



# **SK Inc.** **and its subsidiaries**

Interim condensed consolidated financial statements  
for the six-month periods ended June 30, 2022 and 2021  
with the independent auditor's review report

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**Report on review of interim condensed consolidated financial statements**  
(English Translation of a Report Originally Issued in Korean)

**SK Inc.**  
**The Shareholders and Board of Directors**

We have reviewed the accompanying interim condensed consolidated financial statements of SK Inc. (the “Company”) and its subsidiaries (collectively referred to as, the “Group”), which comprise the interim condensed consolidated statement of financial position as of June 30, 2022, and the related interim condensed consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2022 and 2021, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for the six-month periods then ended, and a summary of significant accounting policies and other explanatory information.

**Management’s responsibility for the interim condensed consolidated financial statements**

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“KIFRS”) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of the interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s responsibility**

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing (“KSAs”) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

**Other matters**

We have audited the consolidated statement of financial position of the Group as of December 31, 2021, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended (not presented herein) in accordance with KSAs, and our report dated March 11, 2022 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2021, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.



August 16, 2022

This review report is effective as of August 16, 2022, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditor's review report date to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed consolidated financial statements and may result in modification to this review report.

## **SK Inc. and its subsidiaries**

Interim condensed consolidated financial statements  
for the six-month periods ended June 30, 2022 and 2021

“The accompanying interim condensed consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Group.”

Tae-Won Chey, Dong-Hyun Jang, Sungha Park  
Chief Executive Officers  
SK Inc.

**SK Inc. and its subsidiaries**  
**Interim condensed consolidated statements of financial position**  
**as of June 30, 2022 and December 31, 2021**

(Korean won in millions and U.S. dollar in thousands)

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		June 30, 2022 (Unaudited)	December 31, 2021	June 30, 2022 (Unaudited)	December 31, 2021
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	5	₩ 15,253,457	₩ 12,317,555	\$ 11,797,863	\$ 9,527,075
Short-term financial instruments	5, 32	7,037,001	6,124,750	5,442,804	4,737,219
Trade receivables, net	5, 6, 27, 32, 34	13,250,967	11,387,442	10,249,027	8,807,674
Other receivables, net	5, 27, 31, 34	2,919,783	2,419,559	2,258,321	1,871,420
Inventories, net	7, 32	16,923,647	10,680,704	13,089,680	8,261,044
Short-term investment securities	5, 8, 32, 34	1,022,729	353,355	791,035	273,304
Other current assets	5, 18, 19, 32, 34	5,937,783	4,879,645	4,592,608	3,774,186
Assets held for sale	29	478,808	1,030,196	370,336	796,810
<b>Total current assets</b>		<b>62,824,175</b>	<b>49,193,206</b>	<b>48,591,674</b>	<b>38,048,732</b>
Non-current assets:					
Long-term financial instruments	5, 32	28,877	48,092	22,335	37,197
Long-term trade receivables, net	5, 6, 27, 34	468,582	391,739	362,427	302,992
Long-term other receivables, net	5, 27, 31, 34	238,795	318,884	184,697	246,642
Long-term investment securities	5, 8, 32, 34	8,384,814	9,546,185	6,485,277	7,383,545
Investments in associates and joint ventures	9, 32	28,620,031	26,050,445	22,136,307	20,148,848
Property, plant and equipment, net	10, 32	54,726,401	51,383,825	42,328,410	39,743,078
Right-of-use assets, net	11	5,391,988	5,034,316	4,170,460	3,893,817
Investment property, net	12, 32	1,584,672	967,128	1,225,673	748,030
Goodwill	13	7,756,101	5,618,511	5,998,995	4,345,666
Intangible assets, net	14	12,372,596	12,681,890	9,569,647	9,808,872
Deferred tax assets		927,066	765,000	717,044	591,693
Other non-current assets	5, 18, 19, 27, 34	3,730,053	3,359,226	2,885,029	2,598,211
<b>Total non-current assets</b>		<b>124,229,976</b>	<b>116,165,241</b>	<b>96,086,301</b>	<b>89,848,590</b>
<b>Total assets</b>		<b>₩ 187,054,151</b>	<b>₩ 165,358,447</b>	<b>\$ 144,677,975</b>	<b>\$ 127,897,322</b>
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Current liabilities:					
Short-term borrowings	5, 15, 34	₩ 15,091,213	₩ 7,657,381	\$ 11,672,375	\$ 5,922,640
Trade payables	5, 27, 34	14,802,757	9,519,544	11,449,267	7,362,939
Other payables	5, 27, 34	7,119,445	7,049,872	5,506,571	5,452,759
Provisions	16	569,282	530,049	440,314	409,969
Current portion of long-term debt	5, 15, 34	10,099,763	7,828,071	7,811,712	6,054,661
Other current liabilities	5, 18, 19	11,542,115	11,991,798	8,927,307	9,275,116
Liabilities held for sale	29	30,517	398,144	23,604	307,946
<b>Total current liabilities</b>		<b>59,255,092</b>	<b>44,974,859</b>	<b>45,831,150</b>	<b>34,786,030</b>
Non-current liabilities:					
Bonds payable and long-term borrowings	5, 15, 34	42,766,884	42,620,141	33,078,261	32,964,763
Long-term other payables	5, 34	1,487,283	1,854,343	1,150,347	1,434,251
Defined benefit liabilities	17	384,098	283,938	297,083	219,613
Provisions	16	746,929	706,452	577,716	546,409
Deferred tax liabilities		4,768,853	3,807,437	3,688,493	2,944,881
Other non-current liabilities	5, 18, 19, 27, 34	6,282,473	5,568,542	4,859,210	4,307,017
<b>Total non-current liabilities</b>		<b>56,436,520</b>	<b>54,840,853</b>	<b>43,651,110</b>	<b>42,416,934</b>
<b>Total liabilities</b>		<b>115,691,612</b>	<b>99,815,712</b>	<b>89,482,260</b>	<b>77,202,964</b>
<b>Equity</b>					
Equity attributable to owners of the parent:					
Issued capital	1, 20	16,143	16,143	12,486	12,486
Other paid-in capital	20	6,451,934	6,445,296	4,990,281	4,985,147
Retained earnings	20	15,740,643	14,057,406	12,174,679	10,872,771
Other components of equity	20	777,458	721,262	601,329	557,864
<b>Total equity attributable to owners of the parent</b>		<b>22,986,178</b>	<b>21,240,107</b>	<b>17,778,775</b>	<b>16,428,268</b>
Non-controlling interests		48,376,361	44,302,628	37,416,939	34,266,090
<b>Total equity</b>		<b>71,362,539</b>	<b>65,542,735</b>	<b>55,195,714</b>	<b>50,694,358</b>
<b>Total liabilities and equity</b>		<b>₩ 187,054,151</b>	<b>₩ 165,358,447</b>	<b>\$ 144,677,974</b>	<b>\$ 127,897,322</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**SK Inc. and its subsidiaries**  
**Interim condensed consolidated statements of comprehensive income**  
**for the three-month and six-month periods ended June 30, 2022 and 2021**

(Korean won in millions, except for earnings per share)

	Notes	Korean won			
		June 30, 2022 (Unaudited)		June 30, 2021 (Unaudited)	
		Three months	Six months	Three months	Six months
<b>Sales</b>	4, 27	₩ 33,327,335	₩ 64,091,393	₩ 23,223,454	₩ 45,236,238
<b>Cost of sales</b>	24, 27	<u>28,024,775</u>	<u>54,109,104</u>	<u>20,585,944</u>	<u>39,654,211</u>
<b>Gross profit</b>		<b>5,302,560</b>	<b>9,982,289</b>	<b>2,637,510</b>	<b>5,582,027</b>
Selling and administrative expenses	21, 24, 27	1,724,422	3,351,168	1,409,174	2,740,982
<b>Operating income</b>	4	<b>3,578,138</b>	<b>6,631,121</b>	<b>1,228,336</b>	<b>2,841,045</b>
Finance income	22	2,231,248	4,319,643	564,619	1,526,610
Finance costs	22	3,183,908	6,075,856	1,010,717	2,342,819
Gain on investments in associates and joint ventures, net	9	625,761	1,037,529	477,087	717,185
Other non-operating income	23	231,803	1,057,358	1,026,682	1,592,680
Other non-operating expenses	23	78,975	185,380	173,257	1,251,204
<b>Profit from continuing operations before income tax expense</b>	4	<b>3,404,067</b>	<b>6,784,415</b>	<b>2,112,750</b>	<b>3,083,497</b>
<b>Income tax expense from continuing operations</b>	25	<b>1,035,074</b>	<b>2,044,052</b>	<b>712,864</b>	<b>1,182,125</b>
<b>Profit for the period from continuing operations</b>	4	<b>2,368,993</b>	<b>4,740,363</b>	<b>1,399,886</b>	<b>1,901,372</b>
<b>Gain (loss) from discontinued operation</b>	28	<b>(2,153)</b>	<b>627,681</b>	<b>143,047</b>	<b>217,904</b>
<b>Profit for the period</b>		<b>₩ 2,366,840</b>	<b>₩ 5,368,044</b>	<b>₩ 1,542,933</b>	<b>₩ 2,119,276</b>
Attributable to:					
Owners of the parent		797,929	2,020,658	497,564	728,601
Non-controlling interests		1,568,911	3,347,386	1,045,369	1,390,675
<b>Other comprehensive income (loss):</b>					
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Remeasurement gain(loss) on defined benefit plans		10,893	28,256	19,521	(10,478)
Net gain (loss) on valuation of financial assets at FVOCI		(1,312,654)	(1,708,777)	511,523	749,644
Items that may be reclassified to profit or loss in subsequent periods (net of tax):					
Equity adjustments of investments in associates and joint ventures		159,151	320,378	89,128	270,496
Net gain on valuation of derivative financial instruments		57,303	9,265	27,011	14,992
Net gain(loss) on translation of foreign operations		1,290,515	1,677,721	(5,902)	559,652
		<u>205,208</u>	<u>326,843</u>	<u>641,281</u>	<u>1,584,306</u>
<b>Total comprehensive income for the period</b>		<b>₩ 2,572,048</b>	<b>₩ 5,694,887</b>	<b>₩ 2,184,214</b>	<b>₩ 3,703,582</b>
Attributable to:					
Owners of the parent		758,954	2,104,156	668,735	1,399,840
Non-controlling interests		1,813,094	3,590,731	1,515,479	2,303,742
<b>Earnings per share (Korean won):</b>	26				
Basic earnings per share		₩ 14,183	₩ 35,962	₩ 9,480	₩ 13,880
Diluted earnings per share		14,155	35,894	9,460	13,851
Basic earnings per share from continuing operations		14,199	30,980	8,251	12,009
Diluted earnings per share from continuing operations		14,171	30,921	8,233	11,984

(Continued)

**SK Inc. and its subsidiaries**  
**Interim condensed consolidated statements of comprehensive income**  
**for the three-month and six-month periods ended June 30, 2022 and 2021 (cont'd)**

(U.S. dollar in thousands, except for earnings per share)

	Notes	Translation into U.S. dollar (Note 2)			
		June 30, 2022		June 30, 2021	
		(Unaudited)		(Unaudited)	
		Three months	Six months	Three months	Six months
<b>Sales</b>	4, 27	\$ 25,777,195	\$ 49,571,810	\$ 17,962,297	\$ 34,988,196
<b>Cost of sales</b>	24, 27	21,675,903	41,850,958	15,922,302	30,670,749
<b>Gross profit</b>		<b>4,101,292</b>	<b>7,720,852</b>	<b>2,039,995</b>	<b>4,317,447</b>
Selling and administrative expenses	21, 24, 27	1,333,763	2,591,978	1,089,933	2,120,026
<b>Operating income</b>	4	<b>2,767,529</b>	<b>5,128,874</b>	<b>950,062</b>	<b>2,197,421</b>
Finance income	22	1,725,770	3,341,050	436,707	1,180,764
Finance costs	22	2,462,610	4,699,401	781,744	1,812,065
Gain on investments in associates and joint ventures, net	9	483,998	802,482	369,005	554,710
Other non-operating income	23	179,289	817,819	794,092	1,231,866
Other non-operating expenses	23	61,084	143,383	134,006	967,750
<b>Profit from continuing operations before income tax expense</b>	4	<b>2,632,892</b>	<b>5,247,441</b>	<b>1,634,116</b>	<b>2,384,946</b>
<b>Income tax expense from continuing operations</b>	25	<b>800,583</b>	<b>1,580,982</b>	<b>551,368</b>	<b>914,321</b>
<b>Profit for the period from continuing operations</b>	4	<b>1,832,309</b>	<b>3,666,459</b>	<b>1,082,748</b>	<b>1,470,625</b>
<b>Gain (loss) from discontinued operation</b>	28	<b>(1,665)</b>	<b>485,483</b>	<b>110,640</b>	<b>168,539</b>
<b>Profit for the period</b>		<b>\$ 1,830,644</b>	<b>\$ 4,151,942</b>	<b>\$ 1,193,388</b>	<b>\$ 1,639,164</b>
Attributable to:					
Owners of the parent		617,162	1,562,889	384,843	563,540
Non-controlling interests		1,213,482	2,589,053	808,545	1,075,624
<b>Other comprehensive income (loss):</b>					
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Remeasurement gain on defined benefit plans		8,425	21,855	15,099	(8,104)
Net gain (loss) on valuation of financial assets at FVOCI		(1,015,279)	(1,321,662)	395,640	579,816
Items that may be reclassified to profit or loss in subsequent periods (net of tax):					
Equity adjustments of investments in associates and joint ventures		123,096	247,798	68,936	209,216
Gain on valuation of derivative financial instruments		44,321	7,166	20,892	11,596
Net gain (loss) on translation of foreign operations		998,155	1,297,642	(4,565)	432,866
		158,718	252,799	496,002	1,225,390
<b>Total comprehensive income for the period</b>		<b>\$ 1,989,362</b>	<b>\$ 4,404,741</b>	<b>\$ 1,689,390</b>	<b>\$ 2,864,554</b>
Attributable to:					
Owners of the parent		587,016	1,627,471	517,235	1,082,713
Non-controlling interests		1,402,346	2,777,270	1,172,155	1,781,841
<b>Earnings per share (U.S. dollar):</b>	26				
Basic earnings per share		\$ 10.97	\$ 27.81	\$ 7.33	\$ 10.74
Diluted earnings per share		10.95	27.76	7.32	10.71
Basic earnings per share from continuing operations		10.98	23.96	6.38	9.29
Diluted earnings per share from continuing operations		10.96	23.92	6.37	9.27

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**SK Inc. and its subsidiaries**  
**Interim condensed consolidated statements of changes in equity**  
**for the six-month periods ended June 30, 2022 and 2021**  
(Korean won in millions)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	₩ 15,385	₩ 5,250,146	₩ 12,496,676	₩ (327,163)	₩ 17,435,044	₩ 34,424,874	₩ 51,859,918
<b>As of January 1, 2021</b>							
Total comprehensive income:							
Profit for the period	-	-	728,601	-	728,601	1,390,675	2,119,276
Remeasurement loss on defined benefit plans	-	-	(2,495)	-	(2,495)	(7,983)	(10,478)
Net gain on valuation of financial instruments at FVOCI	-	-	10,829	216,303	227,132	522,512	749,644
Equity adjustments of investments in associates and joint ventures	-	-	-	142,617	142,617	127,879	270,496
Net gain (loss) on valuation of derivative financial instruments	-	-	-	(3,471)	(3,471)	18,463	14,992
Net gain on translation of foreign operations	-	-	-	307,456	307,456	252,196	559,652
Transaction with shareholders:							
Dividends	-	-	(317,256)	-	(317,256)	(645,981)	(963,237)
Equity transactions within consolidated entities	-	1,616,940	-	-	1,616,940	1,933,284	3,550,224
Changes in the scope of consolidation	-	-	-	-	-	23,080	23,080
Others	-	1,972	(1,236)	-	736	(1,091)	(355)
<b>As of June 30, 2021 (Unaudited)</b>	<b>₩ 15,385</b>	<b>₩ 6,869,058</b>	<b>₩ 12,915,119</b>	<b>₩ 335,742</b>	<b>₩ 20,135,304</b>	<b>₩ 38,037,908</b>	<b>₩ 58,173,212</b>
<b>As of January 1, 2022</b>							
Total comprehensive income:							
Profit for the period	-	-	2,020,658	-	2,020,658	3,347,386	5,368,044
Remeasurement loss on defined benefit plans	-	-	11,900	-	11,900	16,356	28,256
Net gain (loss) on valuation of financial instruments at FVOCI	-	-	15,402	(1,008,810)	(993,408)	(715,369)	(1,708,777)
Equity adjustments of investments in associates and joint ventures	-	-	-	131,397	131,397	188,981	320,378
Net loss on valuation of derivative financial instruments	-	-	-	(68,568)	(68,568)	77,833	9,265
Net gain on translation of foreign operations	-	-	-	1,002,177	1,002,177	675,544	1,677,721
Transaction with shareholders:							
Dividends	-	-	(368,286)	-	(368,286)	(946,162)	(1,314,448)
Equity transactions within consolidated entities	-	22,316	-	-	22,316	874,750	897,066
Changes in the scope of consolidation	-	-	-	-	-	559,784	559,784
Others	-	(15,678)	3,563	-	(12,115)	(5,370)	(17,485)
<b>As of June 30, 2022 (Unaudited)</b>	<b>₩ 16,143</b>	<b>₩ 6,451,934</b>	<b>₩ 15,740,643</b>	<b>₩ 777,458</b>	<b>₩ 22,986,178</b>	<b>₩ 48,376,361</b>	<b>₩ 71,362,539</b>

(Continued)

**SK Inc. and its subsidiaries**  
**Interim condensed consolidated statements of changes in equity**  
**for the six-month periods ended June 30, 2022 and 2021 (cont'd)**  
(U.S. dollar in thousands)

	Issued capital	Other	Retained	Other	Total equity	Non-controlling	Total equity
<b>As of January 1, 2021</b>	\$ 11,900	\$ 4,060,752	\$ 9,665,617	\$ (253,046)	\$ 13,485,223	\$ 26,626,092	\$ 40,111,315
Total comprehensive income:							
Profit for the period	-	-	563,540	-	563,540	1,075,624	1,639,164
Remeasurement loss on defined benefit plans	-	-	(1,930)	-	(1,930)	(6,174)	(8,104)
Net gain on valuation of financial instruments at FVOCI	-	-	8,376	167,301	175,677	404,140	579,817
Equity adjustments of investments in associates and joint ventures	-	-	-	110,308	110,308	98,909	209,217
Net gain (loss) on valuation of derivative financial instruments	-	-	-	(2,685)	(2,685)	14,280	11,595
Net gain on translation of foreign operations	-	-	-	237,803	237,803	195,062	432,865
Transaction with shareholders:							
Dividends	-	-	(245,383)	-	(245,383)	(499,637)	(745,020)
Equity transactions within consolidated entities	-	1,250,630	-	-	1,250,630	1,495,308	2,745,938
Changes in the scope of consolidation	-	-	-	-	-	17,851	17,851
Others	-	1,525	(956)	-	569	(844)	(275)
<b>As of June 30, 2021 (Unaudited)</b>	<b>\$ 11,900</b>	<b>\$ 5,312,907</b>	<b>\$ 9,989,264</b>	<b>\$ 259,681</b>	<b>\$ 15,573,752</b>	<b>\$ 29,420,611</b>	<b>\$ 44,994,363</b>
<b>As of January 1, 2022</b>	\$ 12,486	\$ 4,985,147	\$ 10,872,771	\$ 557,864	\$ 16,428,268	\$ 34,266,090	\$ 50,694,358
Total comprehensive income:							
Profit for the period	-	-	1,562,888	-	1,562,888	2,589,053	4,151,941
Remeasurement loss on defined benefit plans	-	-	9,204	-	9,204	12,651	21,855
Net gain (loss) on valuation of financial instruments at FVOCI	-	-	11,913	(780,269)	(768,356)	(553,306)	(1,321,662)
Equity adjustments of investments in associates and joint ventures	-	-	-	101,630	101,630	146,168	247,798
Net loss on valuation of derivative financial instruments	-	-	-	(53,034)	(53,034)	60,200	7,166
Net gain on translation of foreign operations	-	-	-	775,138	775,138	522,503	1,297,641
Transaction with shareholders:							
Dividends	-	-	(284,853)	-	(284,853)	(731,814)	(1,016,667)
Equity transactions within consolidated entities	-	17,260	-	-	17,260	676,580	693,840
Changes in the scope of consolidation	-	-	-	-	-	432,968	432,968
Others	-	(12,126)	2,756	-	(9,370)	(4,154)	(13,524)
<b>As of June 30, 2022 (Unaudited)</b>	<b>\$ 12,486</b>	<b>\$ 4,990,281</b>	<b>\$ 12,174,679</b>	<b>\$ 601,329</b>	<b>\$ 17,778,775</b>	<b>\$ 37,416,939</b>	<b>\$ 55,195,714</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**SK Inc. and its subsidiaries**  
**Interim condensed consolidated statements of cash flows**  
**for the six-month periods ended June 30, 2022 and 2021**

(Korean won in millions and U.S. dollar in thousands)

		For the six-month period ended June 30			
		Korean won		Translation into U.S. dollar (Note 2)	
Notes		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
<b>Cash flows from operating activities:</b>					
		₩ 5,368,044	₩ 2,119,276	\$ 4,151,941	\$ 1,639,164
	30	6,137,085	4,031,683	4,746,759	3,118,325
	30	(4,365,293)	(1,602,851)	(3,376,358)	(1,239,733)
		135,864	80,463	105,085	62,235
		(841,924)	(695,312)	(651,190)	(537,793)
		344,627	240,968	266,553	186,378
		(1,370,069)	(1,141,098)	(1,059,687)	(882,588)
		<b>5,408,334</b>	<b>3,033,129</b>	<b>4,183,103</b>	<b>2,345,988</b>
<b>Cash flows from investing activities:</b>					
		(1,574,535)	(2,906,884)	(1,217,832)	(2,248,344)
		52,873	37,504	40,895	29,008
		48,130	77,532	37,226	59,968
		500,828	93,896	387,368	72,624
		7,756	142,872	5,999	110,505
		216,755	187,225	167,650	144,810
		24,638	14,806	19,056	11,452
		448,067	430,287	346,560	332,808
		(683,932)	(358,015)	(528,991)	(276,909)
		(901,789)	(3,307,215)	(697,493)	(2,557,982)
		(5,102,407)	(3,893,503)	(3,946,482)	(3,011,449)
		(246,416)	(159,687)	(190,592)	(123,511)
		(1,772,961)	(726,664)	(1,371,306)	(562,042)
		(602,454)	1,414,074	(465,971)	1,093,723
		<b>(9,585,447)</b>	<b>(8,953,772)</b>	<b>(7,413,913)</b>	<b>(6,925,339)</b>
<b>Cash flows from financing activities:</b>					
		7,201,483	(245,267)	5,570,023	(189,703)
		5,610,226	8,635,767	4,339,257	6,679,377
		(4,431,600)	(3,344,196)	(3,427,643)	(2,586,585)
		(405,583)	(425,807)	(313,700)	(329,343)
		(534,947)	(521,850)	(413,757)	(403,628)
		(1,319,494)	(986,103)	(1,020,569)	(762,706)
		660,020	3,863,945	510,496	2,988,588
		(32,926)	(38,284)	(25,467)	(29,611)
		<b>6,747,179</b>	<b>6,938,205</b>	<b>5,218,640</b>	<b>5,366,389</b>
		<b>2,570,066</b>	<b>1,017,562</b>	<b>1,987,830</b>	<b>787,038</b>
		<b>365,836</b>	<b>137,140</b>	<b>282,958</b>	<b>106,072</b>
		-	77,917	-	60,265
		<b>12,317,555</b>	<b>10,096,940</b>	<b>9,527,075</b>	<b>7,809,529</b>
		<b>₩ 15,253,457</b>	<b>₩ 11,329,559</b>	<b>\$ 11,797,863</b>	<b>\$ 8,762,904</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**SK Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**1. Corporate information**

**1.1 Parent**

SK Inc. (the “Company”) was established on April 13, 1991 and has been engaged in providing systems integration, software design and development, information processing and consulting services, and is headquartered at 26, Jong-ro, Jongno-gu, Seoul. The Company’s ordinary shares have been listed on the Korea Exchange since November 11, 2009.

Upon the acquisition of SK Inc. by SK C&C Co., Ltd. effective on August 1, 2015, the Company added the investment business to its existing operations for the purpose of holding the securities of its subsidiaries. Furthermore, the Company changed its name to its current form as of the acquisition date.

As of June 30, 2022, the issued capital of the Company amounts to ₩16,143 million (including ₩113 million of preferred shares). Major shareholders and their equity ownership are Tae-won Chey, National Pension Service and Ki-won Choi each holding 17.50%, 8.60% and 6.50% respectively, as of June 30, 2022.

