b>	<b>23,815</b>	<b>23,683</b>	<b>23,770</b>

※ Fiscal year: at the end of March, June, September, and December each year

## Consolidated PL (Unit: millions of KRW)

	FY 7	FY 8	FY 9
	'22.10.01 ~'22.12.31	'23.01.01 ~'24.03.31	'23.04.01 ~'24.06.30
Operating Revenues	29,006	30,552	30,547
Operating Expenses	7,706	8,055	8,079
Operating Income	21,300	22,498	22,468
Finance costs	(17,519)	(18,900)	(19,014)
Interest income	520	550	471
Interest expenses	18,039	19,450	19,485
Non-operating profit	(49)	65	34
Other income	2	65	34
Other expenses	51	-	-
Profit Before Income Tax Expense	3,732	3,663	3,488
Income Tax Expenses	-	-	-
Net Income	3,732	3,663	3,488

## Non-Consolidated PL (Unit: millions of KRW)

	FY 7	FY 8	FY 9
	'22.10.01 ~'22.12.31	'23.01.01 ~'24.03.31	'23.04.01 ~'24.06.30
Operating Revenues	22,379	23,719	25,599
Operating Expenses	4,758	4,745	4,851
Operating Income	17,621	18,974	20,749
Finance costs	(12,219)	(13,184)	(13,179)
Interest income	348	255	223
Interest expenses	12,567	13,439	13,401
Non-operating profit	(51)	-	4
Other income	-	-	4
Other expenses	51	-	-
Profit Before Income Tax Expense	5,351	5,790	7,574
Net Income	-	-	-
Other comprehensive income	5,351	5,790	7,574

※ Fiscal year: at the end of March, June, September, and December each year

## Consolidated CF (Unit: millions of KRW)

	FY 7	FY 8	FY 9
	'22.10.01 ~'22.12.31	'23.01.01 ~'24.03.31	'23.04.01 ~'24.06.30
<b>Cash flows from operating activities</b>	12,746	10,247	9,981
Cash generated by operating activities	27,299	26,393	26,260
Interest income received	398	322	305
Interest expenses paid	(14,898)	(16,449)	(16,575)
Income taxes paid	(53)	(19)	(7)
<b>Cash flows from investing activities</b>	(688,301)	8,000	(11,187)
Cash inflows	40,033	35,000	27,000
Cash outflows	(728,334)	(27,000)	(38,187)
<b>Cash flows from financing activities</b>	708,002	(19,899)	(814)
Cash inflows	1,083,975	247,074	224,010
Cash outflows	(375,973)	(266,973)	(224,824)
<b>Net increase in cash</b>	32,447	(1,652)	(2,020)
<b>Cash at the beginning of the year</b>	4,741	37,189	35,537
<b>Cash at the end of the year</b>	37,188	35,537	33,517

## Non-Consolidated CF (Unit: millions of KRW)

	FY 7	FY 8	FY 9
	'22.10.01 ~'22.12.31	'23.01.01 ~'24.03.31	'23.04.01 ~'24.06.30
<b>Cash flows from operating activities</b>	8,372	11,166	12,775
Cash generated by operating activities	14,147	14,130	13,993
Dividend received	6,517	7,857	9,734
Interest income received	281	287	219
Interest expenses paid	(12,538)	(11,087)	(11,181)
Income taxes paid	(36)	(20)	10
<b>Cash flows from investing activities</b>	(448,100)	15,000	-
Cash inflows	33,000	35,000	20,000
Cash outflows	(481,100)	(20,000)	(20,000)
<b>Cash flows from financing activities</b>	445,410	(19,899)	(782)
Cash inflows	821,383	247,074	224,000
Cash outflows	(375,973)	(266,973)	(224,782)
<b>Net increase in cash</b>	5,682	6,267	11,992
<b>Cash at the beginning of the year</b>	112	5,794	12,061
<b>Cash at the end of the year</b>	5,794	12,061	24,053

※ Fiscal year: at the end of March, June, September, and December each year