**1.2 Consolidated subsidiaries**

The Company and its subsidiaries (collectively, the “Group”) are engaged in petroleum refining, telecommunications, wholesale and retail, chemicals, construction and other industries. Subsidiaries whose accounts are included in the consolidated financial statements as of June 30, 2022 are as follows:

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SK Innovation Co., Ltd. (*2)	Korea	Resource development	SK Inc.	33.77%
SK Energy Co., Ltd.	Korea	Crude oil refining and sales	SK Innovation Co., Ltd.	100.00%
Netruck Co., Ltd.	Korea	gas station operation	SK Energy Co., Ltd.	100.00%
Jeju United FC Corporation	Korea	Sports association sponsoring	SK Energy Co., Ltd.	100.00%
Happy Didim Co., Ltd.	Korea	Service	SK Energy Co., Ltd.	100.00%
Green & Co. Asia Ltd.	Myanmar	Manufacturing	SK Energy Co., Ltd.	80.00%
SK Energy Hong Kong Co., Ltd.	Hong Kong	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Road Investment Co., Ltd.	Cayman	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Road Investment (HK) Co., Ltd.	Hong Kong	Investment	SK Energy Road Investment Co., Ltd.	100.00%
SK Asphalt (Shanghai) Co., Ltd.	China	the sale of asphalt	SK Energy Road Investment (HK) Co., Ltd.	100.00%
goodsFLOW Co., Ltd. (*2)	Korea	the information and communication	SK Energy Co., Ltd.	41.00%
goodsCORE Co., Ltd.	Korea	Business Support Service Industry	goodsFLOW Co., Ltd.	100.00%
goodsPOST Co., Ltd.	Korea	Transportation industry	goodsFLOW Co., Ltd.	100.00%
SK Geo Centric Co., Ltd.	Korea	Chemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%
SK Geo Centric (Beijing) Holding Co., Ltd. (formerly, SK Global Chemical (China) Holding Co., Ltd.)	China	Investment	SK Geo Centric Co., Ltd.	100.00%
SK Geo Centric China, Ltd. (formerly, SK Global Chemical China Limited)	Hong Kong	Investment	SK Geo Centric Co., Ltd.	100.00%
Sino-Korea Green New Material (JiangSu) Ltd.	China	Petrochemicals manufacture and sales	SK Geo Centric China, Ltd.	100.00%
SK Geo Centric International Trading (Shanghai) Co., Ltd. (formerly, SK Global Chemical International Trading (Shanghai) Co., Ltd.)	China	Petrochemicals sales	SK Geo Centric China, Ltd.	100.00%
SK Geo Centric International Trading (Guangzhou) Co., Ltd. (formerly, SK Global Chemical International Trading (Guangzhou) Co., Ltd.)	China	Petrochemicals sales	SK Geo Centric China, Ltd.	100.00%
SK GC Americas, Inc.	USA	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Primacor Americas, LLC	USA	Petrochemicals manufacture and sales	SK Global Chemical Americas, Inc.	100.00%
SK Primacor Europe, S.L.U.	Spain	Petrochemicals manufacture and sales	SK Global Chemical Americas, Inc.	100.00%
SK Saran Americas, LLC	USA	Petrochemicals manufacture and sales	SK Global Chemical Americas, Inc.	100.00%
SK Geo Centric Brazil LTDA	Brazil	Petrochemicals manufacture and sales	SK Global Chemical Americas, Inc.	100.00%
SK Geo Centric Japan Co., Ltd.	Japan	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Geo Centric Singapore Pte. Ltd.	Singapore	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Geo Centric Investment Hong Kong Ltd.	Hong Kong	Investment	SK Geo Centric Co., Ltd.	100.00%
Ningbo SK Performance Rubber Co., Ltd.	China	Manufacturing	SK Geo Centric Investment Hong Kong Ltd.	80.00%
Happymoem Co., Ltd.	Korea	Service	SK Geo Centric Co., Ltd.	100.00%
SK Functional Polymer, S.A.S	France	Petrochemicals manufacture and sales	SK Geo Centric Co., Ltd.	100.00%
Green & Connect Capital, Inc.	USA	Investment	SK Geo Centric Co., Ltd.	100.00%
Won Poll Co., Ltd.	Korea	Petrochemicals manufacture and sales	SK Geo Centric Co., Ltd.	100.00%
SK Incheon Petrochem Co., Ltd.	Korea	Chemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%
SK Trading International Co., Ltd.	Korea	Trading business	SK Innovation Co., Ltd.	100.00%
SK Energy International Pte. Ltd.	Singapore	Trading business	SK Trading International Co., Ltd.	100.00%
SK Energy Europe, Ltd.	UK	Trading business	SK Energy International Pte. Ltd.	100.00%
SK Energy Americas, Inc.	USA	Trading business	SK Energy International Pte. Ltd.	100.00%
SK Terminal B.V.	Netherlands	Investment	SK Energy International Pte. Ltd.	100.00%
SK Lubricants Co., Ltd.	Korea	Lubricants oil manufacturing and sales	SK Innovation Co., Ltd.	60.00%
Yubase Manufacturing Asia Corporation	Korea	Lubricants oil processing	SK Lubricants Co., Ltd.	70.00%
SK Energy Lubricants (Tianjin) Co., Ltd.	China	Lubricants oil manufacturing and sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants Americas, Inc.	USA	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants Europe B.V.	Netherlands	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants Japan Co., Ltd.	Japan	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants & Oils India Pvt. Ltd.	India	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
Iberian Lube Base Oils, S.A.	Spain	Lubricants oil manufacturing and sales	SK Lubricants Co., Ltd.	70.00%
SK Lubricants Russia, LLC	Russia	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK ie technology Co., Ltd.	Korea	Manufacture of Separators for secondary Cells	SK Innovation Co., Ltd.	61.20%
SK Hi-tech Battery Materials(Jiang Su) Co., Ltd.	China	Separation membrane for secondary battery manufacturing	SK ie technology Co., Ltd.	100.00%
SK Hi-tech Battery Materials Poland Sp. Zo.o.	Poland	Separation membrane for secondary battery manufacturing	SK ie technology Co., Ltd.	100.00%
SK Innovation Insurance (Bermuda), Ltd.	Bermuda	Insurance	SK Innovation Co., Ltd.	100.00%

**SK Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**1.2 Consolidated subsidiaries (cont'd)**

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SK USA, Inc.	USA	Management consulting services	SK Innovation Co., Ltd.	100.00%
Blue Dragon Energy Co., Limited.	Hong Kong	battery manufacturing		
Happy Kium Co., Ltd.	Korea	Investment	SK Innovation Co., Ltd.	100.00%
SK E&P Company, Ltd.	USA	Service	SK Innovation Co., Ltd.	100.00%
SK On Co., Ltd.	Korea	Crude oil development	SK Innovation Co., Ltd.	100.00%
SK On Hungary Kft.	Korea	Lithium battery manufacturing	SK Innovation Co., Ltd.	100.00%
SK On (Jiangsu) Co., Ltd.	Hungary	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK On (Yancheng) Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	70.04%
SK Battery America, Inc.	China	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK Battery Manufacturing Kft.	USA	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK Future Energy (Shanghai) Co., Ltd.	Hungary	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK Mobile Energy Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
Yancheng Yandu District M Energy Consulting Limited Company	Korea	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
Mobile Energy Battery America, LLC	China	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%
Happy Mideum Co., Ltd.	USA	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%
SK on Certification Center (Jiangsu) Co., Ltd. (formerly, Jiangsu SK Battery Certification Center)	Korea	Service	SK On Co., Ltd.	100.00%
SK Earthon Co., Ltd.	China	Lithium cell certification	SK On Co., Ltd.	100.00%
SK Telecom Co., Ltd. (*2)	Korea	Oil development	SK Innovation Co., Ltd.	100.00%
SK Telink Co., Ltd.	Korea	Mobile telecommunications	SK Inc.	30.01%
SK Broadband Co., Ltd.	Korea	International call and MVNO business	SK Telecom Co., Ltd.	100.00%
Home&Service Co., Ltd.	Korea	Wire communications	SK Telecom Co., Ltd.	74.34%
	Korea	Information and communication facilities management business	SK Broadband Co., Ltd.	100.00%
Media S Co., Ltd.	Korea	Broadcasting program production	SK Broadband Co., Ltd.	100.00%
Broadband Nowon Broadcasting Corporation	Korea	Broadcasting business	SK Telecom Co., Ltd.	100.00%
SK Stoa Co., Ltd.	Korea	Other resale communication business	SK Telecom Co., Ltd.	100.00%
PS&Marketing Corp	Korea	Resale communication business	SK Telecom Co., Ltd.	100.00%
SK M & Service Co., Ltd.	Korea	Providing databases and online information	PS&Marketing Corp	100.00%
Serviceace Co., Ltd.	Korea	Call center and telemarketing business	SK Telecom Co., Ltd.	100.00%
Service Top Co., Ltd.	Korea	Call center and telemarketing business	SK Telecom Co., Ltd.	100.00%
SK O&S Co., Ltd.	Korea	Maintenance management	SK Telecom Co., Ltd.	100.00%
SK Communications Co., Ltd.	Korea	Internet portal service	SK Telecom Co., Ltd.	100.00%
Quantum Innovation Private Equity Joint Venture	Korea	Investment	SK Telecom Co., Ltd.	59.90%
Panasia Semiconductor Materials, LLC	Korea	Investment	Quantum Innovation Private Equity Joint Venture	66.42%
SK Telecom China Holding Co., Ltd.	China	Holding Company	SK Telecom Co., Ltd.	100.00%
SK Global Healthcare Business Group, Ltd.	Hong Kong	Investment	SK Telecom Co., Ltd.	100.00%
SKT Americas, Inc.	USA	Management consulting	SK Telecom Co., Ltd.	100.00%
YTK Investment, Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%
Atlas Investment, Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%
SK Telecom Innovation Fund, L.P.	USA	Investment	Atlas Investment, Ltd.	100.00%
SK Telecom China Fund I L.P.	Cayman	Investment	Atlas Investment, Ltd.	100.00%
SK Telecom Japan Inc.	Japan	Management consulting and information gathering	SK Telecom Co., Ltd.	100.00%
SK Planet Japan, K. K.	Japan	Digital contents sourcing and presenting	SK Telecom Japan Inc.	79.78%
Happy Hanool Co., Ltd.	Korea	Service	SK Telecom Co., Ltd.	100.00%
SK MENA Investment B.V.	Netherlands	Investment	SK Telecom Co., Ltd.	100.00%
SK Latin America Investment S.A.	Spain	Investment	SK Telecom Co., Ltd.	100.00%
Freedom Circle Capital, Inc	USA	Investment	SK Latin America Investment S.A.	100.00%
Montague ESG Capital, LLC	USA	Investment	Freedom Circle Capital, Inc	100.00%
SK Technology Innovation Company	Cayman	Research and development	SK Telecom Co., Ltd.	96.88%
SAPEON Korea Inc.	Korea	Non-memory and others Electronic Integrated circuit manufacturing	SK Telecom Co., Ltd.	100.00%
Sapeon Inc.	USA	Non-memory and others Electronic Integrated circuit manufacturing	SK Telecom Co., Ltd.	75.01%
SK Square Co., Ltd. (*2)	Korea	Holding Company	SK Inc.	30.56%
One store Co., Ltd. (*2)	Korea	Telecommunication service	SK Square Co., Ltd.	47.49%
Rokeu Media Co., Ltd.	Korea	Publication and telemarketing	One store Co., Ltd.	100.00%
Onestore Global Pte. Ltd.	Singapore	Internet Information Mediation Service	One store Co., Ltd.	100.00%
11street Co., Ltd. (*3)	Korea	E-commerce	SK Square Co., Ltd.	98.10%
SK Shieldus Co., Ltd.	Korea	Information security service and automatic security	SK Square Co., Ltd.	63.13%
CAPSTEC Co., Ltd.	Korea	Manned security	SK Shieldus Co., Ltd.	100.00%
Infosec Information Technology (Wuxi) Co., Ltd. (formerly, SKInfosec Information Technology (Wuxi) Co., Ltd.)	China	System software development and supplying	SK Shieldus Co., Ltd.	100.00%
SK Shieldus America, Inc. (formerly, CAPS America Inc.)	USA	System software development and supplying	SK Shieldus Co., Ltd.	100.00%
SK Planet Co., Ltd.	Korea	Telecommunication service and system software development and supplying	SK Square Co., Ltd.	98.65%
SK Planet Global Holdings Pte, Ltd.	Singapore	Holding Company	SK Planet Co., Ltd.	100.00%
SKP America, LLC	USA	Digital contents sourcing and presenting	SK Planet Co., Ltd.	100.00%
SK Planet, Inc.	USA	Digital contents sourcing and presenting	SKP America, LLC	100.00%
SCODYS Pte. Ltd.	Singapore	Digital contents sourcing and presenting	SK Planet, Inc.	100.00%
K-Net Culture & Contents Venture Fund	Korea	Investment fund and information gathering	SK Planet Co., Ltd.	59.00%
SK Square Americas, Inc	USA	Investment	SK Square Co., Ltd.	100.00%
Dreamus Company Co., Ltd. (*2,4)	Korea	Video and audio equipment manufacturing	SK Square Co., Ltd.	51.44%
Iriver Enterprise Ltd.	Hong Kong	Chinese subsidiary management	Dreamus Company Co., Ltd.	100.00%
Iriver China Co., Ltd.	China	MP3,4 production and sales	Iriver Enterprise, Ltd.	100.00%
Dongguan Iriver Electronics Co., Ltd.	China	Electronic book production and sales	Iriver Enterprise, Ltd.	100.00%
Life Design Company Inc.	Japan	Japan goods sales	Dreamus Company Co., Ltd.	100.00%
Studio Dolphin Co., Ltd.	Korea	Publishing	Dreamus Company Co., Ltd.	100.00%
Id Quantique SA	Swiss	Quantum information and communication business	SK Square Co., Ltd.	69.30%
Id Quantique Ltd.	Korea	Quantum information and communication business	Id Quantique SA	100.00%

**SK Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**1.2 Consolidated subsidiaries (cont'd)**

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity Ownership (%)
ID Quantique Limited, UK	UK	Quantum information and communication	Id Quantique SA	100.00%
ID Quantique Inc, USA	USA	Quantum information and communication	Id Quantique SA	100.00%
FSK L&S Co., Ltd.	Korea	Cargo transport shipment and logistics consulting project	SK Square Co., Ltd.	60.00%
FSK L&S (Shanghai) Co., Ltd.	China	Transportation industry	FSK L&S Co., Ltd.	100.00%
FSK L&S(Hungary) Co., Ltd.	Hungary	Transportation industry	FSK L&S Co., Ltd.	100.00%
FSK L&S Vietnam Co., Ltd.	Vietnam	Transportation industry	FSK L&S Co., Ltd.	100.00%
FSK L&S (Jiangsu) Co., Ltd.	China	Transportation industry	FSK L&S Co., Ltd.	100.00%
Incross Co., Ltd. (*2)	Korea	Media agency	SK Square Co., Ltd.	34.60%
Infra Communications Co., Ltd.	Korea	Service operation business	Incross Co., Ltd.	100.00%
Mindknock Co., Ltd.	Korea	Software development	Incross Co., Ltd.	100.00%
Tmap Mobility Co., Ltd.	Korea	Mobility business	SK Square Co., Ltd.	66.26%
YLP Inc.	Korea	Cargo transport shipment business	Tmap Mobility Co., Ltd.	100.00%
Good service Co., Ltd.	Korea	Driving agency service	Tmap Mobility Co., Ltd.	100.00%
Seoul Airbus Co., Ltd.	Korea	Transportation industry	Tmap Mobility Co., Ltd.	100.00%
SK Networks Co., Ltd. (*2)	Korea	Distribution and trading business	SK Inc.	39.14%
SK Networks Service Co., Ltd.	Korea	Equipment repair service	SK Networks Co., Ltd.	86.50%
SK Magic Co., Ltd.	Korea	Household appliances manufacturing, sales and rent	SK Networks Co., Ltd.	100.00%
SK Magic Service Co., Ltd.	Korea	House appliances repair and others	SK Magic Co., Ltd.	100.00%
SK Magic Vietnam Company Limited	Vietnam	Household appliances sales and rent	SK Magic Co., Ltd.	100.00%
SK Magic Retail Malaysia Sdn. Bhd. (formerly, SK Networks Retail Malaysia Sdn. Bhd.)	Malaysia	Household appliances sales and rent	SK Magic Co., Ltd.	100.00%
SK Rent-a-Car Co., Ltd.	Korea	Car rental	SK Networks Co., Ltd.	72.95%
SK Rent-a-Car Service Co., Ltd.	Korea	Business support services	SK Rent-a-Car Co., Ltd.	100.00%
SK Networks (Shanghai) Co., Ltd.	China	Trading business	SK Networks Co., Ltd.	100.00%
POSK (Pinghu) Steel Processing Center Co., Ltd.	China	Steel processing and sales	SK Networks Co., Ltd.	80.00%
SK Networks Japan Co., Ltd.	Japan	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks Deutschland GmbH	Germany	Trading business	SK Networks Co., Ltd.	100.00%
SK BRASIL LTDA	Brazil	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks Trading Malaysia Sdn Bhd	Malaysia	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks America, Inc.	USA	Trading business	SK Networks Co., Ltd.	100.00%
Networks Tejarat Pars	Iran	Trading business	SK Networks Co., Ltd.	100.00%
MINTIT Co., Ltd.	Korea	Manufacturing and sales business	SK Networks Co., Ltd.	100.00%
MINTIT VINA	Vietnam	Manufacturing and sales business	MINTIT Co., Ltd.	100.00%
Hico Capital LLC (formerly, TenX Capital)	USA	Investment	SK Networks Co., Ltd.	100.00%
SK Networks Hong Kong Ltd.	Hong Kong	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks (Xiamen) Steel Processing Center Co., Ltd.	China	Steel processing and sales	SK Networks Hong Kong Ltd.	100.00%
SK Networks Resources Australia (Wyong) Pty Ltd. (*5)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks Resources Pty Ltd. (*5)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks (China) Holdings Co., Ltd. (*5)	China	Holding Company	SK Networks Co., Ltd.	100.00%
Shenyang SK Bus Terminal Co., Ltd. (*5)	China	Bus terminal business	SK Networks (China) Holdings Co., Ltd.	75.00%
SK Networks (Dandong) Energy Co., Ltd. (*5)	China	Petroleum sales	SK Networks (China) Holdings Co., Ltd.	100.00%
Cartini Co., Ltd.	Korea	E-commerce retail business	SK Networks Co., Ltd.	100.00%
SKC Co., Ltd. (*2)	Korea	Petrochemicals manufacturing	SK Inc.	40.64%
Woori Fine Chem Co., Ltd.	Korea	Wholesale of other chemicals and chemicals	SKC Co., Ltd.	100.00%
SK Telesys Co., Ltd.	Korea	Sales of semiconductor parts, materials and others	SKC Co., Ltd.	81.40%
Techdream Co., Ltd.	Hong Kong	Sales of semiconductor component	SK Telesys Co., Ltd.	100.00%
SK Telesys Corp.	USA	Sales of communication equipment	SK Telesys Co., Ltd.	100.00%
SKC Solmics Co., Ltd.	Korea	Manufacturing and sales of semiconductor parts, materials and others	SKC Co., Ltd.	100.00%
Solmics Taiwan Co., Ltd.	Taiwan	Sales of semiconductor parts, materials and others	SKC Solmics Co., Ltd.	100.00%
Solmics Shanghai Co., Ltd.	China	Sales of semiconductor parts, materials and others	SKC Solmics Co., Ltd.	100.00%
SKC Solmics Hong kong Co., Ltd.	Hong Kong	SPC	SKC Solmics Co., Ltd.	100.00%
SKC Semiconductor Materials (Wuxi) Co., Ltd.	China	Sales of semiconductor parts, materials and others	SKC Solmics Hong kong Co., Ltd.	100.00%
SKC-ENF Electronic Materials Ltd.	Hong Kong	SPC	SKC Co., Ltd.	75.10%
SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	China	Manufacturing of synthetic resins	SKC-ENF Electronic Materials Ltd.	100.00%
SE Electronic Materials LLC	China	Manufacturing of synthetic resins	SKC-ENF Electronic Materials Ltd.	100.00%
SKC (Jiangsu) High tech Plastics Co., Ltd.	China	PET film manufacturing	SKC Co., Ltd.	100.00%
SKC, Inc.	USA	PET film manufacturing	SKC Co., Ltd.	100.00%
SKC Europe GmbH	Germany	PET film manufacturing	SKC Co., Ltd.	100.00%
SKC Hi-Tech&Marketing Co., Ltd.	Korea	PET film manufacturing	SKC Co., Ltd.	100.00%
SKC Hi-Tech&Marketing (Suzhou) Co., Ltd.	China	PET film manufacturing and sales	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC Hi-Tech&Marketing Polska SP.Z.O.O	Poland	PET film sales	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC Hi-Tech&Marketing USA, LLC	USA	PET film sales	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC Hi-Tech&Marketing Vina Co., Ltd.	Vietnam	PET film sales	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC PU Specialty Co., Ltd.	Hong Kong	SPC	SKC Co., Ltd.	100.00%
SKC (Nantong) PU Specialty Co., Ltd.	China	PU Jounce Bumper manufacturing and sales	SKC PU Specialty Co., Ltd.	100.00%
SK PIC Global Co., Ltd.	Korea	PG and PO manufacturing and sales	SKC Co., Ltd.	51.00%
SKCFTH Co., Ltd.	Korea	Manufacturing of battery foil and others	SKC Co., Ltd.	100.00%
SK Nexilis Co., Ltd.	Korea	Manufacturing of battery foil and others	SKCFTH Co., Ltd.	100.00%
Nexilis Management Malaysia Sdn. Bhd.	Malaysia	SPC	SK Nexilis Co., Ltd.	100.00%
Nexilis Malaysia Sdn. Bhd.	Malaysia	Manufacturing of battery foil	Nexilis Management Malaysia Sdn. Bhd.	100.00%
SK Nexilis Poland sp.z o.o.	Poland	Manufacturing of battery foil	SK Nexilis Co., Ltd.	100.00%
SK TBMGEOSTONE Co., Ltd.	Korea	Manufacturing of biodegradable LIMEX	SKC Co., Ltd.	51.00%
Allnewone Co., Ltd.	Korea	Research and development of waste recycling	SKC Co., Ltd.	100.00%
Ecovance Co. Ltd.	Korea	Manufacturing of biodegradable plastic materials and others	SKC Co., Ltd.	73.19%
SK puore Co., Ltd. (*2) (formerly, Mitsui Chemicals & SKC Polyurethanes Inc.)	Korea	Manufacturing and sales of Polyol	SKC Co., Ltd.	50.00%
Beijing SK puore Inc. (formerly, Beijing Mitsui Chemicals & SKC Polyurethanes Co., Ltd.)	China	Manufacturing and sales of Polyol	SK puore Co., Ltd.	100.00%

**SK Inc. and its subsidiaries**  
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**1.2 Consolidated subsidiaries (cont'd)**

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (%)
SK pucore Europe sp. zo.o. (formerly, MCNS Polyurethanes Europe Sp. zo. o.)	Poland	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%
SK pucore USA Inc. (formerly, MCNS Polyurethanes USA Inc.)	USA	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%
SK pucore Mexico, S. de R.L. de C.V. (formerly, MCNS Polyurethanes Mexico, S. de R.L. de C.V.)	Mexico	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%
SK pucore India Pvt. Ltd. (formerly, MCNS Polyurethanes India Private Limited)	India	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%
SK pucore RUS LLC (formerly, MCNS Polyurethanes RUS Limited Liability Company)	Russia	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%
NEX Investment Limited	UK	SPC	SKC Co., Ltd.	80.01%
NEX UK Holdings Limited.	UK	SPC	NEX Investment Limited	51.00%
SK E&S Co., Ltd.	Korea	City gas business	SK Inc.	90.00%
Kangwon City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Yeongnam Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Ko-one Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Narae Energy Service Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%
Pusan City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Jeonbuk Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Chonnam City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Chungcheong Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Paju Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	51.00%
Yeoju Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	100.00%
Shinaneungdo Sunlight Co., Ltd.	Korea	New regeneration project	SK E&S Co., Ltd.	100.00%
SK E&S Hong Kong Co., Ltd.	Hong Kong	City gas business	SK E&S Co., Ltd., Pusan City Gas Co., Ltd.	100.00%
SK E&S Australia Pty. Ltd.	Australia	Resource development	SK E&S Co., Ltd.	100.00%
SK E&S Americas, Inc.	USA	Holding Company	SK E&S Co., Ltd.	100.00%
DewBlaine Energy, LLC	USA	Resource development	SK E&S Americas, Inc.	100.00%
CALIP Gas Marketing, LLC	USA	LNG business	SK E&S Americas, Inc.	100.00%
Passkey, Inc.	USA	New regeneration project	SK E&S Americas, Inc.	100.00%
Mobility Solution I Inc.	USA	Holding Company	Passkey, Inc.	90.92%
Mobility Solution II Inc.	USA	Holding Company	Mobility Solution I Inc.	100.00%
EverCharge, Inc.	USA	Software development	Mobility Solution II Inc.	100.00%
EverCharge Services, LLC	USA	Electricity business and other electric wire installation business	EverCharge, Inc.	100.00%
LNG Americas, Inc.	USA	LNG business	SK E&S Americas, Inc.	100.00%
LAI LNG, LLC (formerly, SK E&S LNG, LLC)	USA	LNG business	LNG Americas, Inc.	100.00%
LAI CCS, LLC	USA	Carbon capture and storage Related investment projects	LNG Americas, Inc.	100.00%
Rnes Holdings, LLC	USA	Renewable / electric power business	SK E&S Americas, Inc.	100.00%
Grid Solution, LLC	USA	New regeneration business	Rnes Holdings, LLC	100.00%
Key Capture Energy, LLC	USA	Energy solution	Grid Solution, LLC	97.52%
KCE Global Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE PF Holdings 2021, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE LAND Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 8, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 11, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 12, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 14, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 18, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 19, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 21, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 22, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 25, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 26, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 27, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 28, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 29, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 32, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 33, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 7, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 8, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 9, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 11, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 12, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 13, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 14, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 15, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 16, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 17, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 19, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 20, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 21, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 22, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 24, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 25, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 26, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 27, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 28, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 7, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 9, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MD 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ME 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%

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**1.2 Consolidated subsidiaries (cont'd)**

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
KCE IL 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IN 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IN 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IN 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE OK 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE OK 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE OK 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE OK 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Brushy Creek Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Texas Holdings 2020, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
Roughneck Storage LLC D/B/A KCE TX 23, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Market Operations, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE PF Holdings 2022, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
Grid Solution II, LLC	USA	Energy solution	Rnes Holdings, LLC	100.00%
Phes Investments, LLC	USA	Energy solution	SK E&S Americas, Inc.	100.00%
Prism Energy International China Limited.	China	LNG business	SK E&S Co., Ltd.	100.00%
Prism Energy International Zhoushan Limited.	China	LNG business	Prism Energy International China Limited.	100.00%
Prism Energy International Pte. Ltd.	Singapore	LNG business	SK E&S Co., Ltd.	100.00%
Fajar Energy International Pte. Ltd.	Singapore	LNG business	Prism Energy International Pte. Ltd.	100.00%
Prism Energy International Hong Kong, Ltd.	Hong Kong	LNG business	Prism Energy International Pte. Ltd.	100.00%
Prism Darwin Pipeline Pty. Ltd.	Australia	LNG business	Prism Energy International Pte. Ltd.	100.00%
PT Prism Nusantara International	Indonesia	LNG business	SK E&S Co., Ltd.	100.00%
SK E&S Dominicana S.R.L	Dominica	LNG business	SK E&S Co., Ltd.	100.00%
Hae-Ssal Solar Power Co., Ltd.	Korea	New regeneration project	SK E&S Co., Ltd.	100.00%
Prism DLNG Pte. Ltd.	Singapore	LNG business	SK E&S Co., Ltd.	100.00%
BU12 Australia Pty. Ltd.	Australia	LNG business	SK E&S Co., Ltd.	100.00%
BU13 Australia Pty. Ltd.	Australia	LNG business	SK E&S Co., Ltd.	100.00%
Energy Solution Holdings Inc.	USA	Investment	SK E&S Co., Ltd.	100.00%
Ariul Solar Power Co., Ltd.	Korea	New regeneration project	SK E&S Co., Ltd.	100.00%
Busan Jungkwan Energy Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%
IGE Co., Ltd.	Korea	Hydrogen business	SK E&S Co., Ltd.	100.00%
Dangjin Haengbok Solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%
Busaho haengboknanum solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	70.00%
SK Ecoplant Co., Ltd. (*2)	Korea	Construction	SK Inc.	44.48%
Seosuwon Development Company (*2)	Korea	Real estate development and construction	SK Ecoplant Co., Ltd.	19.90%
SKEC Nanjing Co., Ltd.	China	Construction	SK Ecoplant Co., Ltd.	100.00%
Changzhou SKY New Energy Co., Ltd.	China	Investment	SKEC Nanjing Co., Ltd.	100.00%
SKEC (Thai), Ltd.	Thailand	Construction	SK Ecoplant Co., Ltd.	100.00%
Thai Woo Ree Engineering Co., Ltd.	Thailand	Construction	SKEC (Thai), Ltd.	99.77%
SKEC Anadolu EC, LLC	Turkey	Construction	SK Ecoplant Co., Ltd.	100.00%
SK E&C Betek Corporation	USA	Real estate development and construction	SK Ecoplant Co., Ltd.	100.00%
Mesa Verde RE Ventures, LLC	USA	Real estate development	SK E&C Betek Corporation	100.00%
BT FC LLC	USA	Construction	SK E&C Betek Corporation	100.00%
SKEC Consultores Ecuador, S.A	Ecuador	Construction	SK Ecoplant Co., Ltd.	100.00%
Sunlake Co., Ltd.	Canada	Construction	SK Ecoplant Co., Ltd.	100.00%
SK HOLDCO PTE. LTD.	Singapore	Investment	SK Ecoplant Co., Ltd.	63.51%
Silvertown Investco Limited.	UK	Construction	SK Ecoplant Co., Ltd.	100.00%
Seongju Tech Co., Ltd.	Korea	Machinery manufacturing	SK Ecoplant Co., Ltd.	100.00%
DDS Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Samwon ENT Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Environment Management Corporation Co., Ltd.	Korea	Environmental facility operation project	SK Ecoplant Co., Ltd.	100.00%
YS TEC Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Seonam Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Honam Environmental Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Green Hwasun Inc.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Green Sunchang Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Gyeongsan Clear Mulgil Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Dalseong Maleunmulgil Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Goksung Environment Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Chungcheong Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Gyeonggi Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Gyeongbuk Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Gyeongin Environment Energy Company	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Saehan Environment Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Daewon Green Energy Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Daewon HI-Teck Co., Ltd.	Korea	Construction waste collection and transportation	Daewon Green Energy Co., Ltd.	100.00%
KS Investment B.V.	Netherlands	Investment	SK Ecoplant Co., Ltd.	72.51%
E-MEDI One Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Emedione Logis Co., Ltd.	Korea	Designated waste collection and transportation	E-MEDI One Co., Ltd.	100.00%
City Environment Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Green Environment Technology Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
DongNam Offshore Windfarm Co. Ltd	Korea	Power generation	SK Ecoplant Co., Ltd.	100.00%
Gangdong Green Complex Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	86.63%
JA GREEN Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Eco Frontier (Singapore) Pte. Ltd.	Singapore	Investment	SK Ecoplant Co., Ltd.	100.00%
Tes-Envirocorp Pte. Ltd.	Singapore	E-waste processing industry	Eco Frontier (Singapore) Pte. Ltd.	100.00%
Tes-Amm (H.K.) Limited	Hong Kong	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes-Amm (Singapore) Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes-Amm Europe Holdings Ltd.	UK	Investment	Tes-Amm (Singapore) Pte. Ltd.	100.00%
Tes Total Environmental Solution Ab	Sweden	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm Italia Srl	Italy	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm UK Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm Espana Asset Recovery Andrecycling, S.L.	Spain	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm SAS	France	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes Recupyl	France	E-waste processing industry	Tes-Amm SAS	90.00%
Tes-Amm Central Europe GmbH	Germany	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Vsl Support Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Technology Supplies International Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Goldberg Enterprises Ltd.	UK	E-waste processing industry	Technology Supplies International Ltd.	100.00%
Tes Consumer Solutions Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Integrations Et Services	France	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm (Europe) Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Redeem UK Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Redeem Holdings Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%

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**1.2 Consolidated subsidiaries (cont'd)**

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
Custom Controllers UK Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Envirofone Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Cash For Tech Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Stock Must Go Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes China Holdings Pte. Ltd.	Virgin Island	Investment	Tes-Amm (Singapore) Pte. Ltd.	100.00%
Tes-Amm Corporation (China) Ltd.	China	E-waste processing industry	Tes China Holdings Pte. Ltd.	100.00%
Tes-Amm (Beijing) Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	80.00%
Tes-Amm (Suzhou) E-Waste Solutions Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%
Tes-Amm (Guangzhou) Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%
Shanghai Tes-Amm Waste Products Recycle Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%
Shanghai Taixiang Network Technology Co., Ltd.	China	E-waste processing industry	Shanghai Tes-Amm Waste Products Recycle Co., Ltd.	100.00%
Tes-Amm Australia Pty Ltd.	Australia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes-Amm New Zealand Limited	New Zealand	E-waste processing industry	Tes-Amm Australia Pty Ltd.	100.00%
Sustainable Product Stewards Pty Ltd.	Australia	E-waste processing industry	Tes-Amm Australia Pty Ltd.	80.00%
Tes-Amm Japan K.K.	Japan	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	80.00%
Advanced Datacom (Australia) Pty Ltd.	Australia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Green Technology Management Pty Ltd.	Australia	E-waste processing industry	Advanced Datacom (Australia) Pty Ltd.	100.00%
Tes-Amm (Malaysia) Sdn. Bhd.	Malaysia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes-Amm Korea Inc.	Korea	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	55.00%
Tes-Amm (Taiwan) Co., Ltd.	Taiwan	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	70.00%
Tes-Amm (Vietnam) Co., Ltd.	Vietnam	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Total Environmental Solutions Co., Ltd.	Thailand	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	98.00%
Tes-Amm (Cambodia) Co., Ltd.	Cambodia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Pt. Tes-Amm Indonesia	Indonesia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	66.90%
Tes-Amm Middle East Fze	UAE	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Pc Off Corporation	Japan	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	97.56%
Tes USA, Inc.	USA	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Genplus Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	60.17%
Tes Sustainability Products Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes Energy Solutions Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes Ess Pte. Ltd.	Singapore	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
Tes B Pte. Ltd.	Singapore	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
Tes Sustainable Battery Solutions B.V.	Netherlands	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
Tes Sustainable Battery Solutions GmbH	Germany	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
SK Specialty Co., Ltd. (formerly, SK Materials Co., Ltd.)	Korea	Special gas manufacturing and sales	SK Inc.	100.00%
SK Specialty Japan Co., Ltd. (formerly, SK Materials Japan Co., Ltd.)	Japan	Special gas sales	SK Specialty Co., Ltd.	95.00%
SK Specialty Taiwan Co., Ltd. (formerly, SK Materials Taiwan Co., Ltd.)	Taiwan	Special gas sales	SK Specialty Co., Ltd.	100.00%
SK Specialty Jiangsu Co., Ltd. (formerly, SK Materials Jiangsu Co., Ltd.)	China	Special gas manufacturing and sales	SK Specialty Co., Ltd.	100.00%
SK Specialty (Xian) Co., Ltd. (formerly, SK Materials (Xian) Co., Ltd.)	China	Trading business and warehouse operation	SK Specialty Co., Ltd.	100.00%
SK Specialty (Shanghai) Co., Ltd. (formerly, SK Materials (Shanghai) Co., Ltd.)	China	Special gas sales	SK Specialty Co., Ltd.	100.00%
Happy Companion Co., Ltd.	Korea	Cleaning and laundry service	SK Specialty Co., Ltd.	100.00%
SK Tri Chem Co., Ltd.	Korea	Manufacturing and sales of precursors and others	SK Inc.	65.00%
SK Showa Denko Co., Ltd.	Korea	Sales of raw chemical materials and chemical products related to semiconductor	SK Inc.	51.00%
SK Materials Airplus Inc.	Korea	Industrial gas sales	SK Inc.	100.00%
SK Materials Renewtech Co., Ltd.	Korea	Manufacturing industrial gas	SK Inc.	80.00%
SK Materials Performance Co., Ltd.	Korea	Semiconductor materials manufacturing and selling	SK Inc.	100.00%
SK Materials JNC Co., Ltd.	Korea	Manufacturing of organic light emitting diode material	SK Inc.	51.00%
SK JNC Japan Co., Ltd.	Japan	Manufacturing of organic light emitting diode material	S K Materials JNC Co., Ltd.	100.00%
SK Materials Group14 Co., Ltd.	Korea	Manufacturing	SK Inc.	75.00%
SK Siltron Co., Ltd.	Korea	Silicon wafer for electronic industry manufacturing and sales	SK Inc.	51.00%
SK Siltron America, Inc.	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron Japan, Inc.	Japan	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron Shanghai Co., Ltd.	China	Silicon wafer for electronic industry	SK Siltron Co., Ltd.	100.00%
SK Siltron USA, Inc.	USA	Investment	SK Siltron Co., Ltd.	100.00%
SK Siltron CSS, LLC	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron USA, Inc.	100.00%
SK Siltron CSS Korea Co., Ltd.	Korea	Wholesale and retail trade	SK Siltron CSS, LLC	100.00%
Happyfilling Co., Ltd.	Korea	Service	SK Siltron Co., Ltd.	100.00%
Teraon Co., Ltd.	Korea	Manufacturing and service	SK Siltron Co., Ltd.	80.40%
SK Biopharmaceuticals Co., Ltd.	Korea	Medicine and life science	SK Inc.	64.02%
SK Life Science, Inc.	USA	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%
SK Bio-Pharma Tech (Shanghai) Co., Ltd.	China	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%
SK S.E.Asia Pte. Ltd.	Singapore	Investment	SK Inc.	100.00%
Essencore Limited	Hong Kong	Manufacturing and distribution of semiconductor modules	SK S.E.Asia Pte. Ltd.	100.00%
Essencore (ShenZhen) Limited	China	Consulting for computer system interation	Essencore Limited	100.00%
SK China Company, Ltd.	Hong Kong	Consulting and investment	SK Inc.	88.13%
SK Bio Energy Hong Kong Co., Ltd.	Hong Kong	Biomass electricity generation	SK China Company, Ltd.	69.40%
SK Property Investment Management Co., Ltd.	Hong Kong	Real estate investment	SK China Company, Ltd.	100.00%
SK Industrial Development China Co., Ltd.	Hong Kong	Investment	SK China Company, Ltd.	100.00%
Shanghai SKY Real Estate Development Co., Ltd.	China	Real estate investment	SK Industrial Development China Co., Ltd.	100.00%
Beijing Lizhi Weixin Technology Co., Ltd.	China	Investment	SK China Company, Ltd.	100.00%
SK China Investment Management Co., Ltd.	Hong Kong	Real estate investment	SK China Company, Ltd.	100.00%
SK Networks (Liaoning) Logistics Co., Ltd.	China	Logistics	SK China Investment Management Co., Ltd.	100.00%
SK International Agro-Products Logistics Development Co., Ltd.	Hong Kong	Agriculture product logistics	SK China Investment Management Co., Ltd.	100.00%
SK International Agro-Sideline Products Park Co., Ltd.	China	Agriculture product logistics	SK International Agro-Products Logistics Development Co., Ltd.	100.00%
SK Auto Service Hong Kong Co., Ltd.	Hong Kong	Holding Company	SK China Company, Ltd.	100.00%
Skyline Auto Financial Leasing Co., Ltd.	Hong Kong	Investment	SK Auto Service Hong Kong Co., Ltd.	100.00%
SK Financial Leasing Co., Ltd.	China	Financial lease	SK Auto Service Hong Kong Co., Ltd.	100.00%
SK China (Beijing) Co., Ltd.	China	Consulting	SK China Company, Ltd.	100.00%
SKY Property Management Ltd.	Virgin Islands	Investment	SK China Company, Ltd.	100.00%
SK China Real Estate Co., Ltd.	Hong Kong	Real estate investment	SKY Property Management Ltd.	100.00%
SKY Investment Co., Ltd.	China	Real estate management	SK China Company, Ltd.	100.00%

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**1.2 Consolidated subsidiaries (cont'd)**

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (%)
SKY (Zuhai Hengqin) Technology Co., Ltd.	China	Investment	SK China Company, Ltd.	100.00%
SK C&C Beijing Co., Ltd.	China	Consulting for computer	SK Inc.	100.00%
SK C&C Chengdu Co., Ltd.	China	Consulting for computer	SK C&C Beijing Co., Ltd.	100.00%
SK C&C India Pvt. Ltd.	India	system integration and others	SK Inc.	100.00%
SK C&C USA, Inc.	USA	Consulting for computer	SK Inc.	100.00%
S&G Technology	Saudi Arabia	system integration and others	SK Inc.	51.00%
Saturn Agriculture Investment Co., Ltd.	Hong Kong	Investment	SK Inc.	81.00%
SK Investment Management Co., Ltd.	Hong Kong	Investment	SK Inc.	100.00%
SK Mobility Investments Company Limited	Hong Kong	Investment	SK Investment Management Co., Ltd.	100.00%
SK Semiconductor Investments Co., Ltd.	Hong Kong	Investment management	SK Investment Management Co., Ltd.	100.00%
Gemini Partners Pte. Ltd.	Singapore	Consulting	SK Inc., SK Innovation Co., Ltd., SK Telecom Co., Ltd., and SK E&S Co., Ltd.	80.00%
Solaris Partners Pte. Ltd.	Singapore	Consulting	Gemini Partners Pte. Ltd.	100.00%
Solaris GEIF Investment	USA	Investment	Solaris Partners Pte. Ltd.	100.00%
SK GI Management	Cayman	Investment	SK Inc.	100.00%
Plutus Capital NY, Inc.	USA	Investment	SK Inc.	100.00%
Hudson Energy NY, LLC	USA	Investment	Plutus Capital NY, Inc.	50.13%
Hudson Energy NY II, LLC	USA	Investment	Plutus Capital NY, Inc.	50.00%
Hudson Energy NY III, LLC	USA	Investment	Plutus Capital NY, Inc.	50.50%
Grove Energy Capital LLC	USA	Investment	Plutus Capital NY, Inc., Pnes Investments, LLC	100.00%
Plutus Capital NY II, Inc	USA	Investment	SK Inc.	100.00%
Grove Energy Capital II, LLC	USA	Investment	Plutus Capital NY II, Inc.	100.00%
Plutus Capital NY III, Inc	USA	Investment	SK Inc.	100.00%
Grove Energy Capital III, LLC	USA	Investment	Plutus Capital NY III, Inc.	50.10%
Plutus Fashion NY, Inc.	USA	Fashion	SK Inc.	100.00%
Wonderland NY, Inc.	USA	Investment	Plutus Fashion NY, Inc.	100.00%
Atlas NY, LLC	USA	Investment	Plutus Fashion NY, Inc.	61.24%
SK South East Asia Investment Pte. Ltd.	Singapore	Investment	SK Inc., SK Innovation Co., Ltd., SK Telecom Co., Ltd. and SK E&S Co., Ltd.	80.00%
SK Investment Vina I Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	50.01%
SK Investment Vina II Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	50.01%
SK Investment Vina III Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
MSN Investment Pte. Ltd.	Singapore	Investment	SK Investment Vina III Pte. Ltd.	100.00%
Imexpharm Corporation	Vietnam	Pharmaceutical manufacturing	SK Investment Vina III Pte. Ltd.	63.63%
Linh Nam Ventures JSC (*2)	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	34.90%
Lien Khuong International JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%
Dong Kinh Capital JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%
Lac Son Investment JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%
KBA Investment Joint Stock Company	Vietnam	Investment	Lac Son Investment JSC	100.00%
Cong Thang Alpha JSC (*2)	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	34.90%
Eastern Vision Investment JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%
Truong Luu Chi Invest JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%
An Nam Phu Investment JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%
Zion Son Kim JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%
Sunrise Kim Investment Joint Stock Company	Vietnam	Investment	Zion Son Kim JSC	100.00%
SK Investment Vina V Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
SK Investment Vina VI Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
SK Investment Vina IV Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
SK Malaysia Investment I Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
Lotus Fund, L.P.	Cayman	Investment	SK South East Asia Investment Pte. Ltd.	95.00%
SK Pharmteco Inc.	USA	Investment	SK Inc.	100.00%
SK Biotek Co., Ltd.	Korea	Drug medicine	SK Pharmteco Inc.	100.00%
SK BIOTEK IRELAND LIMITED	Ireland	Pharmaceutical manufacturing	SK Pharmteco Inc.	100.00%
SK BIOTEK USA, Inc.	USA	Medicine and life science	SK Pharmteco Inc.	100.00%
Crest Acquisition LLC	USA	Investment	SK Pharmteco Inc.	100.00%
Yposkesi, SAS	France	Medicine manufacturing	Crest Acquisition LLC	70.07%
Abrasax Investment Inc.	USA	Investment	SK Pharmteco Inc.	100.00%
Fine Chemicals Holdings Corp.	USA	Investment	Abrasax Investment Inc.	100.00%
AMPAC Fine Chemicals, LLC	USA	Drug medicine	Fine Chemicals Holdings Corp.	100.00%
AMPAC Fine Chemicals Texas, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%
AMPAC Fine Chemicals Virginia, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%
Golden Pearl EV Solutions Limited	Hong Kong	Investment	SK Inc.	100.00%
Socar Mobility Malaysia, Sdn. Bhd.	Malaysia	Car sharing service	SK Inc.	83.51%
Future Mobility Solutions Sdn. Bhd.	Malaysia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%
PT Future Mobility Solutions	Indonesia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%
Einstein Cayman Limited	Cayman	Investment	SK Inc.	100.00%
I Cube Capital Inc.	USA	Investment	SK Inc.	100.00%
I Cube Capital Hong Kong 1. LP Limited.	Hong Kong	Investment	I Cube Capital Inc.	100.00%
Tellus Investment Partners, Inc.	USA	Investment	SK Inc.	100.00%
Primer Protein, LLC	USA	Investment	Tellus Investment Partners, Inc.	67.55%
Terra LLC	USA	Investment	Tellus Investment Partners, Inc.	100.00%
Castanea Bioscience Inc.	USA	Investment	SK Inc.	100.00%
SK Forest Co., Ltd.	Korea	Landscaping and planting business	SK Inc.	100.00%
Hweechan Co., Ltd.	Korea	Condo, resort operation	SK Inc.	100.00%
SK Pinx Co., Ltd.	Korea	Golf club operating	Hweechan Co., Ltd.	100.00%
SK REITS Co., Ltd.	Korea	Real estate developing and trading	SK Inc.	50.00%
Clean Energy REITs Co., Ltd.	Korea	Real estate developing and trading	SK REITs Co., Ltd.	100.00%
SK REITs Management Co., Ltd.	Korea	Real estate developing and trading	SK Inc.	100.00%
SK Japan Investment Inc.	Japan	Investment	SK Inc., SKC Co., Ltd., SK Materials Co., Ltd., and SK Siltron Co., Ltd.	100.00%
SK SIGNET Inc. (formerly, SIGNET EV Inc.) (*6)	Korea	Electric vehicle charger manufacturing and selling	SK Inc.	0.00%
SIGNET Energy Inc.	Korea	Electric vehicle charger maintenance and technical support	SK SIGNET Inc.	100.00%
SIGNET EV America Inc.	USA	Electric vehicle charger maintenance	SK SIGNET Inc.	100.00%
Auxo Capital Inc.	USA	Investment	SK Inc.	100.00%
SK Global Development Advisors LLC	USA	Investment	Auxo Capital Inc.	100.00%
Auxo Capital Managers LLC	USA	Investment	Auxo Capital Inc.	100.00%
Tellus (HONG KONG) Investment Co., Ltd.	Hong Kong	Investment	SK Inc.	100.00%
Digital Center Capital Inc.	USA	Investment	SK Inc.	100.00%
Martis Capital, LLC	USA	Investment	Digital Center Capital Inc.	100.00%
Tillandsia, Inc.	USA	Investment	SK Inc.	100.00%
YES POWERTECHNIK	Korea	Semiconductor	SK Inc.	74.89%

**1.2 Consolidated subsidiaries (cont'd)**

- (\*1) The equity ownership is based on ordinary shares and includes indirect investments held by the consolidated subsidiaries.
- (\*2) SK Innovation Co., Ltd. and 13 other companies are included in the consolidated financial statements as the Group is able to exercise de facto control. The remaining voting rights of SK Innovation Co., Ltd. and 11 other companies are widely dispersed, so it is determined that the Group has voting rights to exercise de facto control.
- (\*3) Although the Group's equity interests for common stock in 11 Street Co., Ltd. is 98.10%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 80.26%.
- (\*4) Dreamus Company Co., Ltd. has a 51.44% stake in common shares, but the preferred shares with voting rights are issued, and the share with voting rights is 41.78%.
- (\*5) The assets and liabilities of SK Networks Resources Australia (Wyong) Pty Ltd. and SK Networks Resources Pty Ltd. are classified as assets and liabilities held for sale (see Note 29 assets and liabilities held for sale).
- (\*6) Although the Group's equity interests for common stock in SK Signet Inc. is 0%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 52.63%.



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**1.4 Condensed financial information of significant consolidated subsidiaries**

Details of condensed financial information of the significant subsidiaries as of and for the six-month period ended June 30, 2022 are as follows (Korean won in millions):

Subsidiaries	Total assets	Total liabilities	Sales	Net income (loss)
SK Innovation Co., Ltd.	₩ 18,778,112	₩ 2,979,444	₩ 1,178,755	₩ 360,459
SK Energy Co., Ltd.	20,667,944	14,975,440	23,891,373	1,768,810
SK On Co., Ltd.	8,327,781	4,592,284	2,244,623	(241,391)
SK Geo Centric Co., Ltd.	6,619,020	3,508,995	5,717,836	84,116
SK Incheon Petrochem Co., Ltd.	7,011,630	5,056,323	4,504,570	321,167
SK Trading International Co., Ltd.	2,514,789	1,767,972	9,527,038	127,256
SK Lubricants Co., Ltd.	3,121,778	2,081,019	2,439,908	273,212
SK ie technology Co., Ltd.	2,569,140	413,721	150,664	(9,503)
SK Geo Centric International Trading (Shanghai) Co., Ltd. (formerly, SK Global Chemical International Trading (Shanghai) Co., Ltd.)	250,963	175,930	828,835	9,164
SK Hi-Tech Battery Materials (Jiang Su) Co., Ltd.	937,936	503,617	144,486	30,234
SK Energy International Pte. Ltd.	4,846,763	4,069,382	17,522,585	87,716
SK Energy America, Inc.	1,230,856	1,141,501	3,836,533	(1,676)
SK Energy Europe, Ltd.	97,670	6,751	3,278,941	(344)
SK Telecom Co., Ltd.	25,878,451	15,370,729	6,195,625	476,480
SK Broadband Co., Ltd.	6,079,250	3,106,356	2,062,124	100,519
PS&Marketing Corp.	422,969	206,414	647,749	1,267
SK Square Co., Ltd.	7,315,228	114,817	320,922	281,474
SK Shieldus Co., Ltd. (*1)	3,234,829	2,845,042	837,380	14,944
11street Co., Ltd.	812,115	529,156	281,739	(77,964)
SK Planet Co., Ltd.	476,627	162,485	124,631	36,458
SK Networks Co., Ltd.	5,050,809	3,012,431	3,195,606	20,307
SK Magic Co., Ltd.	1,276,620	883,261	527,583	27,930
SK Rent-a-Car Co., Ltd.	3,072,743	2,564,404	610,002	21,125
SKC Co., Ltd.	3,860,720	1,768,075	368,649	175,369
SK Nexilis Co., Ltd.	1,348,027	810,360	412,131	36,341
SK PIC Global Co., Ltd.	641,254	295,307	599,055	109,823
SK E&S Co., Ltd.	9,009,745	3,969,107	616,413	257,079
Yeongnam Energy Service Co., Ltd.	426,195	206,520	493,195	18,528
Ko-one Energy Service Co., Ltd.	659,713	318,588	714,819	16,116
Pusan City Gas Co., Ltd.	1,104,699	327,520	668,884	31,542
Chungcheong Energy Service Co., Ltd.	316,162	181,106	415,945	17,739
Paju Energy Service Co., Ltd.	1,985,283	1,151,686	859,088	231,104
Narae Energy Service Co., Ltd.	1,411,985	851,239	506,158	62,502
Prism Energy International Pte. Ltd.	2,096,239	1,316,019	1,856,814	291,730
SK Ecoplant Co., Ltd.	7,489,468	5,747,242	2,725,135	343,288
SK Specialty Co., Ltd.	1,092,154	671,573	372,256	80,348
SK Siltron Co., Ltd. (*1)	4,037,334	2,525,710	1,152,658	184,096
SK Biopharmaceuticals Co., Ltd.	589,286	187,807	84,315	(81,491)
SK REITs Co., Ltd.	1,978,388	1,209,505	20,634	18,582

(\*1) The condensed financial information is consolidated financial information.

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**1.5 Disclosure of significant non-controlling interests in subsidiaries**

Information about significant non-controlling interests in subsidiaries as of and for the six-month period ended June 30, 2022 is as follows (Korean won in millions):

	June 30, 2022						
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.
Percentage of the non-controlling ownership	63.23%	69.88%	69.81%	55.58%	57.10%	10.00%	55.47%
Current assets	₩ 33,516,037	₩ 7,061,197	₩ 2,621,426	₩ 2,589,599	₩ 3,051,202	₩ 3,872,721	₩ 4,179,776
Non-Current assets	30,911,711	23,587,231	20,339,029	6,515,221	4,695,963	12,737,965	6,198,763
Current liabilities	26,506,493	7,575,948	1,904,561	3,217,357	2,485,674	3,318,582	5,171,524
Non-current liabilities	15,595,079	10,925,840	3,321,775	3,449,515	2,274,353	6,625,020	2,827,309
Net assets	22,326,176	12,146,640	17,734,119	2,437,948	2,987,138	6,667,084	2,379,706
Book value of the non-controlling interests	14,885,808	7,526,984	12,466,508	1,423,148	2,055,377	4,116,661	1,633,174
Sales	36,166,818	8,567,065	2,850,101	4,644,441	2,197,357	5,715,483	3,098,893
Net income	2,201,774	478,492	958,838	55,618	209,827	956,354	681,662
Total comprehensive income	2,822,909	267,206	675,897	74,069	253,354	799,776	768,369
Net income of the non-controlling interests	1,453,130	331,210	678,839	32,680	143,575	352,501	371,384
Total comprehensive income of the non-controlling interests	1,769,183	104,840	412,747	42,889	170,958	369,840	427,927
Net cash flows from operating activities	1,087,854	2,736,275	221,132	(25,689)	(55,133)	1,300,830	(59,187)
Net cash flows from investing activities	(2,952,036)	(1,583,883)	(164,810)	(720,104)	118,727	(1,204,811)	(1,329,062)
Net cash flows from financing activities before dividends paid to the non-controlling interests	4,868,110	(494,830)	(113,060)	(397,792)	803,324	89,571	1,465,505
Dividends paid to the non-controlling interests	(204,360)	(386,191)	(8,203)	(14,583)	(96,035)	(170,852)	(11,608)
Net increase (decrease) in cash and cash equivalents	2,799,568	271,371	(64,941)	(1,158,168)	770,883	14,738	65,648

The aforementioned condensed financial information is consolidated financial information of each subsidiary and non-controlling interests include hybrid bonds.

## **2. Basis of preparation and summary of significant accounting policies**

### **2.1 Basis of preparation**

The Group prepares statutory interim financial statements in Korean in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") *Interim Financial Reporting* enacted by the Act on External Audit of Stock Companies. The accompanying interim consolidated financial statements have been translated into English from Korean financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's review report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2021.

The accompanying interim condensed consolidated financial statements are stated in Korean won, the currency of the country in which the Group is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of the interim condensed consolidated financial statements and has been made at the rate of ₩1,130.00 to USD 1.00, the basic exchange rate in the Seoul Money Brokerage Service for cable transfers in Korean won on the last business day of the six-month period ended June 30, 2021. Such translations into U.S. dollars should not be construed as representations that the Korean won amounts could be converted into U.S. dollars at that or any other rate.

### **2.2 Significant accounting policies**

The significant accounting policies used for the preparation of the accompanying the interim condensed consolidated financial statements as of and for the six-month period ended June 30, 2022, are the same as the accounting policies adopted for the preparation of consolidated financial statements as of and for the year ended December 31, 2021, except for adoption of new and revised KIFRSs applied in the current period, which are summarized below.

#### **2.2.1 New and revised KIFRSs adopted in the current period**

The Group has applied amendments to KIFRS issued that are mandatorily effective for accounting periods beginning on or after January 1, 2022.

##### **KIFRS 1016 *Property, Plant and Equipment* (Amended)**

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment must be applied retrospectively to items of property plant, and equipment that are brought to the location and condition necessary for it to be capable of operating in the manner intended by management after the beginning of the earliest period presented.

The Group restated the comparative consolidated financial statements by retroactively applying the amendments to property, plant, and equipment that are brought to the location and condition necessary for it to be capable of operating in the manner intended by management after the beginning of the earliest period presented. As a result, property, plant and equipment decreased by ₩22,414 million as of December 31, 2021, and net income decreased by ₩12,531 million for the six months ended June 30, 2021.

## **2.2 Significant accounting policies (cont'd)**

### **KIFRS 1037 - Provisions, Contingent Liabilities and Contingent Assets (Amended)**

The amendments specify that the costs related directly to a contract to provide goods or services shall include both incremental costs and an allocation of costs directly related to contract activities when assessing whether a contract is onerous or loss-making. The Group applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information. The amendments do not have any significant impact on the Group's financial position or management performance.

### **KIFRS 1103 - Business combinations (Amended)**

The amendments update KIFRS 1103 so that the definition of assets and liabilities to be recognized in a business combination is referred to the 2018 Conceptual Framework and add an exception that, for transactions and other events within the scope of KIFRS 1037, 'Provisions, Contingent Liabilities and Contingent Assets' or KIFRS 2121, 'Levies', an acquirer applies KIFRS 1037 or KIFRS 2121 and clarify that contingent assets are not recognized on the acquisition date. These amendments had no material impact on the Group's financial position or management performance.

### **KIFRS 1116 Leases (Amended)**

The application of the practical expedient, which provides relief to lessees from applying KIFRS 1116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic, has been extended to lease reduction affecting the lease payments before June 30, 2022. Such rent concessions should satisfy the requirements to apply the practical expedient, and a lessee should consistently apply the practical expedients to similar contracts with similar characteristics. These amendments had no material impact on the Group's financial position or management performance.

### **Annual Improvements to KIFRS 2018-2020**

The annual improvements include some amendments to KIFRS 1101 'First-time Adoption of KIFRS', KIFRS 1109 'Financial Instruments', KIFRS 1116 'Leases' and KIFRS 1041 'Agriculture'. The amendments to KIFRS 1116 are relevant only to the illustrative examples, and thus the effective date for the amendment was not specified. These amendments had no material impact on the Group's financial position or management performance.

## **2.2. Significant accounting policies (cont'd)**

### **2.2.2 New and revised KIFRS issued, but not yet effective**

#### ***KIFRS 1001 Presentation of Financial Statements (Amended)***

The amendments affect only the presentation of liabilities in the statement of financial position and clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments explain that the right exists if the borrowing arrangement is complied with at the end of the reporting period and clarify that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty. The Group plans to apply the standard for annual reporting period beginning on or after January 1, 2023, with early application permitted.

#### ***KIFRS 1001 Presentation of Financial Statements (Amended)***

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to KIFRS 1001 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted.

#### ***KIFRS 1008 Accounting Policies, Changes in Accounting Estimates and Errors (Amended)***

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

#### ***KIFRS 1012 Income Taxes (Amended)***

The amendments require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary Paragraphs 15 and 24 of KIFRS 1012 were amended to include an additional condition where the initial recognition exemption is not applied. According to the amended guidance, a temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences. The amendments to KIFRS 1001 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted.

The Group is reviewing the possible effects of the above listed amendments on the consolidated financial statements.

### **3. Significant accounting judgements, estimates and assumptions**

When preparing the interim condensed consolidated financial statements, management is required to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Actual results may be different from those estimates.

Those accounting judgments made by management in the preparation of the interim condensed consolidated financial statements for the six-month period ended June 30, 2022, are consistent with those followed in the preparation of consolidated financial statements for the year ended December 31, 2021.

In order to prevent the spread of COVID-19, various prevention and control measures including restrictions on movement are being implemented worldwide, and as a result, the global economy is widely affected. The Group invests in companies operating in various industries, including petroleum refining, telecommunications, wholesale and retail, chemicals, construction and others, and is exposed to market uncertainties due to the influence of COVID-19. This can negatively affect productivity, sales decline or delay, collection of existing receivables, discount rates and indicators used for various estimates, which can negatively affect the Group's financial position and financial performance. The Group prepared financial statements by reasonably estimating the impact of COVID-19 on the Group. However, there is significant uncertainty in estimating the impact of COVID-19 on the Group.

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**4. Operating segments**

(1) Overview of operating segments

The Group makes decisions on resources to be allocated to business segments and divides the business segments based on the internal reports which the chief operating decision maker periodically reviews to evaluate the performances of the sales segments. Details of segment operations of each segment are as follows:

Operating segments	Business
SK Innovation Co., Ltd.	Petroleum refining, chemical, lubricating oil, battery and resources development
SK Telecom Co., Ltd.	Wireless and wired telecommunication
SK Square Co., Ltd.	Semiconductor and New ICT
SK Networks Co., Ltd.	Information communication, rental and trade
SKC Co., Ltd.	Chemical, industrial materials and mobility material
SK E&S Co., Ltd.	Gas and energy
SK Ecoplant Co., Ltd.	Civil engineering, housing, plant and others
Others	IT services, special gas manufacturing and sale, medicine and life science and others

(2) Details of financial information for each operating segment as of and for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in billions):

As of and for the six-month period ended June 30, 2022										
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments (*1)	Total
Total sales	₩ 36,167	₩ 8,567	₩ 2,850	₩ 4,644	₩ 2,197	₩ 5,715	₩ 3,099	₩ 5,048	₩ (4,196)	₩ 64,091
Internal sales	(326)	(88)	(1,347)	(516)	(211)	(190)	(4)	(1,514)	4,196	-
Net sales	35,841	8,479	1,503	4,128	1,986	5,525	3,095	3,534	-	64,091
Profit (loss) from continuing operations before income tax expense	3,386	730	1,039	71	250	1,139	112	857	(800)	6,784
Profit (loss) for the year from continuing operations	2,202	478	959	54	215	956	50	724	(898)	4,740
Total assets	64,428	30,648	22,960	9,105	7,747	16,611	10,379	57,290	(32,114)	187,054
Total liabilities	42,102	18,502	5,226	6,667	4,760	9,944	7,999	21,573	(1,081)	115,692
Depreciation	774	1,448	138	411	106	220	45	255	64	3,461
Amortization	80	439	47	14	19	4	32	185	44	864

  

As of and for the six-month period ended June 30, 2021										
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK ecoplant Co., Ltd.	Others	Consolidation adjustments (*1)	Total	
Total sales	₩ 20,657	₩ 9,599	₩ 5,296	₩ 1,572	₩ 3,611	₩ 3,028	₩ 4,182	₩ (2,709)	₩ 45,236	
Internal sales	(234)	(200)	(605)	(145)	(131)	(177)	(1,217)	2,709	-	
Net sales	20,423	9,399	4,691	1,427	3,480	2,851	2,965	-	45,236	
Profit (loss) from continuing operations before income tax expense	188	1,694	63	206	321	109	4,149	(3,647)	3,083	
Profit (loss) for the period from continuing operations	(175)	1,368	45	136	244	102	3,777	(3,596)	1,901	
Total assets	45,917	50,058	9,407	5,666	12,110	7,324	51,178	(29,781)	151,879	
Total liabilities	28,478	23,651	7,070	3,659	8,176	6,113	16,288	271	93,706	
Depreciation	672	1,569	407	85	199	33	310	(25)	3,250	
Amortization	45	500	11	15	3	22	54	167	817	

(\*1) Consolidation adjustments of the parent company, excluding consolidation adjustments of each subsidiary.

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**4. Operating segments (cont'd)**

(3) Details of financial information by geographical location as of and for the six-month periods ended June 30, 2022 and 2021 (Korean won in billions):

	As of and for the six-month period ended June 30, 2022						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Total sales	₩ 80,356	₩ 23,267	₩ 5,468	₩ 6,456	₩ 233	₩ (51,689)	₩ 64,091
Operating profit (loss)	7,767	489	(140)	(57)	165	(1,593)	6,631
Profit (loss) from continuing operations before income tax expense	7,513	520	(246)	(183)	185	(1,005)	6,784
Profit (loss) for the period	5,344	455	(244)	(208)	168	(775)	4,740
Total assets	202,653	25,719	8,394	28,764	2,037	(80,513)	187,054
Total liabilities	103,775	10,943	4,789	8,030	489	(12,334)	115,692

  

	As of and for the six-month period ended June 30, 2021						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Total sales	₩ 52,685	₩ 12,855	₩ 2,460	₩ 3,026	₩ 61	₩ (25,851)	₩ 45,236
Operating profit (loss)	4,194	118	70	76	11	(1,628)	2,841
Profit (loss) from continuing operations before income tax expense	5,882	1,422	73	3	974	(5,271)	3,083
Profit (loss) for the period	4,589	1,396	51	24	974	(5,133)	1,901
Total assets	168,015	16,562	5,071	17,900	1,758	(57,427)	151,879
Total liabilities	84,409	5,011	2,428	5,347	339	(3,828)	93,706

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**4. Operating segments (cont'd)**

(4) Details of financial information by revenue from contracts with customers for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in billions):

For the six-month period ended June 30, 2022										
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments	Total
1. Total sales	₩ 36,167	₩ 8,567	₩ 2,850	₩ 4,644	₩ 2,197	₩ 5,715	₩ 3,099	₩ 5,048	₩ (4,196)	₩ 64,091
2. Revenue from contracts with customers	36,152	8,567	1,872	3,692	2,197	5,711	3,085	4,333	(2,530)	63,079
Categories:										
Service sales	145	7,867	1,447	195	-	-	2,985	1,321	(1,056)	12,904
Finished goods sales	34,055	-	18	201	1,994	2,328	-	2,495	(723)	40,368
Merchandise sales	830	482	299	3,295	187	3,335	26	500	(701)	8,253
Other sales	1,122	218	108	1	16	48	74	17	(50)	1,554
	<u>36,152</u>	<u>8,567</u>	<u>1,872</u>	<u>3,692</u>	<u>2,197</u>	<u>5,711</u>	<u>3,085</u>	<u>4,333</u>	<u>(2,530)</u>	<u>63,079</u>
Timing of revenue recognition:										
Recognition at a point in time	36,007	700	425	3,497	2,197	903	100	3,012	(1,474)	45,367
Recognition over a period of time	145	7,867	1,447	195	-	4,808	2,985	1,321	(1,056)	17,712
	<u>36,152</u>	<u>8,567</u>	<u>1,872</u>	<u>3,692</u>	<u>2,197</u>	<u>5,711</u>	<u>3,085</u>	<u>4,333</u>	<u>(2,530)</u>	<u>63,079</u>
3. Revenue from other sources	15	-	978	952	-	4	14	715	(1,666)	1,012

For the six-month period ended June 30, 2021										
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK ecoplant Co., Ltd.	Others	Consolidation adjustments	Total	
1. Total sales	₩ 20,657	₩ 9,599	₩ 5,296	₩ 1,572	₩ 3,611	₩ 3,028	₩ 4,182	₩ (2,709)	₩ 45,236	
2. Revenue from contracts with customers	20,642	9,599	4,365	1,572	3,608	3,019	3,690	(2,234)	44,261	
Categories:										
Service sales	130	8,600	163	-	-	3,000	1,273	(998)	12,168	
Finished goods sales	19,479	15	229	1,435	1,309	-	1,875	(515)	23,827	
Merchandise sales	609	706	3,973	117	2,258	13	531	(711)	7,496	
Other sales	424	278	-	20	41	6	11	(10)	770	
	<u>20,642</u>	<u>9,599</u>	<u>4,365</u>	<u>1,572</u>	<u>3,608</u>	<u>3,019</u>	<u>3,690</u>	<u>(2,234)</u>	<u>44,261</u>	
Timing of revenue recognition:										
Recognition at a point in time	20,512	999	4,202	1,572	443	19	2,417	(1,236)	28,928	
Recognition over a period of time	130	8,600	163	-	3,165	3,000	1,273	(998)	15,333	
	<u>20,642</u>	<u>9,599</u>	<u>4,365</u>	<u>1,572</u>	<u>3,608</u>	<u>3,019</u>	<u>3,690</u>	<u>(2,234)</u>	<u>44,261</u>	
3. Revenue from other sources	15	-	931	-	3	9	492	(475)	975	

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**5. Financial instruments**

**5.1 Financial assets**

Details of financial assets as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022				Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	
<b>Current assets:</b>					
Cash and cash equivalents	₩ 4,158,961	₩ -	₩ 11,094,496	₩ -	₩ 15,253,457
Short-term financial instruments	6,663,748	-	373,253	-	7,037,001
Trade receivables (*1)	45,061	-	12,108,732	-	12,153,793
Other receivables	160,609	-	2,759,174	-	2,919,783
Short-term loans	-	-	90,538	-	90,538
Accrued income	-	-	161,908	-	161,908
Short-term investment securities	1,022,684	-	45	-	1,022,729
Guarantee deposits	-	-	375,008	-	375,008
Derivative financial assets	145,868	-	-	287,123	432,991
Lease receivables	-	-	15,681	-	15,681
	<u>12,196,931</u>	<u>-</u>	<u>26,978,835</u>	<u>287,123</u>	<u>39,462,889</u>
<b>Non-current assets:</b>					
Long-term financial instruments	14,489	-	14,388	-	28,877
Long-term trade receivables	-	-	468,582	-	468,582
Long-term other receivables	192,459	-	46,336	-	238,795
Long-term loans	-	-	446,188	-	446,188
Long-term investment securities	2,127,820	6,255,966	1,028	-	8,384,814
Guarantee deposits	-	-	681,489	-	681,489
Derivative financial assets	727,107	-	-	409,104	1,136,211
Lease receivables	-	-	49,113	-	49,113
	<u>3,061,875</u>	<u>6,255,966</u>	<u>1,707,124</u>	<u>409,104</u>	<u>11,434,069</u>
	<u>₩ 15,258,806</u>	<u>₩ 6,255,966</u>	<u>₩ 28,685,959</u>	<u>₩ 696,227</u>	<u>₩ 50,896,958</u>

(\*1) Contract assets (unbilled receivables) amounting to ₩1,097,174 million as of June 30, 2022 are not included in the financial assets.

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**5.1 Financial assets (cont'd)**

	December 31, 2021				
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	Total
<b>Current assets</b>					
Cash and cash equivalents	₩ 2,800,214	₩ -	₩ 9,517,341	₩ -	₩ 12,317,555
Short-term financial instruments	5,240,060	-	884,690	-	6,124,750
Trade receivables (*1)	52,088	-	10,598,250	-	10,650,338
Other receivables	203,029	-	2,216,530	-	2,419,559
Short-term loans	-	-	94,031	-	94,031
Accrued income	-	-	114,924	-	114,924
Short-term investment securities	353,310	-	45	-	353,355
Guarantee deposits	-	-	276,658	-	276,658
Derivative financial assets	92,402	-	-	39,229	131,631
Lease receivables	-	-	19,016	-	19,016
	<u>8,741,103</u>	<u>-</u>	<u>23,721,485</u>	<u>39,229</u>	<u>32,501,817</u>
<b>Non-current assets</b>					
Long-term financial instruments	18,078	-	30,014	-	48,092
Long-term trade receivables	-	-	391,739	-	391,739
Long-term other receivables	256,930	-	61,954	-	318,884
Long-term loans	-	-	411,711	-	411,711
Long-term investment securities	1,972,522	7,572,640	1,023	-	9,546,185
Guarantee deposits	-	-	711,104	-	711,104
Derivative financial assets	516,067	-	-	224,550	740,617
Lease receivables	-	-	36,175	-	36,175
	<u>2,763,597</u>	<u>7,572,640</u>	<u>1,643,720</u>	<u>224,550</u>	<u>12,204,507</u>
	<u>₩ 11,504,700</u>	<u>₩ 7,572,640</u>	<u>₩ 25,365,205</u>	<u>₩ 263,779</u>	<u>₩ 44,706,324</u>

(\*1) Contract assets (unbilled receivables) amounting to ₩737,104 million as of December 31, 2021 are not included in the financial assets.

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**5.2 Financial liabilities**

Details of financial liabilities as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022			
	Financial liabilities measured at FVTPL	Other financial liabilities	Financial liabilities designated as hedging instruments	Total
<b>Current liabilities:</b>				
Short-term borrowings	₩ -	₩ 15,091,213	₩ -	₩ 15,091,213
Trade payables	-	14,802,757	-	14,802,757
Other payables	9,073	7,110,372	-	7,119,445
Current portion of long-term debt	-	10,099,763	-	10,099,763
Accrued expenses	-	4,350,183	-	4,350,183
Dividends payable	-	1,089	-	1,089
Leasehold deposits received	-	235,852	-	235,852
Derivative financial liabilities	134,202	-	205,804	340,006
Lease liabilities	-	1,283,358	-	1,283,358
Finance guarantee liabilities	-	693	-	693
Financial liabilities at fair value through profit or loss	125,210	-	-	125,210
	<u>268,485</u>	<u>52,975,280</u>	<u>205,804</u>	<u>53,449,569</u>
<b>Non-current liabilities:</b>				
Bonds payable and long-term borrowings	-	42,766,884	-	42,766,884
Long-term other payables	550	1,486,733	-	1,487,283
Long-term accrued expenses	-	31,149	-	31,149
Leasehold deposits received	-	304,858	-	304,858
Derivative financial liabilities	672,535	-	667	673,202
Lease liabilities	-	4,203,444	-	4,203,444
Financial guarantee liabilities	-	17,602	-	17,602
Financial liabilities at fair value through profit or loss	59,123	-	-	59,123
	<u>732,208</u>	<u>48,810,670</u>	<u>667</u>	<u>49,543,545</u>
	<u>₩ 1,000,693</u>	<u>₩ 101,785,950</u>	<u>₩ 206,471</u>	<u>₩ 102,993,114</u>

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**5.2 Financial liabilities (cont'd)**

	December 31, 2021			
	Financial liabilities measured at FVTPL	Other financial liabilities	Financial liabilities designated as hedging instruments	Total
<b>Current liabilities:</b>				
Short-term borrowings	₩ -	₩ 7,657,381	₩ -	₩ 7,657,381
Trade payables	-	9,519,544	-	9,519,544
Other payables	34,133	7,015,739	-	7,049,872
Current portion of long-term debt	-	7,828,071	-	7,828,071
Accrued expenses	-	4,845,940	-	4,845,940
Dividends payable	-	887	-	887
Leasehold deposits received	-	198,776	-	198,776
Derivative financial liabilities	270,712	-	50,858	321,570
Lease liabilities	-	1,250,891	-	1,250,891
Finance guarantee liabilities	-	642	-	642
Financial liabilities at fair value through profit or loss	160,528	-	-	160,528
	<u>465,373</u>	<u>38,317,871</u>	<u>50,858</u>	<u>38,834,102</u>
<b>Non-current liabilities:</b>				
Bonds payable and long-term borrowings	-	42,620,141	-	42,620,141
Long-term other payables	-	1,854,343	-	1,854,343
Long-term accrued expenses	-	34,035	-	34,035
Leasehold deposits received	-	298,478	-	298,478
Derivative financial liabilities	437,512	-	1,723	439,235
Lease liabilities	-	3,803,999	-	3,803,999
Financial guarantee liabilities	-	16,910	-	16,910
Financial liabilities at fair value through profit or loss	59,123	-	-	59,123
	<u>496,635</u>	<u>48,627,906</u>	<u>1,723</u>	<u>49,126,264</u>
	<u>₩ 962,008</u>	<u>₩ 86,945,777</u>	<u>₩ 52,581</u>	<u>₩ 87,960,366</u>

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**5.3 Fair values of financial instruments by hierarchy level**

1) Fair values and book values of financial instruments as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022		December 31, 2021	
	Book value	Fair value	Book value	Fair value
Bonds payable	₩ 35,936,871	₩ 35,572,118	₩ 34,856,002	₩ 34,967,026
Borrowings	32,020,989	31,560,962	23,249,591	23,196,353

The fair value of bonds payable and borrowings was measured as the present value of the contractually determined stream of future cash flows discounted at the market interest rate (1.80% ~ 5.36%) regarding residual market risks. As the book values of other financial assets and other financial liabilities are reasonable approximations to fair values, the fair values have not been disclosed.

2) The Group categorized financial instruments measured at fair value based on the inputs to measure the fair value. The level of hierarchy of fair value is as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs are unobservable inputs for the asset or liability.

3) Details of fair values of financial instruments by hierarchy level as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 410,762	₩ 11,190,266	₩ 2,784,803	₩ 14,385,831
Financial assets measured at FVOCI	3,396,041	-	2,859,925	6,255,966
Derivative financial assets	13,855	1,063,126	492,221	1,569,202
	<u>₩ 3,820,658</u>	<u>₩ 12,253,392</u>	<u>₩ 6,136,949</u>	<u>₩ 22,210,999</u>
Financial liabilities:				
Financial liabilities measured at FVTPL	₩ -	₩ -	₩ 193,956	₩ 193,956
Derivative financial liabilities	5,483	330,836	676,889	1,013,208
	<u>₩ 5,483</u>	<u>₩ 330,836</u>	<u>₩ 870,845</u>	<u>₩ 1,207,164</u>
	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 462,531	₩ 8,518,311	₩ 1,915,389	₩ 10,896,231
Financial assets measured at FVOCI	5,260,168	-	2,312,472	7,572,640
Derivative financial assets	7,219	417,876	447,153	872,248
	<u>₩ 5,729,918</u>	<u>₩ 8,936,187</u>	<u>₩ 4,675,014</u>	<u>₩ 19,341,119</u>
Financial liabilities:				
Financial liabilities measured at FVTPL	₩ -	₩ -	₩ 253,784	₩ 253,784
Derivative financial liabilities	600	96,891	663,314	760,805
	<u>₩ 600</u>	<u>₩ 96,891</u>	<u>₩ 917,098</u>	<u>₩ 1,014,589</u>

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**6. Trade receivables**

(1) Details of trade receivables as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
Trade receivables:				
Trade receivables (*1)	₩ 12,617,766	₩ 489,517	₩ 11,182,015	₩ 407,641
Contract assets (unbilled receivables)	1,097,174	-	737,104	-
Allowance for doubtful accounts:				
Trade receivables	(463,973)	(20,935)	(531,677)	(15,902)
	<u>₩ 13,250,967</u>	<u>₩ 468,582</u>	<u>₩ 11,387,442</u>	<u>₩ 391,739</u>

(\*1) Includes the net investment amount of the finance lease provided by the Group as a manufacturer or seller.

(2) Contract assets and liabilities related with contracts with customers as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022	December 31, 2021
Contract assets: (*1)		
Construction business	₩ 855,365	₩ 572,283
Telecommunication business	123,531	118,278
Others	303,256	200,349
	<u>₩ 1,282,152</u>	<u>₩ 890,910</u>
Contract liabilities: (*2)		
Construction business	₩ 955,387	₩ 973,020
Telecommunication business	218,317	202,967
Others	1,015,003	890,405
	<u>₩ 2,188,707</u>	<u>₩ 2,066,392</u>

(\*1) Contract assets are included in trade receivables and other assets.

(\*2) Contract liabilities are included in advances received and other liabilities.

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**6. Trade receivables (cont'd)**

(3) Details of construction profit variation by changes of accounting estimates related to construction contracts as of June 30, 2022 are as follows (Korean won in millions):

	June 30, 2022				
	Change in estimated construction revenue	Change in estimated cost	Impact on current period profit (loss)	Impact on future period profit	Change in unbilled (overbilled) receivables
SK ecoplant Co., Ltd. and its subsidiaries	₩ 975,977	₩ 902,012	₩ 19,743	₩ 54,222	₩ 19,743
Others	14,584	15,620	(1,818)	782	(1,818)
	<u>₩ 990,561</u>	<u>₩ 917,632</u>	<u>₩ 17,925</u>	<u>₩ 55,004</u>	<u>₩ 17,925</u>

Impact on profit of current and future period has been calculated by the estimated construction costs based on the situations which occurred from the inception of construction contracts to current reporting period and the estimated construction revenue as of current reporting period. Estimated construction costs and revenue can be changed in the future period.

(4) Details of the construction contracts where the contract revenue exceeds 5% of the preceding year's revenue under the percentage-of-completion method as of June 30, 2022 are as follows (Korean won in millions):

Subsidiary	Project	Contract date	Completion date	Percentage (%)	Unbilled receivables		Trade receivables (*1)	
					Amount	Impairment	Amount	Allowance for doubtful accounts
SK ecoplant Co., Ltd.	RRE Project	2009.12	2016.05	99.99	₩ -	₩ -	₩ -	₩ -
	Goseong High Fire power Construction	2014.07	2022.01	98.32	40,664	-	-	-

(\*1) The balance does not include due from customer for construction work.

**7. Inventories**

Details of inventories as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022			December 31, 2021		
	Cost	Valuation allowance	Book value	Cost	Valuation allowance	Book value
Merchandise	₩ 1,336,151	₩ (29,816)	₩ 1,306,335	₩ 1,031,635	₩ (36,524)	₩ 995,111
Finished goods	4,356,168	(136,734)	4,219,434	2,997,935	(151,075)	2,846,860
Semi-finished goods and work in progress	2,098,082	(173,855)	1,924,227	1,388,745	(118,721)	1,270,024
Raw materials and sub-materials	3,309,746	(46,978)	3,262,768	2,327,476	(89,613)	2,237,863
Materials in transit	5,443,288	-	5,443,288	2,765,034	-	2,765,034
Supplies	647,383	(4,457)	642,926	538,897	(4,033)	534,864
Uncompleted contracts	18,022	-	18,022	17,415	-	17,415
Others	106,847	(200)	106,647	13,533	-	13,533
	<u>₩ 17,315,687</u>	<u>₩ (392,040)</u>	<u>₩ 16,923,647</u>	<u>₩ 11,080,670</u>	<u>₩ (399,966)</u>	<u>₩ 10,680,704</u>

**SK Inc. and its subsidiaries**  
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**8. Investment securities**

Details of investment securities as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022			
	Financial assets at FVTPL	Financial assets at FVOCI (*1)	Financial assets at amortized cost	Total
Equity instruments:				
Marketable equity instruments	₩ 410,762	₩ 3,396,041	₩ -	₩ 3,806,803
Non-marketable equity instruments	142,472	2,841,171	-	2,983,643
	<u>553,234</u>	<u>6,237,212</u>	-	<u>6,790,446</u>
Bond instruments:				
Beneficiary securities and others	1,684,806	662	-	1,685,468
Debt securities	912,464	18,092	1,073	931,629
	<u>2,597,270</u>	<u>18,754</u>	<u>1,073</u>	<u>2,617,097</u>
	<u>₩ 3,150,504</u>	<u>₩ 6,255,966</u>	<u>₩ 1,073</u>	<u>₩ 9,407,543</u>
Current investment securities	₩ 1,022,684	₩ -	₩ 45	₩ 1,022,729
Non-current investment securities	2,127,820	6,255,966	1,028	8,384,814
	December 31, 2021			
	Financial assets measured at FVTPL	Financial assets measured at FVOCI (*1)	Financial assets measured at amortized cost	Total
Equity instruments:				
Marketable equity instruments	₩ 462,531	₩ 5,260,168	₩ -	₩ 5,722,699
Non-marketable equity instruments	170,478	2,304,673	-	2,475,151
	<u>633,009</u>	<u>7,564,841</u>	-	<u>8,197,850</u>
Bond instruments:				
Beneficiary securities and others	716,254	663	-	716,917
Debt securities	976,569	7,136	1,068	984,773
	<u>1,692,823</u>	<u>7,799</u>	<u>1,068</u>	<u>1,701,690</u>
	<u>₩ 2,325,832</u>	<u>₩ 7,572,640</u>	<u>₩ 1,068</u>	<u>₩ 9,899,540</u>
Current investment securities	₩ 353,310	₩ -	₩ 45	₩ 353,355
Non-current investment securities	1,972,522	7,572,640	1,023	9,546,185

(\*1) The Group has applied the irrevocable option to designate the equity instruments held for strategic investment, not for held-for-trading purpose, at the date of initial application, as items measured at FVOCI.

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**9. Investments in associates and joint ventures**

(1) Investments in associates and joint ventures

Details of investments in associates and joint ventures as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

Company	Domicile	Equity ownership (*1)	June 30, 2022		December 31, 2021
			Acquisition cost	Book value	Book value
<b>Associates:</b>					
SK Hynix Inc.	Korea	20.1%	₩ 5,420,310	₩ 14,698,234	₩ 13,746,931
Vingroup Joint Stock Company (*2)	Vietnam	6.1%	957,882	1,066,351	984,778
Eureka Midstream Holdings	USA	40.0%	465,582	583,118	523,829
VCM Services And Trading Development Joint Stock Company (*2)	Vietnam	16.0%	465,019	494,210	454,794
Masan Group Corporation (*2)	Vietnam	9.3%	457,718	427,550	419,935
SK Eco Engineering Co., Ltd. (*3)	Korea	50.0%	487,863	499,469	-
Darwin LNG Pty Ltd.	Australia	25.0%	419,675	473,123	438,090
Center For Breakthrough Medicines Holdings, LLC	USA	40.0%	409,059	431,145	237,277
Shenzhen Londian Wason Holdings Group. Co., Ltd.	China	26.0%	383,369	477,059	443,661
The CrownX Corporation (*2)	Vietnam	4.9%	348,648	399,433	361,163
FR BR Aggregator	USA	39.0%	350,718	329,214	301,159
Huizhou EVE United Energy Co., Ltd.	China	49.0%	344,465	439,083	430,164
Peru LNG Company, LLC	USA	20.0%	331,144	328,705	258,037
Daehan Oil Pipeline Corporation	Korea	41.0%	311,372	317,417	317,050
NHIP II Bison Holdings, LLC	USA	24.5%	297,511	316,053	265,634
Hana Card Co., Ltd. (*2)	Korea	15.0%	253,707	368,389	349,866
Yemen LNG Company Ltd. (*2,4)	Yemen	6.9%	252,813	-	-
Canakkale Highway And Bridge	Turkiye	25.0%	290,219	336,528	276,853
Korea IT Fund (*5)	Korea	63.3%	242,170	329,508	339,976
ProteoVant Sciences, Inc.	USA	40.0%	222,370	225,942	212,874
Joyvio (*2)	China	14.0%	213,793	248,954	240,006
Content Wavve Corp	Korea	36.4%	165,341	124,463	141,142
Best Oil Company Limited	Myanmar	35.0%	153,024	139,971	132,430
TBM Co., Ltd. (*2)	Japan	13.5%	141,971	125,757	138,602
ENN (Zhoushan) LNG Co., Ltd. (*2)	China	10.0%	133,234	140,652	130,473
8 Rivers Capital LLC (*2,6)	USA	12.5%	120,495	127,521	-
Others				2,057,382	1,894,323
				<u>25,505,231</u>	<u>23,039,047</u>
<b>Joint ventures (*6):</b>					
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	China	35.0%	676,332	1,115,088	1,140,152
Mitsui Chemicals & SKC Polyurethanes Inc. (*8)	Korea	-	-	-	397,417
Beijing BESK Technology Co., Ltd.	China	49.0%	247,428	268,196	261,564
Lunar Energy, Inc.	USA	50.0%	181,620	155,825	73,042
ZETA CAYMAN Limited	Cayman	50.0%	178,774	138,821	108,562
Ignis Therapeutics	Cayman	46.9%	177,525	109,978	93,980
Eurasia Tunnel	Turkiye	50.0%	174,215	385,957	323,192
Parkingcloud Corp.	Korea	47.0%	160,038	156,514	160,038
Boryeong LNG Terminal Co., Ltd.	Korea	50.0%	133,323	157,481	146,686
SABIC SK Nexlene Company Pte. Ltd.	Singapore	50.0%	112,670	159,145	125,952
Others				467,795	180,813
				<u>3,114,800</u>	<u>3,011,398</u>
				<u>₩ 28,620,031</u>	<u>₩ 26,050,445</u>

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**9. Investments in associates and joint ventures (cont'd)**

- (\*1) Equity ownership includes indirect investments held by the consolidated subsidiaries.
- (\*2) The Group retains significant influence on the associate despite having less than 20% equity interests.
- (\*3) During the current period, the Group lost control by selling part of SK Eco Engineering Co., Ltd. Therefore, it has been transferred to investment in affiliates from investment in subsidiaries.
- (\*4) Impairment losses on investments in associates were fully recognized as there was an indication of impairment prior to the current period.
- (\*5) These companies were not included as consolidated subsidiaries as the Group does not have control over more than half of the voting rights by agreements.
- (\*6) It was newly acquired during the current period.
- (\*7) All joint arrangements that the Group has joint control over are structured by a consolidated entity. The parties that have joint control with respect to the joint agreements hold the rights to the net assets of the agreements and accordingly, they are classified as joint ventures.
- (\*8) Although the Group's stake in Mitsui Chemicals & SKC Polyurethanes Inc. does not exceed 50%, it was transferred from joint venture investment to investment in subsidiary during the three month period ended June 30, 2022 as the Group exercises substantial control at the board.

(2) Changes in carrying amount of investments in associates and joint ventures

Changes in investments in associates and joint ventures accounted for using the equity method for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

		For the six-month period ended June 30, 2022							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other comprehensive income	Dividends received	Others (*1)	Ending balance
Associates		₩ 23,039,047	₩ 1,308,764	₩ (12,393)	₩ 1,049,248	₩ 299,857	₩ (322,735)	₩ 143,443	₩ 25,505,231
Joint ventures		₩ 3,011,398	₩ 211,961	₩ (185)	₩ (11,719)	₩ 98,963	₩ (67,540)	₩ (128,078)	₩ 3,114,800
		<u>₩ 26,050,445</u>	<u>₩ 1,520,725</u>	<u>₩ (12,578)</u>	<u>₩ 1,037,529</u>	<u>₩ 398,820</u>	<u>₩ (390,275)</u>	<u>₩ 15,365</u>	<u>₩ 28,620,031</u>

  

		For the six-month period ended June 30, 2021							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other comprehensive income	Dividends received	Others (*1)	Ending balance
Associates		₩ 18,147,495	₩ 3,363,906	₩ (16,585)	₩ 602,205	₩ 153,004	₩ (213,923)	₩ 162,766	₩ 22,198,868
Joint ventures		₩ 2,871,468	₩ 69,369	₩ -	₩ 114,980	₩ 118,706	₩ (15,875)	₩ (440,043)	₩ 2,718,605
		<u>₩ 21,018,963</u>	<u>₩ 3,433,275</u>	<u>₩ (16,585)</u>	<u>₩ 717,185</u>	<u>₩ 271,710</u>	<u>₩ (229,798)</u>	<u>₩ (277,277)</u>	<u>₩ 24,917,473</u>

(\*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

(3) Details of unrecognized changes in equity method caused by discontinuing the application of equity method as of June 30, 2022 are as follows (Korean won in millions):

	Beginning balance	Changes	Ending balance
Pentaport Development Co., Ltd.	₩ 79,347	₩ -	₩ 79,347
Korea Consortium Kazakh B.V.	175,694	-	175,694
Yemen LNG Company Ltd. and others	75,168	(1,352)	73,816

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**9. Investments in associates and joint ventures (cont'd)**

(4) Condensed financial information of significant investments in associates and joint ventures as of June 30, 2022 are as follows (Korean won in millions):

	As of and for the year ended June 30, 2022						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income (loss)	Total comprehensive income (loss)
<b>Associates:</b>							
SK Hynix Inc.	₩ 29,719,276	₩ 74,428,346	₩ 16,869,305	₩ 20,518,157	₩ 25,966,654	₩ 4,859,749	₩ 5,877,056
Vingroup Joint Stock Company	9,424,576	15,115,403	8,253,842	8,804,688	2,772,476	(454,779)	(454,779)
Eureka Midstream Holdings	43,432	1,104,884	23,758	339,577	63,830	31,164	31,164
VCM Services And Trading Development Joint Stock Company	480,501	404,801	470,466	259,231	744,325	(19,539)	(19,539)
Masan Group Corporation	2,132,048	4,778,148	2,153,640	2,713,899	2,198,879	469,713	461,511
SK Eco Engineering Co., Ltd.	729,384	31,844	518,087	37,939	894,789	61,601	61,601
Darwin LNG Pty Ltd.	259,995	38,320	150,620	27,831	331,348	7,328	7,328
Center For Breakthrough Medicines Holdings, LLC	283,938	105,816	46,329	7,385	2,745	(47,621)	(47,621)
Shenzhen Londian Wason Holdings Group Co., Ltd.	1,310,362	1,116,141	1,271,594	208,291	703,143	67,335	67,335
The CrownX Corporation	1,401,071	1,396,886	1,088,391	506,853	1,590,782	113,084	113,084
FR BR Aggregator	2,328	1,442,169	7,180	595,883	-	(1,275)	(1,275)
Huizhou EVE United Energy Co., Ltd.	906,732	677,159	588,097	80,777	755,924	(19,717)	(19,717)
Peru LNG Company, LLC	1,599,975	2,316,923	876,313	1,396,831	2,483,221	237,045	237,045
Daehan Oil Pipeline Corporation	130,963	893,231	29,896	256,246	89,537	23,570	23,570
NHIP II Bison Holdings, LLC	23,771	1,259,838	-	1,496	-	107,700	107,700
Hana Card Co., Ltd.	9,801,017	431,125	1,585,436	6,485,854	624,344	126,685	130,274
Canakkale Highway And Bridge	445,609	3,860,521	32,731	2,944,851	155,976	(6,891)	177,525
Korea IT Fund	95,176	425,100	-	-	15,777	7,878	3,066
ProteoVant Sciences, Inc.	207,209	10,399	25,884	21,387	732	(16,351)	(16,351)
Joyvio	2,039,114	2,590,865	1,575,113	1,287,552	1,903,151	3,052	(2,572)
Content Wavve Corp	198,279	131,938	74,100	335,988	124,852	(61,200)	(61,200)
Best Oil Company Limited	401,793	209,102	365,397	15,215	551,293	12,044	12,044
TBM Co., Ltd.	114,797	56,406	7,161	45,786	13,431	(9,665)	(9,665)
ENN (Zhoushan) LNG Co., Ltd.	91,546	1,054,451	91,062	452,635	85,168	34,938	34,938
8 Rivers Capital LLC	122,489	11,272	6,896	9,142	1,959	(13,493)	(13,493)
<b>Joint ventures:</b>							
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	1,470,721	4,652,488	2,137,574	1,028,332	5,318,858	1,871	1,871
Beijing BESK Technology Co., Ltd.	454,104	487,401	362,978	26,795	337,778	(5,728)	(5,728)
Lunar Energy, Inc.	216,507	144,370	9,727	7,539	1,912	(47,184)	(47,184)
ZETA CAYMAN Limited	754	277,364	481	-	-	(924)	38,956
Ignis Therapeutics	117,346	228,193	366	573	-	(5,619)	(5,447)
Eurasia Tunnel	181,498	1,634,539	226,313	894,283	4,624	18,494	19,394
Parkingcloud Corp	123,337	88,099	33,911	62,415	34,422	(3,955)	(3,955)
Boryeong LNG Terminal Co., Ltd.	143,897	1,541,538	81,111	1,313,103	194,181	21,333	21,325
SABIC SK Nexlene Company Pte. Ltd.	350,570	496,110	101,516	354,894	319,481	77,063	32,503

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**10. Property, plant and equipment**

(1) Details of property, plant and equipment as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022	December 31, 2021
Acquisition cost	₩ 79,384,407	₩ 73,850,563
Accumulated depreciation and accumulated impairment losses	(24,658,006)	(22,466,738)
	<u>₩ 54,726,401</u>	<u>₩ 51,383,825</u>

(2) Changes in property, plant and equipment for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2022						Ending balance
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	
Land	₩ 9,294,248	₩ 12,318	₩ 5,248	₩ (53,989)	₩ -	₩ 69,266	₩ 9,327,091
Buildings	6,003,660	26,870	7,049	(29,221)	(130,031)	775,373	6,653,700
Structures	1,986,791	5,765	4,242	(1,306)	(71,062)	65,192	1,989,622
Machinery and equipment	20,825,354	60,056	187,540	(57,071)	(2,054,255)	2,168,688	21,130,312
Vehicles	180,594	7,514	3,444	(714)	(16,886)	6,674	180,626
Operating lease asset	1,942,319	-	483,175	(13,795)	(220,574)	(92,519)	2,098,606
Others	4,447,473	118,154	735,255	(2,980)	(385,645)	(145)	4,912,112
Construction-in-progress	6,703,386	4,932	4,196,322	(3,030)	-	(2,467,278)	8,434,332
	<u>₩ 51,383,825</u>	<u>₩ 235,609</u>	<u>₩ 5,622,275</u>	<u>₩ (162,106)</u>	<u>₩ (2,878,453)</u>	<u>₩ 525,251</u>	<u>₩ 54,726,401</u>

	For the six-month period ended June 30, 2021						Ending balance
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	
Land	₩ 8,514,509	₩ 844,481	₩ 12,575	₩ (27,953)	₩ -	₩ (95,222)	₩ 9,248,390
Buildings	4,567,149	225,132	9,018	(1,562)	(101,270)	174,668	4,873,135
Structures	1,660,194	47,440	4,823	(6,220)	(61,227)	25,188	1,670,198
Machinery and equipment	20,261,529	76,137	203,380	(77,372)	(1,949,758)	1,791,743	20,305,659
Vehicles	199,411	298	5,114	(501)	(16,936)	3,058	190,444
Operating lease asset	1,786,789	-	473,990	(16,192)	(223,061)	(116,005)	1,905,521
Others	3,382,742	13,655	647,056	(3,278)	(359,305)	545,957	4,226,827
Construction-in-progress	5,523,271	12,536	2,708,438	(1,809)	-	(1,871,957)	6,370,479
	<u>₩ 45,895,594</u>	<u>₩ 1,219,679</u>	<u>₩ 4,064,394</u>	<u>₩ (134,887)</u>	<u>₩ (2,711,557)</u>	<u>₩ 457,430</u>	<u>₩ 48,790,653</u>

(\*1) Others include changes in consolidation scope, transfer of intangible assets and investment properties, impairment losses, net translation differences and others.

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**11. Right-of-use assets and lease liabilities**

(1) Details of right-of-use assets as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022	December 31, 2021
Acquisition cost	₩ 7,821,144	₩ 7,234,373
Accumulated depreciation and accumulated impairment losses	(2,429,156)	(2,200,057)
	<u>₩ 5,391,988</u>	<u>₩ 5,034,316</u>

(2) Changes in right-of-use assets for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2022						
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 2,200,309	₩ 9,523	₩ 438,650	₩ (69,931)	₩ (305,394)	₩ 8,008	₩ 2,281,165
Tank	172,618	-	22,240	(36)	(30,887)	1,337	165,272
Ships and vessels	1,234,191	-	245,070	-	(55,274)	77,787	1,501,774
Vehicles	1,167,310	36,476	202,177	(132,918)	(136,810)	1,431	1,137,666
Others	259,888	-	52,296	(17,049)	(44,150)	55,126	306,111
	<u>₩ 5,034,316</u>	<u>₩ 45,999</u>	<u>₩ 960,433</u>	<u>₩ (219,934)</u>	<u>₩ (572,515)</u>	<u>₩ 143,689</u>	<u>₩ 5,391,988</u>

  

	For the six-month period ended June 30, 2021						
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 3,230,719	₩ 24,539	₩ 576,120	₩ (210,480)	₩ (274,560)	₩ (1,125,658)	₩ 2,220,680
Tank	217,252	-	2,071	(763)	(32,158)	(202)	186,200
Ships and vessels	1,013,186	-	-	-	(45,930)	10,204	977,460
Vehicles	1,264,696	133	176,045	(122,635)	(136,525)	42,550	1,224,264
Others	452,627	177	112,569	(106,110)	(44,085)	(141,940)	273,238
	<u>₩ 6,178,480</u>	<u>₩ 24,849</u>	<u>₩ 866,805</u>	<u>₩ (439,988)</u>	<u>₩ (533,258)</u>	<u>₩ (1,215,046)</u>	<u>₩ 4,881,842</u>

(\*1) The amounts include exclusion from the scope of consolidation, net foreign exchange differences and others.

(3) Changes in lease liabilities for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2022							
	Beginning balance	Business combination	Increase	Interest expenses	Decrease	Transfer	Others (*1)	Ending balance
Lease liabilities	₩ 5,054,890	₩ 47,781	₩ 933,745	₩ 63,288	₩ (598,235)	₩ (36,905)	₩ 22,239	₩ 5,486,803

  

	For the six-month period ended June 30, 2021							
	Beginning balance	Business combination	Increase	Interest expenses	Decrease	Transfer	Others (*1)	Ending balance
Lease liabilities	₩ 5,665,951	₩ 24,849	₩ 865,208	₩ 56,782	₩ (578,632)	₩ (31,444)	₩ (1,297,684)	₩ 4,705,030

(\*1) The amounts include exclusion from the scope of consolidation, net foreign exchange differences and others.

The Group recognized lease payments of ₩115,637 million (₩69,547 million as of June 30, 2021) in relation to short-term lease, ₩5,028 million (₩5,845 million as of June 30, 2021) in relation to leases of low-value assets, and ₩88,831 million (₩69,600 million as of June 30, 2021) in relation to variable lease payments in cost of sales and selling and administrative expenses during the period ended June 30, 2022. The total cash outflow of leases during the period ended June 30, 2022 is ₩807,731 million (₩723,624 million as of June 30, 2021).

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**12. Investment property**

(1) Details of investment property as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Acquisition cost	₩ 1,757,894	₩ 1,125,221
Accumulated depreciation and accumulated impairment loss	<u>(173,222)</u>	<u>(158,093)</u>
	<u>₩ 1,584,672</u>	<u>₩ 967,128</u>

(2) Changes in investment property for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2022					
	Beginning balance	Acquisition	Disposal	Depreciation	Others (*1)	Ending balance
Land	₩ 544,584	₩ 305,061	₩ (4,090)	₩ -	₩ 343	₩ 845,898
Buildings	417,545	244,012	(1,942)	(9,722)	83,877	733,770
Structures	4,999	5	-	(76)	76	5,004
	<u>₩ 967,128</u>	<u>₩ 549,078</u>	<u>₩ (6,032)</u>	<u>₩ (9,798)</u>	<u>₩ 84,296</u>	<u>₩ 1,584,672</u>

  

	For the six-month period ended June 30, 2021					
	Beginning balance	Acquisition	Disposal	Depreciation	Others (*1)	Ending balance
Land	₩ 501,528	₩ -	₩ (5,564)	₩ -	₩ (118,352)	₩ 377,612
Buildings	63,800	494	(107,610)	(4,668)	133,067	85,083
Structures	3,828	452	-	(38)	47	4,289
	<u>₩ 569,156</u>	<u>₩ 946</u>	<u>₩ (113,174)</u>	<u>₩ (4,706)</u>	<u>₩ 14,762</u>	<u>₩ 466,984</u>

(\*1) This includes transferred amounts to property, plant and equipment, net translation differences and others.

**13. Goodwill**

(1) Changes in goodwill for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Beginning balance	₩ 5,618,511	₩ 4,463,951
Business combination (see Note 35)	1,873,999	575,546
Others (*1)	<u>263,591</u>	<u>104,562</u>
Ending balance	<u>₩ 7,756,101</u>	<u>₩ 5,144,059</u>

(\*1) Others include net translation differences, retroactive adjustment amount of identifiable net assets in accordance with past business combination.

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**14. Intangible assets**

Details of intangible assets for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2022						
	Beginning balance	Business combination	Acquisitions	Disposals	Amortization	Others (*3)	Ending balance
Development costs	₩ 292,091	₩ 1,487	₩ 23,335	₩ (337)	₩ (38,106)	₩ 5,289	₩ 283,759
Facility usage rights	51,727	2,239	432	(1)	(3,542)	194	51,049
Industrial property rights	122,489	2,723	10,354	(1,155)	(6,895)	1,004	128,520
Frequency usage rights	2,559,690	-	-	-	(238,390)	-	2,321,300
Customer-related assets	2,915,524	-	391	(126)	(137,645)	47,709	2,825,853
Membership (*1)	308,690	1,171	32,686	(13,497)	-	2,392	331,442
Development costs for petroleum resource	1,134,207	-	84,246	-	(34,084)	23,408	1,207,777
Brand-related assets (*1)	2,634,144	-	-	-	-	2,553	2,636,697
Developed technology	870,417	-	-	-	(79,470)	36,246	827,193
Others (*2)	1,792,911	136,691	64,181	(3,829)	(325,878)	94,930	1,759,006
	<u>₩ 12,681,890</u>	<u>₩ 144,311</u>	<u>₩ 215,625</u>	<u>₩ (18,945)</u>	<u>₩ (864,010)</u>	<u>₩ 213,725</u>	<u>₩ 12,372,596</u>

  

	For the six-month period ended June 30, 2021						
	Beginning balance	Business combination	Acquisitions	Disposals	Amortization	Others (*3)	Ending balance
Development costs	₩ 219,166	₩ 1,337	₩ 34,015	₩ (1,660)	₩ (29,384)	₩ 24,139	₩ 247,613
Facility usage rights	43,505	-	513	(3)	(3,555)	1,255	41,715
Industrial property rights	87,019	-	19,210	(9)	(4,258)	956	102,918
Frequency usage rights	1,932,765	-	-	-	(255,873)	-	1,676,892
Customer-related assets	2,999,320	-	14,344	(185)	(131,157)	75,894	2,958,216
Membership (*1)	284,835	-	11,936	(9,500)	-	189	287,460
Development costs for petroleum resource	1,149,011	-	40,771	-	(14,408)	(606,364)	569,010
Brand-related assets (*1)	2,631,393	-	-	-	-	306	2,631,699
Developed technology	989,587	-	-	-	(78,027)	45,747	957,307
Others (*2)	1,692,511	251,880	35,399	(5,921)	(300,526)	(11,075)	1,662,268
	<u>₩ 12,029,112</u>	<u>₩ 253,217</u>	<u>₩ 156,188</u>	<u>₩ (17,278)</u>	<u>₩ (817,188)</u>	<u>₩ (468,953)</u>	<u>₩ 11,135,098</u>

- (\*1) Membership and brand-related assets are classified as intangible assets with infinite useful lives and are not amortized.
- (\*2) This comprises intangible assets recognized through business combination, software, usable and profitable donation assets and others.
- (\*3) This includes exclusion from the scope of consolidation, impairment loss, net translation differences, transfer to intangible assets or property, plant and equipment from construction-in-progress and others.

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**15. Borrowings and bonds payable**

(1) Details of borrowings and bonds payable as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
Short-term borrowings (*1)	₩ 15,091,213	₩ -	₩ 7,657,381	₩ -
Bonds and long-term borrowings:				
Bonds payable	6,626,163	29,310,708	5,613,715	29,242,287
Long-term borrowings	3,473,600	13,456,176	2,214,356	13,377,854
	<u>10,099,763</u>	<u>42,766,884</u>	<u>7,828,071</u>	<u>42,620,141</u>
	<u>₩ 25,190,976</u>	<u>₩ 42,766,884</u>	<u>₩ 15,485,452</u>	<u>₩ 42,620,141</u>

(\*1) It includes borrowings collateralized for trade receivables of ₩90,638 million and ₩89,423 million as of June 30, 2022 and December 31, 2021, respectively, which were transferred but not derecognized.

(2) Details of bonds payable as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022	December 31, 2021
SK Inc.	₩ 6,935,000	₩ 6,735,000
SK Innovation Co., Ltd.	1,306,450	1,252,750
SK Energy Co., Ltd.	3,550,000	3,360,000
SK Geo Centric Co., Ltd.	1,860,000	1,750,000
SK Incheon Petrochem Co., Ltd.	2,037,000	2,110,000
SK Lubricants Co., Ltd.	1,020,000	720,000
SK Battery America, Inc.	1,292,900	1,185,500
SK On Co., Ltd.	700,000	700,000
SK Earthon Co., Ltd.	150,000	150,000
SK Telecom Co., Ltd.	6,901,480	6,822,600
SK Broadband Co., Ltd.	1,607,870	1,625,650
SK Shieldus Co., Ltd.	297,823	297,823
SK Networks Co., Ltd.	1,110,000	1,040,000
SK Magic Co., Ltd.	420,000	360,000
SK Rent-a-Car Co., Ltd.	670,000	720,000
SKC Co., Ltd.	262,900	398,807
SK Telesys Co., Ltd.	30,000	30,000
SKC Hightech & Marketing Co., Ltd.	10,000	10,000
SK E&S Co., Ltd.	1,230,000	1,380,000
Paju Energy Service Co., Ltd.	730,000	730,000
Narae Energy Service Co., Ltd.	360,000	360,000
Yeoju Energy Service Co., Ltd.	200,000	200,000
Ige Co., Ltd.	130,000	-
SK Ecoplant Co., Ltd.	1,670,000	1,558,000
SK Specialty Co., Ltd.	460,000	460,000
SK Materials Airplus Incorporated.	100,000	100,000
SK Siltron Co., Ltd.	881,000	779,000
Teraon Co., Ltd.	10	10
SK Signet Inc.	500	2,800
YES POWERTECHNIX	1,000	-
	<u>35,923,933</u>	<u>34,837,940</u>
Addition: premium on bonds payable	12,938	18,062
Less: current portion	<u>(6,626,163)</u>	<u>(5,613,715)</u>
	<u>₩ 29,310,708</u>	<u>₩ 29,242,287</u>

**SK Inc. and its subsidiaries**  
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**15. Borrowings and bonds payable (cont'd)**

(3) Details of long-term borrowings as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

Financial institution	Description	Interest rate (%)	June 30, 2022	December 31, 2021
Korea Development Bank and others	General	0.00 ~ 4.75	₩ 6,238,094	₩ 7,062,438
Korea Development Bank and others	Fund for facility	0.00 ~ 4.90	4,818,730	4,300,193
Standard Chartered Bank and others	Foreign borrowings	0.00 ~ 8.00	3,911,123	2,463,366
Korea Energy Agency (*1)	Fund for mine exploration	0.00 ~ 8.75	67,403	61,804
Econg 1st Co., Ltd. and others	Callable preferred share	2.20 ~ 2.64	100,000	100,420
Korea Development Bank and others	Fund for operation	0.00 ~ 3.43	430,889	252,276
KEB Hana Bank	Fund for reasonable energy consumption	1.75	-	3,477
Korea Development Bank and others	Takeover	LIBOR(3M) + 1.60	181,006	165,970
Mizuho Bank and others	Takeover	EURIBOR(3M) + 0.70	217,358	216,117
MD Prime 1st Co., Ltd. and others	Others	3.07, 3.20	1,007,818	1,007,818
			16,972,421	15,633,879
Addition (less): premium (discount)			(42,645)	(41,669)
Less: current portion			(3,473,600)	(2,214,356)
			<u>₩ 13,456,176</u>	<u>₩ 13,377,854</u>

(\*1) As of June 30, 2022 and December 31, 2021, the group holds a loan amounting to ₩ 58,260 million and ₩53,420 million from Korea Energy Agency for the purpose of oil exploration and development in which there is no repayment obligation in case for failure in exploration.

Long-term borrowings presented above are to be repaid either in installments or all at once upon maturity. Financial instruments and other assets of the Group are pledged as detailed in Note 32.

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**16. Provisions**

Changes in the provisions for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2022					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for sale warranties	₩ 131,417	₩ 40,851	₩ (5,853)	₩ 166,415	₩ 34,506	₩ 131,909
Provision for service / construction warranties	99,366	7,965	(7,502)	99,829	99,829	-
Provision for restoration	581,157	49,477	(19,994)	610,640	75,028	535,612
Provision for onerous contracts	256,190	7,943	(46,583)	217,550	201,728	15,822
Other provisions	168,371	213,113	(159,707)	221,777	158,191	63,586
	<u>₩ 1,236,501</u>	<u>₩ 319,349</u>	<u>₩ (239,639)</u>	<u>₩ 1,316,211</u>	<u>₩ 569,282</u>	<u>₩ 746,929</u>

	For the six-month period ended June 30, 2021					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for sale warranties	₩ 91,319	₩ 16,712	₩ (4,981)	₩ 103,050	₩ 4,751	₩ 98,299
Provision for service / construction warranties	101,415	11,947	(9,395)	103,967	103,519	448
Provision for restoration	166,855	298,526	(6,688)	458,693	57,627	401,066
Provision for onerous contracts	353,075	18,379	(36,560)	334,894	299,310	35,584
Other provisions	224,737	72,841	(135,585)	161,993	145,926	16,067
	<u>₩ 937,401</u>	<u>₩ 418,405</u>	<u>₩ (193,209)</u>	<u>₩ 1,162,597</u>	<u>₩ 611,133</u>	<u>₩ 551,464</u>

**17. Defined benefit liabilities**

(1) Details of defined benefit liabilities as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022	December 31, 2021
Present value of defined benefit obligation	₩ 3,721,636	₩ 3,609,349
Fair value of plan assets (*1)	(3,366,660)	(3,381,561)
	<u>₩ 354,976</u>	<u>₩ 227,788</u>

(\*1) The Group has recognized ₩29,122 million and ₩56,150 as defined benefit assets as of June 30, 2022 and December 31, 2021.

(2) Changes in the defined benefit liabilities for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2022		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 3,609,349	₩ (3,381,561)	₩ 227,788
Business combination	22,573	(21,728)	845
Provision for pension benefits:			
Current service cost	228,708	-	228,708
Past service cost	31	-	31
Net interest expense (income)	51,118	(48,408)	2,710
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expenses)	-	24,105	24,105
Actuarial changes arising from changes in financial assumptions and others	(69,828)	-	(69,828)
Contributions by employer directly to plan assets	101	(87,435)	(87,334)
Benefit paid	(188,496)	195,012	6,516
Others	68,080	(46,645)	21,435
Ending balance	<u>₩ 3,721,636</u>	<u>₩ (3,366,660)</u>	<u>₩ 354,976</u>

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**17. Defined benefit liabilities (cont'd)**

	<u>For the six-month period ended June 30, 2021</u>		
	Present value		
	of defined	Fair value of	
	benefit	plan assets	Total
	obligation	plan assets	Total
Beginning balance	₩ 3,491,805	₩ (3,054,840)	₩ 436,965
Business combination	2,618	-	2,618
Provision for pension benefits:			
Current service cost	228,818	-	228,818
Past service cost	157	-	157
Net interest expense (income)	39,296	(35,230)	4,066
Remeasurement:			
Return on plan assets	-	12,013	12,013
(excluding amounts included in net interest expenses)			
Actuarial changes arising from changes	12,185	-	12,185
in financial assumptions and others			
Contributions by employer directly to plan assets	-	(52,401)	(52,401)
Benefit paid	(187,375)	195,198	7,823
Others	48,103	(55,817)	(7,714)
Ending balance	<u>₩ 3,635,607</u>	<u>₩ (2,991,077)</u>	<u>₩ 644,530</u>

**18. Other assets and liabilities**

(1) Details of other assets as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Current assets:		
Short-term loans	₩ 90,538	₩ 94,031
Accrued income	161,908	114,924
Advanced payments	1,647,397	1,280,959
Prepaid expenses	2,892,826	2,695,879
Guarantee deposits	375,008	276,658
Derivative financial assets	432,991	131,631
Lease receivables	15,681	19,016
Other contract assets	140,282	112,226
Others	181,152	154,321
	<u>₩ 5,937,783</u>	<u>₩ 4,879,645</u>
Non-current assets:		
Long-term prepaid expenses	₩ 1,157,661	₩ 1,187,057
Long-term loans	446,188	411,711
Guarantee deposits	681,489	711,104
Derivative financial assets	1,136,211	740,617
Long-term lease receivables	49,113	36,175
Other long-term contract assets	44,805	41,580
Others(*1)	214,586	230,982
	<u>₩ 3,730,053</u>	<u>₩ 3,359,226</u>

(\*1) Includes defined benefit assets amounting to 29,122 million and 56,150 million as of June 30, 2022 and December 31, 2021. The excess amount of certain plans in the Group has not been offset because the amount was not entitled and intended to settle the defined benefit liabilities of other plans (see Note 17).

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**18. Other assets and liabilities (cont'd)**

(2) Details of other liabilities as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	<u>June 30, 2022</u>		<u>December 31, 2021</u>	
Current liabilities:				
Accrued expenses	₩	4,350,183	₩	4,845,940
Dividends payable		1,089		887
Advances received		1,471,274		1,464,756
Unearned revenue		110,983		99,749
Withholdings		2,032,307		2,061,187
Deposits received		235,852		198,776
Income tax payable		1,207,238		1,244,891
Derivative financial liabilities		340,006		321,570
Lease liabilities		1,283,358		1,250,891
Finance guarantee liabilities		693		642
Financial liabilities at fair value through profit or loss		125,210		160,528
Other contract liabilities		290,904		293,715
Others		93,018		48,266
	₩	<u>11,542,115</u>	₩	<u>11,991,798</u>
Non-current liabilities:				
Long-term accrued expenses	₩	31,149	₩	34,035
Long-term unearned revenue		646,770		640,133
Deposits received		304,858		298,478
Derivative financial liabilities		673,202		439,235
Long-term lease liabilities		4,203,444		3,803,999
Financial guarantee liabilities		17,602		16,910
Financial liabilities at fair value through profit or loss		59,123		59,123
Other long-term contract liabilities		65,646		51,220
Others (*1)		280,679		225,409
	₩	<u>6,282,473</u>	₩	<u>5,568,542</u>

(\*1) Includes long-term employee benefit liabilities amounting to ₩139,594 million and ₩125,102 million as of June 30, 2022 and December 31, 2021, respectively.

**19. Derivative financial assets and liabilities**

Details of derivative financial assets and liabilities as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	<u>June 30, 2022</u>		<u>December 31, 2021</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Firm contracts	₩ 15,623	₩ (91,590)	₩ 20,966	₩ (92,236)
Swap contracts	163,134	23,686	(218,791)	(53,910)
Forward contracts	(37,984)	35,971	9,007	11,170
Futures contracts	(12,851)	-	8,794	-
Options contracts	(34,937)	494,942	(9,915)	436,358
	₩ <u>92,985</u>	₩ <u>463,009</u>	₩ <u>(189,939)</u>	₩ <u>301,382</u>
Derivative financial assets	₩ 432,991	₩ 1,136,211	₩ 131,631	₩ 740,617
Derivative financial liabilities	(340,006)	(673,202)	(321,570)	(439,235)

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**20. Equity**

(1) Details of issued capital as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions, except for number of shares):

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized for issue	400,000,000	400,000,000
Per share (Korean won)	₩ 200	₩ 200
Number of shares issued:		
Ordinary share	74,149,329	74,149,329
Preferred share	566,135	566,135
Issued capital:		
Ordinary share	₩ 16,030	₩ 16,030
Preferred share	113	113
	<u>₩ 16,143</u>	<u>₩ 16,143</u>

The Company retired 6,000,000 shares of its treasury stock(par value: ₩1,200 million) in 2015 by reducing retained earnings, which resulted in a difference between total par value of ordinary shares and issued capital.

(2) Details of other paid-in capital as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Additional paid-in capital (*1)	₩ 6,609,167	₩ 6,609,167
Treasury shares (*2)	(1,809,318)	(1,812,774)
Others	1,652,085	1,648,903
	<u>₩ 6,451,934</u>	<u>₩ 6,445,296</u>

(\*1) During the year ended December 31, 2015, the Company repurchased treasury shares of ₩3,369,395 million from merger with the former SK Inc., which was recognized as a contra-equity account on additional paid-in capital.

(\*2) As of June 30, 2022, treasury shares consist of those acquired to increase the enterprise value and to stabilize share price (6,999,080 ordinary shares) and those acquired from repurchase of shares from dissenting shareholders on business combination and shares arising from odd lot shares (11,024,731 ordinary shares and 1,787 preferred shares) during the year 2015.

(3) Details of retained earnings as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Legal reserve (*1)	₩ 8,072	₩ 7,693
Voluntary reserve	62,897	62,897
Unappropriated retained earnings	15,669,674	13,986,816
	<u>₩ 15,740,643</u>	<u>₩ 14,057,406</u>

(\*1) In accordance with the Korean Commercial Code, an amount equal to at least 10% of cash dividends is required to be appropriated as a legal reserve until the reserve equals 50% of issued capital. The legal reserve may not be utilized for cash dividends but may only be used to offset a deficit, if any, or be transferred to issued capital through approval at the general meeting of the shareholders.

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**20. Equity (cont'd)**

(4) Details of other components of equity as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022	December 31, 2021
Net gain (loss) on valuation of financial assets measured at FVOCI	₩ (724,725)	₩ 284,085
Equity adjustments of investments in associates and joint ventures	104,350	(27,047)
Net gain (loss) on valuation of derivative instruments	(55,180)	13,388
Net gain on translation of foreign operation	1,453,013	450,836
	<u>₩ 777,458</u>	<u>₩ 721,262</u>

(5) Upon resolution by the shareholders and the Board of Directors, the Group established a stock option program that entitles key management personnel an option to purchase ordinary shares. The terms and conditions related to the grants of the stock options granted under the share option program are as follows:

1) SK Inc.

	1-1(*1)	1-2(*2)	1-3(*2)	2-1(*2)	2-2(*2)
Grant date	2017-03-24			2020-03-25	
Type of shares to be issued	Ordinary shares				
Grant method	Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.				
Number of shares (shares)	41,429	41,430	41,431	142,692	71,346
Exercise price (Korean won)	₩ 226,290	₩ 244,400	₩ 263,950	₩ 153,450	₩ 153,450
Contractual life of options	2019.03.25 ~2022.03.24	2020.03.25 ~2023.03.24	2021.03.25 ~2024.03.24	2023.03.26 ~2027.03.25	2023.03.26 ~2027.03.25
Vesting conditions	2 year service from the grant date	3 year service from the grant date	4 year service from the grant date	2 year service from the grant date	3 year service from the grant date
	<u>1(*3)</u>	<u>2(*3)</u>	<u>1(*2,3)</u>	<u>2(*2,3)</u>	
Grant date	2018-03-29		2020-03-31		
Type of shares to be issued	Ordinary shares				
Grant method	Reissue of treasury shares				
			Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.		
Number of shares (shares)	18,607	18,607	39,098	19,551	
Exercise price (Korean won)	₩ 100,884	₩ 108,959	₩ 89,204	₩ 89,204	
Contractual life of options	2020.03.29 ~2023.03.28	2021.03.29 ~2024.03.28	2023.03.31 ~2027.03.30	2023.03.31 ~2027.03.30	
Vesting conditions	2 year service from the grant date	3 year service from the grant date	2 year service from the grant date	3 year service from the grant date	

(\*1) All were exercised during the six-month period ended June 30, 2022.

(\*2) The Group decided to pay cash for the difference between the exercise value of the stock option exercised in the current period and the actual value of the stock. Accordingly, it was determined that the Group is obligated to pay cash for the unexercised stock option and the accounting for stock options changed from equity-settled to cash-settled.

(\*3) The stock options have been transferred from SK Materials Co., Ltd.(formerly)

Share compensation expenses recognized during the six-month period ended June 30, 2022 are ₩2,549 million (total : ₩2,921 million), and ₩5,559 million of the accumulated compensation expenses recognized have been derecognized due to the change to cash-settled. The liability recognised in relation to the cash-settled share option for the six-month period ended June 30, 2022 is ₩23,389 million.

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**20. Equity (cont'd)**

The Group used the binomial option pricing model, and the inputs used in the measurement of the fair values at the grant date of the share-based payment plans are as follows (Korean won):

	1-2		1-3		2-1		2-2	
Risk-free interest rate		1.81%		2.37%		2.86%		2.86%
Option life		6 years		7 years		7 years		7 years
Expected price (Closing price on the preceding day in Korean won)	₩	242,000	₩	242,000	₩	242,000	₩	242,000
Expected volatility		25.70%		25.70%		25.70%		25.70%
Rate of returns		3.30%		3.30%		3.30%		3.30%
Exercise price (Korean won)	₩	244,440	₩	263,950	₩	153,450	₩	153,450
Fair value per share (Korean won)	₩	21,499	₩	23,514	₩	92,021	₩	92,021

  

	1		2		1		2	
Risk-free interest rate		1.81%		2.37%		2.86%		2.86%
Option life		5 years		6 years		7 years		7 years
Expected price (Closing price on the preceding day in Korean won)	₩	242,000	₩	242,000	₩	242,000	₩	242,000
Expected volatility		25.70%		25.70%		25.70%		25.70%
Rate of returns		3.30%		3.30%		3.30%		3.30%
Exercise price (Korean won)	₩	100,884	₩	108,959	₩	89,204	₩	89,204
Fair value per share (Korean won)	₩	141,116	₩	133,041	₩	146,710	₩	146,710

Changes in stock option granted by the Company for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won):

	June 30, 2022		June 30, 2021	
	Quantities	Weighted average exercise price	Quantities	Weighted average exercise price
Beginning balance	434,191	₩ 166,785	338,328	₩ 145,743
Granted	-	-	-	-
Exercised	(41,429)	(226,290)	-	-
Ending balance	<u>392,762</u>	<u>₩ 160,508</u>	<u>338,328</u>	<u>₩ 145,743</u>

In addition, the Group has entered into a Stock Grant that pays treasury stocks to employees for free apart from the above stock options. In the case of such Stock Grant, there is no requirement for vesting condition, and may not be transferred during the term of the stock. As of June 30, 2022, the recognized stock compensation costs related to the Stock Grant is ₩ 340 million.

2) Subsidiaries of the Company established a stock option program that entitles key management personnel an option to purchase ordinary shares. Share-based compensation expenses recognized under the share option program are as follows (Korean won in millions):

	Current(reversal)	Accumulated	Remaining	Total
Group of SK Innovation Co., Ltd.	₩ 1,584	₩ 5,788	₩ 3,984	₩ 9,772
Group of SK Telecom Co., Ltd.	76,190	153,169	5,337	158,506
Group of SK Square Co., Ltd.	10,706	24,642	48,558	73,200
Group of SK Networks Co., Ltd.	617	2,289	926	3,215
Group of SKC Co., Ltd.	(4,168)	8,953	5,864	14,817
Group of SK E&S Co., Ltd.	-	496	14	510
Group of SK Ecoplant Co., Ltd.	907	907	6,705	7,612
Others	951	3,570	6,457	10,027
	<u>₩ 86,787</u>	<u>₩ 199,814</u>	<u>₩ 77,845</u>	<u>₩ 277,659</u>

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**21. Selling and administrative expenses**

Details of selling and administrative expenses for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Salaries	₩ 468,661	₩ 879,880	₩ 363,820	₩ 705,048
Provision for pension benefits	31,951	71,992	26,175	65,443
Employee welfare benefits	95,103	205,147	73,391	162,459
Travel	25,792	40,937	11,299	18,759
Bad debt expenses	20,735	39,177	8,782	25,907
Communications	2,443	4,399	2,169	4,016
Utilities	9,486	23,975	6,879	15,697
Taxes and dues	34,541	69,709	34,697	56,189
Supplies	12,212	25,445	7,922	17,180
Rents	45,586	85,088	35,174	67,142
Depreciation	130,770	268,020	112,072	222,697
Amortization	86,784	170,996	90,837	160,508
Repairs	5,416	11,657	5,692	12,714
Insurance	17,351	31,915	12,363	25,441
Advertising	186,869	333,313	167,465	278,395
Research and development	175,217	313,451	132,524	236,853
Education and examination	13,980	31,604	24,125	38,881
Outsourcing technology services	167,072	362,237	175,532	381,188
Transport	123,096	253,477	91,145	178,297
Others	71,357	128,749	27,111	68,168
	<u>₩ 1,724,422</u>	<u>₩ 3,351,168</u>	<u>₩ 1,409,174</u>	<u>₩ 2,740,982</u>

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**22. Finance income and expenses**

Details of finance income and costs for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Financial income:				
Interest income	₩ 85,375	₩ 158,232	₩ 39,546	₩ 75,620
Gain on foreign currency transactions	812,022	1,116,768	280,079	537,148
Gain on foreign currency translation	265,710	413,061	13,165	214,711
Gain on transactions of derivatives	797,436	1,954,005	175,951	393,512
Gain on valuation of derivatives	179,073	452,368	(511)	167,143
Others	91,632	225,209	56,389	138,476
	<u>₩ 2,231,248</u>	<u>₩ 4,319,643</u>	<u>₩ 564,619</u>	<u>₩ 1,526,610</u>

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Financial expenses:				
Interest expenses	₩ 454,611	₩ 854,701	₩ 351,644	₩ 689,477
Loss on foreign currency transactions	943,108	1,303,813	304,166	566,102
Loss on foreign currency translation	566,429	787,232	(41,402)	268,756
Loss on transactions of derivatives	1,109,853	2,148,167	334,696	603,895
Loss on valuation of derivatives	(281,462)	251,270	56,928	167,286
Others	391,369	730,673	4,685	47,303
	<u>₩ 3,183,908</u>	<u>₩ 6,075,856</u>	<u>₩ 1,010,717</u>	<u>₩ 2,342,819</u>

**23. Other non-operating income and expenses**

(1) Details of other non-operating income for the three-month and the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Other non-operating income:				
Dividend income	₩ 11,197	₩ 18,939	₩ 5,150	₩ 9,873
Rental income	354	674	233	484
Gain on disposal of trade receivables	-	1,043	6,345	18,296
Gain on disposal of investments in associates and joint ventures	13,836	484,079	630	374,449
Gain on disposal of property, plant and equipment	69,426	80,167	106,802	151,470
Gain on disposal of intangible assets	3,327	82,540	84,533	86,266
Others	133,663	389,916	822,989	951,842
	<u>₩ 231,803</u>	<u>₩ 1,057,358</u>	<u>₩ 1,026,682</u>	<u>₩ 1,592,680</u>

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**23. Other non-operating income and expenses (cont'd)**

(2) Details of other non-operating expenses for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Other non-operating expenses:				
Loss on disposal of trade receivables	₩ 9,608	₩ 15,815	₩ 2,205	₩ 7,759
Loss on impairment of investments in associates	-	-	1,614	3,344
Loss on disposal of property, plant and equipment	12,918	23,840	41,172	48,315
Loss on impairment of property, plant and equipment	4,159	5,187	1,642	2,660
Loss on disposal of intangible assets	538	1,383	1,675	1,814
Loss on impairment of intangible assets	-	-	36,812	58,355
Donations	25,605	37,194	32,485	39,592
Others	26,147	101,961	55,652	1,089,365
	<u>₩ 78,975</u>	<u>₩ 185,380</u>	<u>₩ 173,257</u>	<u>₩ 1,251,204</u>

**24. Expense classified based on nature of expense**

Details of classification based on nature of expenses for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Employee benefits	₩ 2,206,151	₩ 4,363,784	₩ 1,772,332	₩ 3,678,066
Depreciation and amortization	2,172,265	4,314,978	1,945,954	4,061,918
Network connection	157,919	379,699	205,435	424,377
Transport	299,739	610,998	197,888	378,930
Advertising	187,863	338,769	173,328	290,006
Lease payments and rents	139,422	271,680	103,901	210,910
Others	6,772,393	11,487,432	4,412,231	8,241,037
Use of raw materials and purchase of finished goods and merchandise	18,902,163	37,804,772	13,838,930	26,367,327
Changes in finished goods and semi-finished good	(1,088,718)	(2,111,840)	(654,881)	(1,257,378)
	<u>₩ 29,749,197</u>	<u>₩ 57,460,272</u>	<u>₩ 21,995,118</u>	<u>₩ 42,395,193</u>

**25. Income taxes**

The Group calculated income tax expense by adding the current period adjustments to the accumulated interim tax expense, reflecting deferred tax expense (income) due to changes in temporary differences and considering adjustments not related to the interim profit or loss.

The average effective tax rates for continuing operations for the six-month periods ended June 30, 2022 and 2021 are 29.15% and 37.13% respectively.

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**26. Earnings (losses) per share**

(1) Basic earnings per share for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Profit for the period attributable to owners of the parent	₩ 797,929	₩ 2,020,658	₩ 497,564	₩ 728,601
Less: preferred share dividends	(1,770)	(2,695)	(1,700)	(2,554)
Profit for the period attributable to ordinary share owners of the parent	796,159	2,017,963	495,864	726,047
Weighted-average number of ordinary share outstanding (*1)	56,134,549	56,113,388	52,307,317	52,307,106
Basic earnings per share (In Korean won)	₩ 14,183	₩ 35,962	₩ 9,480	₩ 13,880

(\*1) The weighted-average number of ordinary share outstanding is calculated by multiplying the number of shares issued by the portion of the reporting period those shares covered. The treasury shares held until the disposal date, after the date of acquisition, are excluded from the number of ordinary shares outstanding.

The basis of calculating the weighted-average number of ordinary shares for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows:

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Weighted-average number of shares outstanding	74,149,329	74,149,329	70,360,297	70,360,297
Weighted-average number of treasury shares	(18,014,780)	(18,035,941)	(18,052,980)	(18,053,191)
Weighted-average number of issued shares outstanding	56,134,549	56,113,388	52,307,317	52,307,106

Diluted earnings per share for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Profit for the period attributable to ordinary share owners of the parent	₩ 796,160	₩ 2,017,963	₩ 495,863	₩ 726,047
Weighted-average number of diluted ordinary share outstanding	56,244,280	56,219,558	52,416,251	52,418,416
Diluted earnings per share (In Korean won)	₩ 14,155	₩ 35,894	₩ 9,460	₩ 13,851

The basis of calculating the weighted-average number of diluted ordinary shares for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows:

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Weighted-average number of shares outstanding	56,134,549	56,113,388	52,307,317	52,307,106
Effect of exercise of stock option	109,731	106,170	108,934	111,310
Weighted-average number of diluted ordinary shares outstanding	56,244,280	56,219,558	52,416,251	52,418,416

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**26 Earnings (losses) per share (cont'd)**

(2) Basic and diluted earnings per share from continuing operations

Basic earnings per share from continuing operations for the three-month and the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions, except basic earnings per share and weighted-average number of ordinary shares outstanding):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Profit for the period attributable to owners of the parent	₩ 796,159	₩ 2,017,963	₩ 495,864	₩ 726,047
Less: profit (loss) from discontinued operations	(910)	279,573	64,296	97,867
Profit for the period from continuing operations attributable to owners of the parent ordinary share owners of the parent	797,069	1,738,390	431,568	628,180
Weighted-average number of ordinary shares outstanding	<u>56,134,549</u>	<u>56,113,388</u>	<u>52,307,317</u>	<u>52,307,106</u>
Basic earnings per share from continuing operations (In Korean won)	<u>₩ 14,199</u>	<u>₩ 30,980</u>	<u>₩ 8,251</u>	<u>₩ 12,009</u>

Diluted earnings per share from continuing operations for the three-month and the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions, except basic earnings per share and weighted-average number of ordinary shares outstanding):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Profit for the period from continuing operations attributable to owners of the parent	₩ 797,070	₩ 1,738,390	₩ 431,567	₩ 628,180
Weighted-average number of diluted ordinary shares outstanding	<u>56,244,280</u>	<u>56,219,558</u>	<u>52,416,251</u>	<u>52,418,416</u>
Diluted earnings per share from continuing operations (In Korean won)	<u>₩ 14,171</u>	<u>₩ 30,921</u>	<u>₩ 8,233</u>	<u>₩ 11,984</u>

(3) Basic earnings (losses) per share from discontinued operations

Basic earnings (losses) per share from discontinued operations for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions, except basic earnings (losses) per share and weighted-average number of ordinary shares outstanding):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Gain (loss) from discontinued operations	₩ (910)	₩ 279,573	₩ 64,296	₩ 97,867
Weighted-average number of ordinary shares outstanding	<u>56,134,549</u>	<u>56,113,388</u>	<u>52,307,317</u>	<u>52,307,106</u>
Basic earnings (losses) per share from discontinued operations (In Korean won)	<u>₩ (16)</u>	<u>₩ 4,982</u>	<u>₩ 1,229</u>	<u>₩ 1,871</u>

Diluted earnings (losses) per share from discontinued operations for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions, except basic earnings (losses) per share and weighted-average number of ordinary shares outstanding):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Gain (loss) from discontinued operations	₩ (910)	₩ 279,573	₩ 64,296	₩ 97,867
Weighted-average number of diluted ordinary shares outstanding	<u>56,134,549</u>	<u>56,219,558</u>	<u>52,416,251</u>	<u>52,418,416</u>
Diluted earnings (losses) per share from discontinued operations (In Korean won) (*1)	<u>₩ (16)</u>	<u>₩ 4,973</u>	<u>₩ 1,227</u>	<u>₩ 1,867</u>

(\*1) As there is no dilution effect on stock options for the three months preceding the six-month period ended June 30, 2022, diluted earnings (losses) per share from discontinued operations is the same as basic earnings (losses) per share from discontinued operations.

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**27. Transactions with related parties**

Balances on transactions arising from intercompany transactions within the Group were eliminated in preparing the interim condensed consolidated financial statements for the six-month periods ended June 30, 2022 and 2021.

(1) Details of significant transactions with the related parties for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

		June 30, 2022			
		Sales, etc.		Expenses, etc.	
	Company name	Three-month	Six-month	Three-month	Six-month
Other related parties	Daehan Oil Pipeline Corporation	₩ 478	₩ 10,351	₩ 15,329	₩ 33,015
	SABIC SK Nexlene Company Pte. Ltd.	304	440	79,436	152,702
	Korea Nexlene Company	69,910	129,453	2	68
	Best Oil Company Limited	275,242	585,250	1	32
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	63,725	64,016	181,774	404,258
	Baic Eletronics SK(Jiangsu) Technology Co., Ltd.	13,795	28,065	143,218	223,834
	Xinglu (HongKong) Ltd.	54,154	102,771	-	-
	Huizhou EVE United Energy Co., Ltd.	43,389	71,908	259,606	403,668
	Peru LNG Company LLC	163,580	353,384	-	-
	Asia Bitumen Trading Pte. Ltd.	-	7,504	15,424	20,549
	Ignis Therapeutics	1,790	4,295	-	-
	F&U Credit Information Co., Ltd.	862	1,842	12,930	25,532
	SK Hynix Inc.	1,118,299	2,122,984	10,258	22,730
	SK Hynix Semiconductor (China) Ltd.	124,067	222,010	307	639
	SK Hynix semiconductor (Chongqing) Ltd.	10,445	19,572	-	-
	SK Hynix Semiconductor HK Ltd.	-	1	137,018	318,800
	SK Hynix System IC Co., Ltd.	5,033	10,432	-	-
	Happynarae Co., Ltd.	4,265	7,363	125,936	188,814
	SKC Evonik Peroxide Korea Co., Ltd.	5	1,113	14,566	31,508
	Boryeong LNG Terminal Co., Ltd.	1,759	52,069	42,921	109,709
	Darwin LNG Pty Ltd.	140,754	232,694	-	-
	Eurasia Tunnel	674	1,424	-	-
	Xe-Pian Xe-Namnoy Power Company	11,965	12,401	-	-
	SK Eco Engineering Co., Ltd.	1,844	1,965	812,667	936,220
	Daewon Green Energy Co., Ltd.	13,665	15,767	-	-
	Others	223,582	352,341	83,709	140,507
Others (*1)	SK D&D Co., Ltd.	1,133	2,127	212	490
	Ulsan Aromatics Co., Ltd.	21,763	42,962	18,908	46,612
	SK Chemicals Co., Ltd.	17,521	41,509	4,179	7,784
	SK Gas Co., Ltd.	105,819	156,120	65,447	200,844
	Ubins Co., Ltd.	279	415	17,515	33,012
Others	7,192	44,002	2,750	33,529	
		<u>₩ 2,497,293</u>	<u>₩ 4,698,550</u>	<u>₩ 2,044,113</u>	<u>₩ 3,334,856</u>

(\*1) Although, not designated as related parties as defined in KIFRS 1024, the entity belongs to the same conglomerate affiliates under *Monopoly Regulation and Fair Trade Act*.

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**27. Transactions with related parties (cont'd)**

		June 30, 2021			
		Sales, etc.		Expenses, etc.	
	Company name	Three-month	Six-month	Three-month	Six-month
Other	Daehan Oil Pipeline Corporation	₩ 504	₩ 4,957	₩ 15,784	₩ 31,146
related	SABIC SK Nexlene Company Pte. Ltd.	193	328	51,516	99,594
parties	Korea Nexlene Company	47,162	85,240	625	629
	Best Oil Company Limited	189,952	372,708	1	254
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	319	655	154,524	287,809
	Baic Eletronics SK(Jiangsu) Technology Co., Ltd.	15,920	30,319	101,092	186,518
	Xinglu (HongKong) Ltd.	31,124	47,377	-	-
	Huizhou EVE United Energy Co., Ltd.	13,832	40,091	140,946	292,277
	Peru LNG Company LLC	13,125	70,768	-	-
	Asia Bitumen Trading Pte. Ltd.	-	2,545	-	-
	F&U Credit Information Co., Ltd.	966	1,961	13,185	25,900
	SK Hynix Inc.	875,498	1,792,860	1,142	9,702
	SK Hynix Semiconductor (China) Ltd.	94,122	171,381	320	678
	SK Hynix semiconductor (Chongqing) Ltd	8,647	17,705	-	-
	SK Hynix Semiconductor HK Ltd.	-	-	251,630	453,525
	SK Hynix System IC Co., Ltd.	6,964	23,389	14	31
	Happyarae Co., Ltd.	10,336	14,547	111,235	178,543
	SKC Evonik Peroxide Korea Co., Ltd.	5	3,899	12,908	24,823
	Boryeong LNG Terminal Co., Ltd.	17,924	32,427	20,124	43,110
	Darwin LNG Pty Ltd.	6,441	6,441	-	-
	Eurasia Tunnel	736	1,429	-	-
	Xe-Pian Xe-Namnoy Power Company	1,952	6,096	-	-
	Daewon Green Energy Co., Ltd.	101,422	101,422	-	-
	Others	167,948	267,740	42,155	70,921
Others (*1)	SK D&D Co., Ltd.	90,450	91,145	2,032	2,453
	Ulsan Aromatics Co., Ltd.	15,134	27,716	16,727	32,970
	SK Chemicals Co., Ltd.	19,799	40,119	5,084	10,224
	SK Gas Co., Ltd.	32,505	42,269	40,957	91,037
	Ubins Co., Ltd.	247	601	25,151	36,645
	Others	49,468	104,495	87,536	130,727
		<u>₩ 1,812,695</u>	<u>₩ 3,402,630</u>	<u>₩ 1,094,688</u>	<u>₩ 2,009,516</u>

(\*1) Although, not designated as related parties as defined in KIFRS 1024, the entity belongs to the same conglomerate affiliates under *Monopoly Regulation and Fair Trade Act*.

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**27. Transactions with related parties (cont'd)**

(2) Details of significant outstanding balances of receivables and payables with the related parties as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	Company name	June 30, 2022		December 31, 2021	
		Receivables		Receivables	
		(*1)	Payables	(*1)	Payables
Other	Daehan Oil Pipeline Corporation	₩ 65	₩ 8,016	₩ 75	₩ 9,443
related parties	SABIC SK Nexlene Company Pte. Ltd.	946	48,065	5,127	58,538
	Korea Nexlene Company	24,995	68	19,941	146
	Best Oil Company Limited	258,108	8,333	145,233	33,455
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	64,091	12,306	363	10,883
	Baic Eletronics SK(Jiangsu) Technology Co., Ltd.	14,149	146,614	5,514	174,332
	Xinglu (HongKong) Ltd.	55,657	-	19,097	-
	Huizhou EVE United Energy Co., Ltd.	36,091	259,999	36,143	179,264
	Korea Consortium Kazakh B.V. (*2)	121,623	-	111,520	-
	F&U Credit Information Co., Ltd.	27	5,306	65	5,265
	HanaCard Co., Ltd.	1,071	11,333	529	48,020
	Wave City Development Co., Ltd.	3,855	-	5,753	-
	SK Hynix Inc.	766,514	120,577	694,254	66,600
	SK Hynix Semiconductor (China) Ltd.	77,346	335	57,369	853
	SK Hynix Semiconductor (Chongqing) Ltd.	17,593	28	5,084	138
	SK Hynix Semiconductor HK Ltd.	-	45,967	-	60,528
	SK Hynix System IC Co., Ltd.	1,406	121	5,474	99
	Happynarae Co., Ltd.	2,918	42,309	9,344	73,563
	SKC Evonik Peroxide Korea Co., Ltd.	2	4,561	-	6,353
	Boryeong LNG Terminal Co., Ltd.	6	1,169	5,345	7,577
	Darwin LNG Pty Ltd.	45,922	-	120,235	-
	Eurasia Tunnel	27,257	-	25,823	-
	Xe-Pian Xe-Namnoy Power Company	94,287	-	113,282	26,004
	SK Eco Engineering Co., Ltd.	24,092	281,353	-	-
SK E&C JURONG Investment Singapore Pte. Ltd.	59,914	-	59,914	-	
Godeok Clean Energy Co., Ltd.	-	62,136	-	62,136	
Others	202,923	144,300	301,663	134,333	
Others (*3)	Ulsan Aromatics Co., Ltd.	2,105	3,086	3,841	9,958
	SK Chemicals Co., Ltd.	5,770	1,605	22,563	1,465
	SK Gas Co., Ltd.	24,918	189,871	23,965	227,816
	Ubins Co., Ltd.	140	8,678	199	14,977
	Others	4,969	5,736	1,332	23,655
		<u>₩ 1,938,760</u>	<u>₩ 1,411,872</u>	<u>₩ 1,799,047</u>	<u>₩ 1,235,401</u>

(\*1) The Company recognized bad debt expense and reversal of bad debt each amounting to ₩ 452 million and ₩(72,227) million for the six-month period ended June 30, 2022 (for the six-month period ended June 30, 2021: bad debt expense of ₩3,269 million, write-off and others of ₩(-) 2,339 million). The Company recognized the allowance for doubtful accounts amounting to ₩262,858 million and ₩334,633 million as of June 30, 2022 and December 31, 2021, respectively.

(\*2) As of June 30, 2022 and December 31, 2021, the Group recognized loss allowances in entirety for the corresponding receivables.

(\*3) Although, not designated as related parties as defined in KIFRS 1024, the entity belongs to the same conglomerate affiliates under *Monopoly Regulation and the Fair Trade Act*.

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**27. Transactions with related parties (cont'd)**

(3) Details of significant treasury transactions with related-parties for the six-month period ended June 30, 2022 and 2021 are as follows (Korean won in millions):

Company name	Currency	June 30, 2022		June 30, 2021	
		Loans	Collection	Loans	Collection
Yemen LNG Company Ltd.	KRW	3,647	-	3,122	-
Eurasia Tunnel	KRW	-	-	-	11,243
Yongin Ilban Industry Danji Co., Ltd.	KRW	-	-	5,072	-
Xe-Pian Xe-Namnoy Power Company	KRW	11,990	-	3,242	-
PT REGAS ENERGITAMA INFRASTRUKTUR	KRW	-	-	5,077	-

(4) There were additional capital contribution transactions for investments in associates and joint ventures for the six-month periods ended June 30, 2022 and 2021 (see Note 9 'Investments in associates and joint ventures').

(5) Compensation for key management personnel of the Company.

Key management personnel consists of registered executives who are responsible for the planning, operation and control of the Company's business activities. Details of compensation for them for the three-month and the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	June 30, 2022		June 30, 2021	
	Three-month	Six-month	Three-month	Six-month
Salaries	₩ 6,261	₩ 10,430	₩ 4,189	₩ 8,245
Provision for pension benefits	741	8,441	973	7,152
Share compensation expense	2,356	2,889	147	487
	<u>₩ 9,358</u>	<u>₩ 21,760</u>	<u>₩ 5,309</u>	<u>₩ 15,884</u>

**SK Inc. and its subsidiaries**  
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**28. Discontinued operations**

(1) Details of discontinued operations

SK Innovation Co., Ltd., a subsidiary of the Group, decided to suspend operations in North American petroleum development (E&P) businesses and sold related assets and liabilities during the prior period, and profit or loss arising from the relevant business units are classified as profit or loss for the period from discontinued operations. The purpose of the sale of oil development (E&P) businesses in North America and Peru is in line with the long-term policy of subsidiaries to focus their capabilities on core businesses.

SK Networks Co., Ltd., a subsidiary of the Group, decided to discontinue operations with the sale of its resource business to clean up non-core businesses, strengthen its financial soundness and secure investment funds, during the prior period.

SKC Co., Ltd., a subsidiary of the Group, sold EVA and Back Sheet solar power business and PVDF business for construction during the prior period. In addition, SK Telesys Co., Ltd. and SKC Infra Services Co., Ltd. were sold in accordance with the board's decision on June 24, 2021 for the purpose of concentrating on their core businesses through reorganization of the business structure. Meanwhile, the energy business of SK Telesys Co., Ltd. was classified as discontinued operations during the six-month period ended June 30, 2022.

SK Ecoplant Co., Ltd., a subsidiary of the Group, sold its entire stake in SK TNS Co., Ltd., a subsidiary of the Group, to Alchemist Capital Partners Korea Co., Ltd. on April 30, 2021 for the purpose of converting a portfolio focused on eco-friendly and new energy by the resolution of the board of directors on January 7, 2021. In accordance with the board's resolution on October 28, 2022, after the spin off and merger of the K-Solutions Business Group, P-Solutions Business Group, Gas&Power Business Group, Battery Business Group, and Industrial Business Group, to SK Eco Engineering Co., Ltd., 50.001% of stake therein was sold on February 16, 2022 and excluded from the consolidation scope.

(2) Gain and loss from the discontinued operation for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2022						
	Oil retail business in SK Networks Co., Ltd.	Energy business in SK Telesys Co., Ltd.	SK Ecoplant Co., Ltd. K-solutions Business Group, etc		Total		
Revenue	₩ 25,708	₩ -	₩ 1,061,521	₩ 1,087,229			
Expenses	22,241	5,542	267,726	295,509			
Gain (loss) before income tax expense	3,467	(5,542)	793,795	791,720			
Income tax expense	2,239	-	161,800	164,039			
Gain (loss) from discontinued operations	₩ 1,228	₩ (5,542)	₩ 631,995	₩ 627,681			
Attributable to :							
Owners of the parent	545	(2,377)	281,405	279,573			
Non-controlling interests	683	(3,165)	350,590	348,108			

  

	For the six-month period ended June 30, 2021						
	Petroleum development business in SK innovation Co., Ltd.	Oil retail business in SK Networks Co., Ltd.	EVA solar business in SKC Co., Ltd.	SKC Infra Service Co., Ltd and others	SK Ecoplant Co. ., Ltd. K-solutions Business Group, etc	SK TNS Co., Ltd.	Total
Revenue	₩ 7,820	₩ 100,074	₩ 1,060	₩ 111,996	₩ 719,085	₩ 282,593	₩ 1,222,628
Expenses	10,913	20,524	1,674	108,687	666,904	126,141	934,843
Gain (loss) before income tax expense	(3,093)	79,550	(614)	3,309	52,181	156,452	287,785
Income tax expense (benefit)	(851)	19,813	-	472	12,628	37,819	69,881
Gain (loss) from discontinued operations	₩ (2,242)	₩ 59,737	₩ (614)	₩ 2,837	₩ 39,553	₩ 118,633	₩ 217,904
Attributable to :							
Owners of the parent	(828)	26,543	(264)	1,221	17,802	53,393	97,867
Non-controlling interests	(1,414)	33,194	(350)	1,616	21,751	65,240	120,037

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**28. Discontinued operations (cont'd)**

(3) Details of cash flows relating to discontinued operations for the six-month period ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2022				
	Oil retail business in SK Networks Co., Ltd.	Energy business in SK Telesys Co., Ltd.	SK Ecoplant Co., Ltd. K-solutions Business Group, etc		Total
Cash flows from operating activities	₩ 12,933	₩ (5,542)	₩ (82,652)	₩	₩ (75,261)
Cash flows from investing activities	1,986	-	444,905		446,891
Cash flows from financing activities	1,172	-	(78)		1,094

	For the six-month period ended June 30, 2021						
	Petroleum development business in SK innovation Co., Ltd.	Oil retail business in SK Networks Co., Ltd.	EVA solar business in SKC Co., Ltd.	SKC Infra Service Co., Ltd and others	SK Ecoplant Co., Ltd. K-solutions Business Group, etc	SK TNS Co., Ltd.	Total
Cash flows from operating activities	₩ (5,572)	₩ (10,538)	₩ 260	₩ (2,294)	₩ 43,713	₩ (57,931)	₩ (32,362)
Cash flows from investing activities	44,120	72,528	(470)	661	(5,175)	(204)	111,460
Cash flows from financing activities	(78,241)	3,423	(68)	(155)	(243)	103	(75,181)

**29. Assets and liabilities held for sale**

Details of non-current assets and non-current liabilities held for sale as of June 30, 2022 are as follows (Korean won in millions):

		June 30, 2022	
		Assets	Liabilities
Investment securities	ESR Cayman Limited (*1)	₩ 342,377	₩ -
Business segment	China business segment (*2)	91,425	13,489
	Resources business segment (*2)	30,274	17,028
Associates	Zhejiang Shenxin SK Packaging Co., Ltd.	7,014	-
Property, plant and equipment	Back Sheet, EVA, PVDF and others	7,718	-
		₩ 478,808	₩ 30,517

(\*1) The Group decided to sell ESR Cayman Limited before the year ended December 31, 2021, and classified related assets and liabilities as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell. Some of the shares were sold before the year ended December 31, 2021, and the remaining shares are also being reviewed for sale.

(\*2) SK Networks Co., Ltd., a subsidiary, decided to sell the China and resource business sector. The Group classified related assets and liabilities as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell.

**29. Assets and liabilities held for sale (cont'd)**

Details of non-current assets and non-current liabilities held for sale as of June 30, 2022 are as follows (Korean won in millions):

		June 30, 2022	
		Assets	Liabilities
Investment securities	ESR Cayman Limited (*1)	₩ 342,377	₩ -
Business segment	China business segment (*2)	91,425	13,489
	Resources business segment (*2)	30,274	17,028
Associates	Zhejiang Shenxin SK Packaging Co., Ltd.	7,014	-
Property, plant and equipment	Back Sheet, EVA, PVDF and others	7,718	-
		<u>₩ 478,808</u>	<u>₩ 30,517</u>

(\*1) The Group decided to sell ESR Cayman Limited before the year ended December 31, 2021, and classified related assets and liabilities as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell. Some of the shares were sold before the year ended December 31, 2021, and the remaining shares are also being reviewed for sale.

(\*2) SK Networks Co., Ltd., a subsidiary, decided to sell the China and resource business sector. The Group classified related assets and liabilities as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell.

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**30. Cash flow information**

(1) Details of non-cash adjustments for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month periods ended	
	June 30, 2022	June 30, 2021
Provision for pension benefits	₩ 231,449	₩ 233,041
Depreciation	3,460,766	3,249,521
Amortization	864,010	817,188
Bad debt expenses	39,177	26,929
(Reversal of) Valuation loss on inventories	(7,926)	(18,129)
Interest expenses	859,017	694,194
Loss on foreign currency translation	787,232	268,653
Loss on valuation of derivatives	251,270	167,286
Loss on disposal of trade receivables	15,815	7,759
Loss on impairment of investments in associates	-	3,344
Loss on disposal of property, plant and equipment	23,840	48,315
Loss on impairment of property, plant and equipment	5,187	2,660
Loss on disposal of intangible assets	1,383	4,919
Loss on impairment of intangible assets	-	60,751
Income tax expense	2,208,092	1,252,006
Gain on investments in associates and joint ventures	(1,037,529)	(717,185)
Interest income	(158,549)	(96,907)
Gain on foreign currency translation	(413,061)	(214,735)
Gain on valuation of derivatives	(452,368)	(167,180)
Dividends income	(18,939)	(9,873)
Gain on disposal of trade receivables	(1,043)	(18,296)
Gain on disposal of investments in associates and joint ventures	(484,079)	(374,449)
Gain on disposal of property, plant and equipment	(80,167)	(151,952)
Gain on disposal of intangible assets	(82,540)	(88,105)
Gain on disposal of assets held for sale	(785,828)	-
Others	911,876	(948,072)
	<u>₩ 6,137,085</u>	<u>₩ 4,031,683</u>

(2) Details of working capital adjustments for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month periods ended	
	June 30, 2022	June 30, 2021
Inventories	₩ (6,235,017)	₩ (2,051,571)
Trade receivables	(1,557,537)	(1,241,372)
Other receivables	(157,184)	28,076
Trade payables	5,128,030	2,087,394
Other payables	(1,000,294)	(183,494)
Advances received	52,299	196,369
Retirement benefits paid	(120,416)	(139,272)
Plan assets	60,932	86,980
Others	(536,106)	(385,961)
	<u>₩ (4,365,293)</u>	<u>₩ (1,602,851)</u>

(3) Significant non-cash transactions for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in millions):

	For the six-month periods ended	
	June 30, 2022	June 30, 2021
Decrease in other payables due to acquisition of property, plant and equipment and others	₩ (49,709)	₩ (362,063)

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**31. Commitments and contingencies**

(1) Guarantees provided for the Group as of June 30, 2022 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantee	Guarantor	Currency	Amount	Description of guarantee
SK Inc.	Korea Software Financial Corporation	KRW	521,523	Performance guarantees for contract and others
	Seoul Guarantee Insurance	KRW	8,865	Performance guarantees for contract and others
Netruck Co., Ltd.	Seoul Guarantee Insurance	KRW	506	Performance insurances for warranties and others
SK Telink Co., Ltd.	Seoul Guarantee Insurance	KRW	1,519	Performance guarantees for contract
SK Planet Co., Ltd.	Seoul Guarantee Insurance and others	KRW	18,468	Performance guarantees for contract and others
	KEB Hana Bank	KRW	3,000	Performance insurances for warranties and others
SK Broadband Co., Ltd.	Seoul Guarantee Insurance	KRW	30,782	Guarantee of warranties-contract
	Korea Content Financial Cooperative	KRW	37,111	Guarantee of warranties-contract
SK Square Co., Ltd.	KEB Hana Bank	USD	499	Guarantee of foreign currencies
Tmap Mobility Co., Ltd.	Seoul Guarantee Insurance	KRW	724	Performance guarantees and others
SK Shieldus Co., Ltd.	Korea Software Financial Cooperative	KRW	131,652	Guarantee of bid payment and others
SK M & Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,900	Performance guarantees for contract and others
	Shinhan Bank	KRW	700	Guarantee of Korean won
PS&Marketing Corp.	Seoul Guarantee Insurance	KRW	1,650	Performance guarantees
Dreamus Company Co., Ltd.	Seoul Guarantee Insurance	KRW	1,805	Performance guarantees for contract
One store Co., Ltd.	Seoul Guarantee Insurance	KRW	3,553	Guarantee for E-commerce and others
	KEB Hana Bank	KRW	100	Guarantees for prepayment method and payment of Korean won
Home&Service Co., Ltd.	Seoul Guarantee Insurance	KRW	2	Specific debt guarantee
SK Store Co., Ltd.	Kookmin Bank	KRW	1,540	Performance guarantees and others
11 street Co., Ltd.	KEB Hana Bank	KRW	27,000	Performance guarantees and others
	Seoul Guarantee Insurance	KRW	26,626	Guarantee of deposit on lease and others
FSK L&S Co., Ltd.	Seoul Guarantee Insurance	KRW	9,313	Performance guarantees for contract and others
Incross Co., Ltd.	Seoul Guarantee Insurance	KRW	477	Performance guarantees
Service Top Co., Ltd.	Seoul Guarantee Insurance	KRW	15	Performance guarantees for contract
SK Networks Co., Ltd.	KEB Hana Bank	KRW	2,000	Guarantee of payment for goods
	Seoul Guarantee Insurance	KRW	10,538	Performance guarantees for contract
	Korea Trade Insurance Corporation	KRW	4,843	Guarantee of debt
SK Networks Service Co., Ltd.	Seoul Guarantee Insurance	KRW	17,943	Performance guarantees for sales contract
	KEB Hana Bank	KRW	1,200	Performance guarantees for contract
SK Magic Co., Ltd.	Seoul Guarantee Insurance	KRW	20,505	Performance insurances for warranties and others
	Machinery Financial Cooperative	KRW	91	Performance insurances for warranties and others
SK Magic Service Co., Ltd.	Seoul Guarantee Insurance	KRW	551	Guarantee of payment for home shopping and others
SK Rent-a-Car Co., Ltd.	Seoul Guarantee Insurance	KRW	12,290	Performance guarantees for contract
SK Nexilis Co., Ltd.	Seoul Guarantee Insurance	KRW	55	Guarantee of payment
SK E&S Co., Ltd.	Seoul Guarantee Insurance	KRW	114,485	Performance guarantees for contract and others
	Kookmin Bank	USD	80,000	Guarantee of debt
	Shinhan Bank	USD	80,000	Guarantee of debt
	BNP Paribas	USD	10,500	Guarantee of bid payment of manzanillo PPA
Yeongnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,491	Guarantee of warranties and approval
Chonnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	398	Guarantee of warranties and payment
Busan City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	2,370	Guarantee of seizure contract and others
Kangwon City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	139	Guarantee of performance and approval
Jeonbuk Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	244	Performance guarantees and warranties
Chungcheong Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,256	Performance insurances for warranties and others
Ko-one Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,709	Performance guarantees for contract
Paju Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	428	Performance guarantees for approval and others
Narae Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	5,486	Guarantee of license to use state property and others
Yeosu Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	5,562	Performance guarantees for deposit on approval and others
Dangjin Haengbok Solar Co., Ltd.	Seoul Guarantee Insurance	KRW	3,205	Guarantee of payment of facility restoration and relocation work expenses
Prism Energy International. Zhoushan Limited	Citibank China	USD	30,000	Guarantee of Terminal fee

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**31. Commitments and contingencies (cont'd)**

Guarantee	Guarantor	Currency	Amount	Description of guarantee	
SK Ecoplant Co., Ltd.	HSBC and others	USD	486,882	Performance guarantees for overseas construction and others	
		KWD	88,672	Performance guarantees for overseas construction and others	
		QAR	338,855	Performance guarantees for overseas construction and others	
		TRY	30,703	Performance guarantees for overseas construction and others	
		SAR	8,117	Performance guarantees for overseas construction and others	
		THB	278,254	Performance guarantees for overseas construction and others	
		KZT	7,568,929	Performance guarantees for overseas construction and others	
		VND	636,555,383	Performance guarantees for overseas construction and others	
		HKD	20,061	Performance guarantees for overseas construction and others	
		AED	119,780	Performance guarantees for overseas construction and others	
		NOK	370,295	Performance guarantees for overseas construction and others	
		KEB Hana Bank	USD	145,072	Performance guarantees for overseas construction and others
			SAR	182,198	Performance guarantees for overseas construction and others
			EUR	86,558	Performance guarantees for overseas construction and others
			GBP	18,900	Performance guarantees for overseas construction and others
Korea Eximbank	USD	90,969	Performance guarantees for overseas construction and others		
	EUR	24	Performance guarantees for overseas construction and others		
	NOK	136,302	Performance guarantees for overseas construction and others		
Environment Management Corporation Co., Ltd.	Korea Housing Guarantee Co., Ltd. Seoul Guarantee Insurance	KRW	16,493,544	Housing guarantees and others	
		KRW	272,557	Performance guarantees for domestic construction and others	
	Engineering Financial Cooperative Construction Guarantee Cooperative	KRW	829,005	Domestic construction contract	
		KRW	5,446,716	Performance guarantees for domestic construction and others	
	Korea Trade Insurance Corporation Useong Co., Ltd.	KRW	122,826	Insurance of overseas investment	
	Construction Guarantee Cooperative Seoul Guarantee Insurance	KRW	4,238	Guarantee of post-management (SGI)	
		KRW	88,063	Performance guarantees for business, construction, warranties and others	
		KRW	109,040	Performance guarantees for contract, payment, construction, advance payment and others	
	Engineering Financial Cooperative	KRW	147,420	Guarantees for contract, advance payment, warranties and others	
		KRW	54	Guarantees for contract and warranties	
SK Specialty Co., Ltd. SK Materials Performance Co., Ltd.	Korea Life Pyegimul Fraternal Union Information & Communication Financial Cooperative	KRW	2	Performance guarantees for contract	
		KRW	201	Performance guarantees and others	
SK Biopharmaceuticals Co., Ltd.	Hupis Co., Ltd.	USD	6,000	Insurance of short-term export	
		KRW	1,904	Guarantee of deposit on lease	
SK SIGNET Inc.	Seoul Guarantee Insurance	KRW	249,681	Performance guarantees for contract, payment, warranties and deposits	
SK Pinx Co., Ltd.	Seoul Guarantee Insurance	KRW	241	Performance guarantees for sales contract	
SK Forest Co., Ltd.	Seoul Guarantee Insurance	KRW	20,323	Performance guarantees for contract	
SK Siltron Co., Ltd.	Shinhan Bank	USD	19,000	Guarantee of foreign currencies	
Hweechan Co., Ltd.	Seoul Guarantee Insurance	KRW	66	Guarantee of supply and others	

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**31. Commitments and contingencies (cont'd)**

(2) Guarantees provided to others as of June 30, 2022 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantee	Guarantor	Currency	Amount	Description of guarantee
SK Geo Centric Co., Ltd.	Sabic SK Nexlene Company Pte. Ltd.	USD	220,000	Guarantee of debt
Iberian Lube Base Oils S.A.	Puertos del Estado	EUR	863	Guarantees for construction
	Railway Administration and others	EUR	265	Guarantee for installing facilities and others
SK Telink Co., Ltd.	IOT Wave Co., Ltd. and others	KRW	921	Performance guarantees for insurance and others
SK Communications Co., Ltd.	Green umbrella	KRW	20	Performance guarantees for contract
	Purchaser or right holder of electronic payment method	KRW	650	Protection of user funds from electronic financiers
Dreamus Company Co., Ltd.	Youngkwang Precision Industry Co., Ltd.	KRW	269	Performance guarantees for contract
SKC Co., Ltd.	PI Advanced Materials Co., Ltd.	USD	7,836	Guarantee for litigation
SK E&S Co., Ltd.	Boryeong LNG Terminal Co., Ltd.	KRW	320,000	Guarantee of debt
Environment Management Corporation Co., Ltd.	Dongbugwon Puleunmul Co., Ltd. and others	KRW	29,860	Guarantee of debt
	Geochang Malgunmool Sarang Co., Ltd. and others	KRW	33,009	Guarantee for loan agreement
	Gyeongsan Pure Water Co., Ltd. and others	KRW	1,816	Performance guarantees for business
SK Ecoplant Co., Ltd.	SBC General Trading & Contracting Co. WLL and others	KWD	4,361	Performance guarantees for contract and others
	Pohang Clean Water Co., Ltd. and others	KRW	740,557	Cash deficiency support agreement
	Gweonseon District 6 redevelopment maintenance business association and others	KRW	193,962	Guarantees for reconstruction project financing
	Customers of Pangyo SK view	KRW	824,687	Guarantee of payment of intermediate payment and moving expenses loan
	Lu 1 City SK leaders view and others	KRW	3,239,179	Guarantee of completion
	Callable preferred share investor	KRW	130,000	Cash deficiency support agreement
	Fuel cell power generation project	KRW	156,595	Performance assurance related to long-term maintenance contracts
	Contractor issuing guarantee for sale	KRW	2,256,880	Joint surety

In addition, SK ecoplant Co., Ltd., a subsidiary of the Group, provides other construction companies with performance guarantees for domestic construction, and the amount of the guarantees is ₩748,859 million as of June 30, 2022.

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**31. Commitments and contingencies (cont'd)**

(3) The Group's significant pending litigations as of June 30, 2022, in which the Group is a plaintiff are as follows (Korean won in millions and foreign currencies in thousands):

Plaintiff	Defendant	Description	Claim	Status
SK Shieldus Co., Ltd.	Individual and others	Claim for damages for breach of contract and others	KRW 566	First trial in progress
SK Planet Co., Ltd.	Fair Trade Commission	Claim for for revocation of corrective order and others	KRW 33,500	First trial in progress
SK Broadband Co., Ltd.	KOMCA and others	Claim for payment and others	KRW 7,502	First trial in progress and others
SK Telecom Co., Ltd.	Individual and others	Claim for payment and others	KRW 385,392	First trial in progress and others
PS&Marketing Corp.	Individual and others	Claim for payment and others	KRW 4,137	Second trial in progress and others
SK Networks Co., Ltd.	Individual and others	Claim for lease deposit and others	KRW 2,719	Second trial in progress and others
SK Magic Co., Ltd.	Namdaemun Tax Office Chief and others	Claim for cancellation the imposition of corporate tax and others	KRW 2,640	Third trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for payment and others	KRW 43	Third trial in progress and others
SK Telesys Co., Ltd.	Cotec Enc Co., Ltd.	Claim for payment of construction cost and others	KRW 106	First trial in progress
Narae Energy Service Co., Ltd.	Hanam City Hall	Claim for cancellation of the imposition of the contribution to the water supply cause	KRW 483	First trial in progress
CAILIP Gas Marketing, LLC	Chevron U.S.A. Inc	Claim for compensation for loss of natural gas supply	USD 84,531	First trial in progress
LAI LNG, LLC	Hidalgo Wind Farm II, LLC and 2 others	Claim for compensation for electricity purchase settlement	USD 11,774	First trial in progress
SK Incheon Petrochem Co., Ltd.	Dongatanker Co., Ltd. and others	Claim for payment	KRW 10,075	First trial in progress
SK Ecoplant Co., Ltd.	Korea Rail Network Authority	Claim for payment of construction and others	KRW 4,279	Second trial in progress and others
	Korea Specialty Contractor Financial Cooperative	Claim for deposit of construction performance and others	KRW 4,087	Second trial in progress and others
	Plant & Mechanical Contractors Financial Cooperative and others	Claim for deposit of construction performance	KRW 5,403	Third trial in progress
	Korea National Oil Corporation	Claim for payment of Construction	KRW 16,242	Second trial in progress and others
	Korea Land & Housing Corporation	Claim for payment of construction	KRW 1,090	First trial in progress
	Individual and others	Claim related to performance guarantee and others	KRW 96,413	Third trial in progress and others
	Legal manager of Seobon Construction Co., Ltd.	A final and conclusive bond investigation trial of KNPCCFP	KRW 1,942	First trial in progress
Environment Management Corporation Co., Ltd.	Siheung City and others	Claim related to settlement of operating and management expenses and others	KRW 24,257	First trial in progress
Green Environment Technology Co., Ltd.	Da Moa Machinery and others	Claim related to balance Of machine sales	KRW 40	Second trial in progress

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**31. Commitments and contingencies (cont'd)**

The Group's significant pending litigations as of June 30, 2022, in which the Group is a defendant are as follows (Korean won in millions):

Defendant	Plaintiff	Description	Claim	Status
SK Shieldus Co., Ltd.	Individual and others	Claim for damages and others	KRW 1,229	Second trial in progress and others
SK Broadband Co., Ltd.	Individual and others	Claim for damages and others	KRW 13,905	Second trial in progress and others
SK Telecom Co., Ltd.	Individual and others	Claim for damages and others	KRW 7,540	First trial in progress and others
SK Networks Co., Ltd.	Individual and others	Claim for damages and others	KRW 3,694	Second trial in progress and others
SK Magic Co., Ltd.	Piitech Korea Co., Ltd. and others	Claim for confirmation of the scope of trademark rights and others	KRW 276	Second trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for compensation and others	KRW 595	Second trial in progress and others
SKC Co., Ltd.	Individual	Claim for damages	KRW 15	First trial in progress
SK Telesys Co., Ltd.	Nak smart energy Co., Ltd. Ubins Co., Ltd.	Claim for damages	KRW 67	First trial in progress
SK Nexilis Co., Ltd.	Individual and others	Claim for service charge	KRW 1,249	First trial in progress
Ko-one Energy Service Co., Ltd.	Individual and others	Claim for damages	KRW 2,960	First trial in progress
Ko-one Energy Service Co., Ltd.	Korea Land & Housing corporation	Claim for cancellation of allotted charges	KRW 1,286	Second trial in progress
Busan City Gas Co., Ltd.	HDC-labs Co., Ltd.	Claim for payment of construction	KRW 534	First trial in progress
Chungcheong energy Service Co., Ltd.	Korea Land & Housing corporation	Claim for cancellation of allotted charges and others	KRW 1,104	Second trial in progress and others
Narae energy service Co., Ltd.	Korea Electric Power Corporation and others	Claim for Contract amount reduction confirmation and others	KRW 2,694	First trial in progress
SK Ecoplant Co., Ltd.	K-Water Resources Corporation	Claim for design compensation cost return and others	KRW 3,004	Third trial in progress
SK Ecoplant Co., Ltd.	Incheon Metropolitan City	Claim for design compensation cost return and others	KRW 7,804	Third trial in progress and others
SK Ecoplant Co., Ltd.	Hanwha Engineering & Construction Corp.	Claim for cost share	KRW 5,087	First trial in progress
SK Ecoplant Co., Ltd.	Woori Bank	Claim for payment of construction	KRW 12,096	First trial in progress
SK Ecoplant Co., Ltd.	Suwon Sky View resident's representative and others	Claim for damages and others	KRW 20,385	Second trial in progress and others
SK Ecoplant Co., Ltd.	Individual and others	Claim for damages and others	KRW 219,406	Third trial in progress and others
SK Ecoplant Co., Ltd.	Korea Gas Corporation	Claim for damages and others	KRW 11,314	First trial in progress
SK Ecoplant Co., Ltd.	Republic of Korea	Claim for damages and others	KRW 5,845	Second trial in progress and others
Environment Management Corporation Co., Ltd.	Siheung City and others	Claim for damage and others	KRW 28,244	First trial in progress
Green Environment Technology Co., Ltd.	Daesang Co., Ltd. and others	Claim for payment of construction	KRW 253	First trial in progress

On May 15, 2021, SK Innovation Co., Ltd., a subsidiary of the Group, LG Chem Co., Ltd. and LG Energy Solution Co., Ltd., which split-off from LG Chem Co., Ltd. agreed to withdraw all domestic and foreign disputes, be exempt from all related obligations, prohibit similar or identical disputes for 10 years, and permanent licenses for trade secrets and patents. Accordingly, ₩1 trillion in cash throughout 2021 and 2022 and royalties up to ₩1 trillion corresponding to a certain percentage of sales from 2023 will be paid to LG Energy Solution Ltd. Of the amount to be paid to LG Energy Solutions Co., Ltd., 1 trillion won in cash is reflected as non-operating expenses in the consolidated financial statements as of December 31, 2021, and royalties will be expensed at the time of payment.

On May 4, 2020, the Attorney General Office of California, USA, filed a civil lawsuit in the California District Court located in San Francisco against Vitol Inc., SK Trading International Co., Ltd. and SK Energy Americas Inc., the subsidiaries of the Group, for manipulating the market price of gasoline products and anti-competitive and unfair practices during the refinery explosion in 2015. The case is currently in progress, and the duration and final outcome are not estimable at the moment. Since May 6, 2020, end-users of gasoline have filed a number of collective lawsuits in California federal court. The duration and final outcome thereof are also not estimable at the moment.

### **31. Commitments and contingencies (cont'd)**

E&P business in 8th block of Peru, a subsidiary of SK Innovation Co., has been suspended due to the liquidation of operator (Pluspetrol Norte S.A.) and the business is in progress of closing. The Perupetro S.A., a Peruvian state-owned oil company and mining rights management agency, received an injunction from the local judiciary to suspend the liquidation procedure of the operator for the year ended December 31, 2021 and the Peruvian Environmental Assessment and Supervision Authority (OEFA) fined the operator related to the restoration of the workplace and environmental pollution charge for the year ended December 31, 2021. Accordingly, SK Innovation Co., Ltd. paid expenses of ₩1,527 million and ₩1,611 million for the year ended December 31, 2021 and the six-month period ended June 30, 2022, respectively, upon request of the operator which were accounted as non-operating expenses.

The Perupetro S.A. has filed international proceedings with the International Chamber of Commerce against the parties to the mining contract, including SK Innovation Co., Ltd., in accordance with the dispute settlement clause in the mine contract to the effect that the mining right contract is not terminated only by the initiation of liquidation of the operator. The status of the arbitration is currently pending, and the final outcomes of the arbitration cannot be predicted at the moment.

SKC Co., Ltd., a subsidiary of the Group, guarantees 50% of claim amounts related to the patent litigation filed by Kaneka Corporation against PI Advanced Materials Co., Ltd. As of June 30, 2022, the appeal of the lawsuit in the U.S. was rejected and the jury's verdict determined damages, but the final ruling was not made because some of the compensation for damages were not confirmed. Meanwhile, during the prior period, Kaneka Corporation filed a lawsuit against PI Advanced Materials Co., Ltd. in Korea based on a portion of final judgment on the U.S. jury's verdict. Accordingly, the Group paid PI Advanced Materials Co., Ltd. USD 7,836 thousand which is 50% of USD 15,671 thousand in damages. Based on the final results of litigation, the Group may have to pay more according to the ratio as specified by the payment arrangement. As of June 30, 2022, the final result of trial 1 and the timing of payment of compensation for damage are not estimable.

### **31. Commitments and contingencies (cont'd)**

#### **(4) Commitments**

- 1) In accordance with the Commercial Code of the Republic of Korea, the Company, SK Innovation Co., Ltd., SK Energy Co., Ltd., SK Geo Centric Co., Ltd., SK Lubricants Co., Ltd., SK Incheon Petrochem Co., Ltd., SK Trading International Co., Ltd., SK ie technology Co., Ltd., SK On Co., Ltd, and SK Earthon Co., Ltd. are collectively responsible for any obligations of the Company arising before the spin-off. The Company and SK Biopharmaceuticals Co., Ltd. are collectively responsible for any obligations of the Company that occurred before the spin-off on April 1, 2011 and the Company and SK Specialty Co., Ltd. are collectively responsible for any obligations of SK Materials Co., Ltd. (formerly) that occurred before the spin-off on December 1, 2021.
- 2) The Company has signed a lease contract for the head office building from SK REIT Co., Ltd. The lease contract period under this lease contract is until July 5, 2026, and we have the option of extending the lease contract by five years before the end of the contract. On the other hand, we have been granted preferential purchase rights for landlords to purchase at fair prices when selling the building.
- 3) The Company holds IT outsourcing and IT system maintenance agreements to provide hardware and information systems maintenance and development service entered into between the Company and SK Group companies and others.
- 4) The Company entered into a contract with Gyeonggi province on May 31, 2011 to purchase land located in Pangyo Land Development District. The total agreement amount is ₩82,964 million (the Company's portion: ₩45,536 million (54.9%)), which will be used for the construction of urban infrastructure facilities ("designated purpose" of the land). The contract includes requirements to be complied with and restrictions in transfer of ownership of the land. Should there be non-compliance, the contract may be terminated or cancelled.

**31. Commitments and contingencies (cont'd)**

- 5) The Company has total return swap contracts in regards to SK Shipping Co., Ltd.'s issuance of ordinary shares and sale of existing shares, and details are as follows:

Description	Subscription of new shares	Sale of existing shares
Investor	Special Situation 1 <sup>st</sup> Fund	Corporate Turnaround 1 <sup>st</sup> Fund
Number of shares	6,548,672	4,808,259
Contract date	April 11, 2017	May 11, 2017
Expiry date	April 10, 2022	May 10, 2022
Settlement	The Company and the investor make a cash settlement of the amount that deducts the issue price from the net selling price. If the amount is positive, the investor pays to the Company, and if the amount is negative, the Company pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.	
Premium	The Company pays to the investor the amount equivalent to 3.14% of the total shares held by the investor annually. When the investor receives dividends on the shares held, the amount is paid to the Company.	
Call option	The Company has the right to purchase the shares held by the investor at the issued price of the ordinary shares with certain level of additional charges.	

As of March 30, 2022, the Company signed an agreement to changes in total profit swap including extension of expiry date, etc. with the investor of the common stock above. The changes are effective from the termination date of investment (expiry date of the existing agreement). The main details of the changes to the agreement are as follows:

Description	Subscription of new shares	Sale of existing shares
Investor	Special Situation 1 <sup>st</sup> Fund	Corporate Turnaround 1 <sup>st</sup> Fund
Number of shares	6,548,672	4,808,259
Contract date	March 30, 2022	March 30, 2022
Expiry date	April 12, 2027	May 10, 2027
Settlement	The Company and the investor make a cash settlement of the amount that deducts the issue price from the net selling price. If the amount is positive, the investor pays to the Company, and if the amount is negative, the Company pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.	
Premium	The Company pays to the investor the amount equivalent to 3.899% of the total shares held by the investor quarterly. When the investor receives dividends on the shares held, the amount is paid to the Company.	
Call option	On every first year between the end of the investment and the expiration date, the Company has the right to purchase the shares held by the investor at the contract price of the ordinary shares with certain level of additional charges.	

**31. Commitments and contingencies (cont'd)**

- 6) The Group entered into total return swap contracts with ordinary shareholders of SK Siltron Co., Ltd., one of the subsidiaries. Details are as follows:

Description	Total return swap
Investor	Warmachine Sixth Co., Ltd. and others
Number of shares	13,140,440
Contract date	August 25, 2017
Expiry date	August 24, 2022
Settlement	The Company and the investors are to settle the amount that deducts the issue price from the net selling price. If the amount is positive, the investor pays to the Company, and if the amount is negative, the Company pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.
Premium	The Company is to pay 0.5% of the initial contract amount at the closing date of the transaction and pay to the investor the amount equivalent to 3.20% of the total shares held by the investors annually. When the investor receives dividends on the shares held, the amount is paid to the Company.
Call option	On a three-month basis from the closing date of sale (“the quarterly payment day”), the Company has the right to purchase the shares held by the investor at the initial contract price of the ordinary shares with a certain level of additional charges.

As of June 30, 2022, the value of the agreements amounting to ₩169,131 million is recognized in current portion of long-term borrowings (see Note 15).

- 7) The Group entered into total return swap contracts with ordinary shareholders of SK E&S Co., Ltd., one of the subsidiaries. Details are as follows:

Description	Total return swap
Investor	MD Prime 1st Co., Ltd.
Number of shares	4,640,199
Contract date	November 14, 2017
Expiry date	November 13, 2022
Settlement	The Company and the investors are to settle the amount that deducts the issue price from the net selling price. If the amount is positive, the investor pays to the Company, and if the amount is negative, the Company pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.
Premium	The Company is to pay to the investor the amount equivalent to 3.07% of the total shares held by the investors annually. When the investor receives dividends on the shares held, the amount is paid to the Company.
Call option	The Company may make a purchase request in the amount of common shares held by the investor plus a certain amount on every premium payment date and and every quarterly payment date between the date of the board’s resolution to select the IPO organizer and the date of submission of a preliminary listing review.

As of June 30, 2022, the value of the agreements amounting to ₩677,775 million is recognized in current portion of long-term borrowings (see Note 15).

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**31. Commitments and contingencies (cont'd)**

- 8) The Company entered into a cash deficiency support agreement with Hudson Energy NY, LLC, a subsidiary of Plutus Capital NY, Inc., to lend funds for the shortfall of payment for loans and credit limit of USD 226,000 thousand.
- 9) The Company entered into a cash deficiency support agreement with Abrasax Investment Inc., a subsidiary of SK Pharmteco Inc. (formerly, Alchemy Acquisition Corp.), to lend funds for the shortfall of payment for loans and credit of up to USD 315,000 thousand.
- 10) The Company has a shareholder-to-share agreement with Showa Denko K.K. in relation to the investment of subsidiary SK Showa Denko Co., Ltd., and Showa Denko K.K. has the right to sell 630,000 shares (15%) of SK Showa Denko Co., Ltd. at ₩ 5,000 per share in the event of a specific case of this agreement.
- 11) The Company have signed a contract between shareholders that allows certain shareholders to sell their shares to us for ₩50,000 per share if certain conditions are met for shares held by certain shareholders of its subsidiary SK Signet Co., Ltd.
- 12) As of June 30, 2022, Prism Energy International Pte., Ltd., a subsidiary, provides LOU (Letter of Understanding) to ship owners HHIENS1 Shipholding S.A., HHIENS2 Shipholding S.A., HHIENS3 Shipholding S.A. and HHIENS4 Shipholding S.A. in connection with LNG carriers. Accordingly, if SK Shipping Co., Ltd. fails to fulfill the contract (BBCHP) signed with the shipping Company, SK E&S Co., Ltd. will assume all obligations related to the execution of the contract.
- 13) SK E&S LNG, LLC, one of the subsidiaries, is scheduled to be provided with liquefaction service for 20 years from FLNG Liquefaction 3, LLC, which plans to operate natural gas liquefaction plants in Texas starting from 2019. As of June 30, 2022, SK E&S Co., Ltd., one of the subsidiaries, is responsible for performance guarantee in case of SK E&S LNG, LLC's inability to make payments for service or for claims against breach of obligation. In regard to this, the Company provides performance guarantee for SK E&S Co., Ltd.'s guarantee.
- 14) As of June 30, 2022, details of contracts of the subsidiaries of SK E&S Co., Ltd. are as follows:

Contracting parties	Description of contract	Counterparty	Term of contract
Kangwon City Gas Co., Ltd. and 7 subsidiaries	Contract for the supply of long-term natural gas (*1)	Korea Gas Corporation Co., Ltd.	-
SK E&S Co., Ltd.	Contract of supply for natural gas	Tanggung PSC Contractor Parties	2006.1 ~ 2026.7
	Contract for the repair and maintenance of gas turbine	GE International Inc.	2004.6 ~ 2026.12 (estimated)
	Contract for the storage and vaporization service of natural gas	POSCO ENERGY Co., Ltd.	2005.6 ~ 2025.12 2020.7 ~ 2040.12
	Rental contract of the plant and tower site	POSCO Co., Ltd.	2003.8 ~ 2028.12
	Contract for the REC trading	Godeok Green Energy Co., Ltd. and others	20 years from contract
Paju Energy Service Co., Ltd.	Contract for the long-term maintenance program	Siemens AG and others	2014.6 ~ 2031.6 (estimated)
	Contract for the REC trading	GeoGeum Solar Park Co., Ltd. and others	15 years from 2018
	Contract for LTSA	Doosan Fuelcell Co., Ltd.	10 years from performance warranty date
Narae Energy Service Co., Ltd.	Contract for the long-term maintenance program	Siemens AG and others	2015.1 ~ 2032.1 (estimated)
	Contract for the long-term maintenance program	Doosan Enerbility Co., Ltd. (formerly, Doosan Heavy Industries & Construction Co., Ltd.)	12 years from 2012
	Contract for the operation and Maintenance program	Jeonbuk Group Energy Co., Ltd. and Gimcheon Energy Service Co., Ltd.	2015.1 ~ 2025.1
	Contract for the supply of long-term natural gas	Korea Gas Corporation Co., Ltd.	20 years from 2015.5
	Contract for the REC trading	K Solar E Ho Co., Ltd. and others	20 years from contract
Narae Energy Service Co., Ltd. and Paju Energy Service Co., Ltd.	Contract for the use plumbing system	Korea Gas Corporation Co., Ltd.	20 years from 2017
SK E&S Co., Ltd. and Narae Energy Service Co., Ltd. and Paju Energy Service Co., Ltd.	Contract for the storage and vaporization service of natural gas	Boryeong LNG Terminal Co., Ltd.	20 years from 2017

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**31. Commitments and contingencies (cont'd)**

Contracting parties	Description of contract	Counterparty	Term of contract
Yeoju Energy Service Co., Ltd.	Integrated Environmental Management Licensing Service Contract for LTSA	SK Eco Engineering Co., Ltd.(*2)	2019.1 ~ 2023.10
Busan City Gas Co., Ltd. LAI LNG, LLC	Rental contract Contract for the liquefaction and storage of natural gas Contract for the use pipeline of natural gas	Siemens Gas & Power GmbH Siemens Energy Ltd. Megamart Co., Ltd. and others FLNG Liquefaction 3, LLC Kinder Morgan, Inc.	2019.12 ~ 2047.12 (estimated) Until 2022.07.25 20 years from 2020 20 years from 2020
Prism Energy International Pte. Ltd.	Contract of supply for natural gas Time charter contract	SHELL EASTERN TRADING PTE LTD and others SK Shipping Co., Ltd.	2019.6 ~ 2033.3 20 years from ship delivery date
SK E&S Australia Pty. Ltd.	Contract of supply for LNG Contract for FPSO	Generadora San Felipe Limited Partnership BW Offshore Singapore Pte. Ltd. (Australia Branch)	10 years from commencement date 15 years from service date
	Contract for the liquefaction service of natural gas	Darwin LNG Pty. Ltd. and others	2020.12 (contract) 15 years from service date (estimated)
Prism Energy International Zhoushan Limited	Contract for the storage and vaporization service of natural gas	ENN (Zhoushan) LNG Co., Ltd.	2020.7 ~ 2030.7

(\*1) The Company has signed a contract with Korea Gas Corporation for natural gas supply for 20 years.

(\*2) During the current period, SK Eco Engineering Co., Ltd. comprehensively succeeded to the contractual status with the consolidated entity and the rights and obligations accordingly through the division and merger of SK Ecoplant Co., Ltd.

- 15) As of June 30, 2022, details of construction contracts about the subsidiaries of SK E&S Co., Ltd. are as follows (Korean won in millions):

Description of contract	Name of subsidiaries	Contract opponent	Term of contract	Amount
Contract for heat piping and others	Narae Energy Service Co., Ltd.	Eulmyo general construction Co., Ltd. and others	2021.02 ~ 2023.06	₩ 16,024
Yeoju natural gas power Plant EPC contract(*1)	Yeoju Energy Service Co., Ltd.	SK Eco Engineering Co., Ltd.(*2)	2019.12 ~ 2022.07	₩ 664,091
By-product hydrogen liquefaction Plant EPC contract(*1)	IGE Co., Ltd.	SK Eco Engineering Co., Ltd.(*2)	2021.07 ~ completion	₩ 444,950

(\*1) For the purpose of performing the contract, Yeoju Energy Service Co., Ltd. received blank checks from SK Eco Engineering Co., Ltd.

(\*2) During the current period, SK Eco Engineering Co., Ltd. comprehensively succeeded to the contractual status with the consolidated entity and the rights and obligations accordingly through the division and merger of SK Ecoplant Co., Ltd.

- 16) As of June 30, 2022, details of material contracts of resource development by the subsidiaries of SK E&S Co., Ltd. are as follows:

Description of contract	Name of subsidiaries	Counterparty	Equity ownership
Barossa-Caldita, Australia	SK E&S Australia Pty. Ltd.	Santos NA Barossa Pty. Ltd.	37.5%
Woodford, USA	Dew Blaine Energy, LLC	Continental Resources, Inc.	49.9%
East Timor Bayu-Undan gas field and pipeline asset	BU12 Australia Pty. Ltd. BU13 Australia Pty. Ltd. SK E&S Australia Pty. Ltd. Prism DLNG Pte. Ltd.	Santos NA Darwin Pipeline Pty. Ltd. and others	25.0%

- 17) SK Energy Co., Ltd., SK Incheon Perochemical Co., Ltd., SK On Co., Ltd. and SK Geo Centric Co., Ltd., subsidiaries of the Group, pay electricity bills and tariffs through B2B corporate purchase agreement contracts and national tax cards signed with some financial institutions, and pay the bill to the credit card Company at the end of the credit donation period under the agreement. As of June 30, 2022, the related amount payable is ₩1,829,617 million, which are classified as current liabilities.

**31. Commitments and contingencies (cont'd)**

- 18) SK Energy Co., Ltd., a subsidiary of the Group, signed an option contract regarding the shares of ordinary stocks held by non-controlling shareholders of goodsFLOW Co., Ltd. The terms of the contract for this option are as follows:

Description	Put option	Call option	Call option
Purpose of Contract	Acquisition of equity	SK Energy Co., Ltd.	SK Energy Co., Ltd.
Option rights holder	Tae-jin Jung, Byung-wook Oh and others	Tae-jin Jung, Byung-wook Oh and others	Hanyu Energy Co., Ltd. and others
Option obligor	SK Energy Co., Ltd.		
Payment method	Cash		
Object of exercise	A total of 1,014,362 shares (43.83%) of goodsFLOW Co., Ltd.'s shares held by Tae-jin Jung, Byung-wook Oh, shareholders of goodsFLOW Co., Ltd.		A total of 351,076 shares (15.17%) of goodsFLOW Co., Ltd.'s shares held by Hanyu Energy Co., Ltd., shareholders of goodsFLOW Co., Ltd.
Time of exercise	The date on which three years have elapsed from January 31, 2021 or the date agreed between the parties, whichever is earlier		
Price of exercise	Price per share ₩33,553		Fair value at the time of exercise of the call option.

- 19) SK Innovation Co., Ltd., a subsidiary of the Group, sold its holdings (40%) of SK Lubricants Co., Ltd., a subsidiary of SK Innovation Co., Ltd., to Eco Solution Holdings Co., Ltd. (the "investor") on July 30, 2021. The shareholder agreement between the Investor and the Group, the largest shareholder of SK Lubricants Co., Ltd., in event of selling the stake, includes the following key terms:

- Investor's Tag-along right and Co-Sale Process
- Investor's right to make decisions on dividend policies, under certain conditions
- The largest shareholder's right to request for sale of shares and Investor's right to demand the purchase of shares, under certain conditions
- Restriction on disposal of shares of the largest shareholder and investor under certain conditions, etc.

Details of rights granted to investor are as follows.

Description	Conditions	Rights
Tag-Along Right	The largest shareholder sells shares when accomplishing certain conditions	The right to sell Investor's shares on the same conditions as the largest shareholder
Co-Sale Process	Failure of Initial Public Offering ("IPO") within the agreed period (8 years) and the total amounts of available for dividend are less than 2.5% of the annual interest rates based on IRR	The right to sell shares held by the largest shareholder along with shares held by
Dividend policy decision-making right	Failure of IPO within the agreed period (5 years)	The right to make decisions on dividend policies within
Default Put Option	In the event of a serious violation of a specific obligation clause agreed with Investor for a deliberate and malicious purpose	The right to sell the investors shares to the largest shareholder at an amount calculated by applying 10% annual interest rate based on IRR for the investment principal (₩1,091,948 million).

**31. Commitments and contingencies (cont'd)**

SK Battery America Inc., a subsidiary, has signed a project agreement with Jackson County Industrial Development Authority and the Georgia Department of Economic Development (hereinafter referred to as "contract") to provide incentives such as property tax reduction. Under the contract, SK Battery America, Inc. transferred legal ownership of assets subject to property tax reduction to state agencies and received bonds issued by state agencies. The Group recognized the bonds and financial liabilities generated in the transaction as net amounts as they meet the offsetting criteria of KIFRS 1032, and the amount of bonds and financial liabilities set off as of the end of the current year is USD 2,556 million, and the book value after offset is ₩0.

- 20) SK Telecom Co., Ltd., a subsidiary of the Group, sells its mobile handsets to customers on an installment payment plan through agents. SK Telecom Co., Ltd. entered into transfer agreements with the agents for the receivables of handset's installment payments, under which all the rights and obligations of the receivables are transferred to SK Telecom Co., Ltd. Then, SK Telecom Co., Ltd. entered into an asset securitization contract with a special purpose Company for the receivables, and accordingly, the balance of the receivables as of the end of the current reporting period is ₩381,759 million which is recorded as other receivables and long-term other receivables.
- 21) SK Siltron Co., Ltd., a subsidiary, acquired redeemable convertible preferred shares from Korea Credit Guarantee Fund for the current period in connection with the acquisition of shares in Terraon Co., Ltd., a subsidiary investment. Depending on the nature of the financial instrument, the Group has the option to convert 9,740 shares of Terraon Co., Ltd. into common shares, and the duration is 10 years from the date of issuance and can be exercised until November 18, 2030.
- 22) SK Ecoplant Co., Ltd., a subsidiary, entered into a share subscription agreement in order to acquire Sam Kang M&T Co., Ltd. The acquisition of the shares is expected to be completed in 2022, and the details are as follows (Korean won in millions):

	Expected date of acquisition	Estimated acquisition share (%)	Estimated acquisition price
Sam Kang M&T Co., Ltd.	August, 2022	32%	₩ 49,900

- 23) In February 2019, SK Biopharmaceuticals Co., Ltd., a subsidiary, signed a technology transfer contract with the European-based entity, Arvelle Therapeutics International GmbH (formerly Arvelle Therapeutics GmbH), in order to grant the exclusive rights of Cenobamate, an epilepsy treatment, in Europe. At the time of signing the technology transfer contract, SK Biopharmaceuticals Co., Ltd. received an Upfront Payment of USD 100,000,000 and recognized as a profit at the time of the receipt. In addition, in March 2021, the Milestone Payment of USD 110,000,000 was recognized as a profit at the time of notification of the permit in accordance with the marketing permission of European regulators (March 30, 2021). When the terms under the agreement are fulfilled in future periods, additional Milestone Payment of up to USD 320,000,000 will be recognized.

In February 2021, SK Biopharmaceuticals Co., Ltd., a subsidiary, sold all of its 12% ownership of Arvelle Therapeutics B.V.'s common shares to Angelini Pharma S.p.A. and received USD 31,766,890 in return for the closing of the transaction. The amount was recognized as non-operating income at the time of receipt. In addition, in March 2021, the Approval Payment of USD 13,220,625 was recognized as non-operating income at the time of notification of the permit (March 30, 2021). When the terms under the agreement are fulfilled in future periods, up to USD 9,252,177 can be additionally recognized as non-operating income. However, the amount of non-operating income that can be received may change depending on certain conditions.

**31. Commitments and contingencies (cont'd)**

In October 2020, SK Biopharmaceuticals Co., Ltd. signed a technology transfer contract with Ono Pharmaceutical Co., Ltd., an entity located in Japan, in order to grant the exclusive rights of Cenobamate in Japan and received an upfront payment of JPY 5,000,000,000. The upfront payment is recognized as a profit by allocating the amount in a reasonable way according to the contract. When the rights are approved by the Japanese regulator and succeed in commercializing in the future, SK Biopharmaceuticals Co., Ltd. will recognize the Milestone Payments of up to JPY 48,100,000,000 as a profit.

- 24) During November 2021, SK Biopharm Co., Ltd., a subsidiary, signed a license agreement to grant commercialization rights for six new drugs, including Ignis Therapeutics and Senobamate in the Cayman Islands (China, Hong Kong, Macau, Taiwan), and received USD 20,000,000 in cash and 150 million preferred shares (USD 150,000,000). In the case of the down payment, the intellectual property right transfer fee and the clinical trial obligation were allocated, and the intellectual property right recognizes revenue at once with the license, and the completion of the service over the expected period of service. In the event licensing and commercialization is achieved, up to USD 15,000,000 Milestone Payment and Royalty Payment may be recognized.

In addition, during December 2021, a technology transfer agreement with Endo Ventures Limited was entered into in Canada to grant Senobamate exclusive rights in Canada and a down payment of USD 20,000,000 was received. The down payment was recognized as revenue at the same time as the right to use intellectual property rights, and the maximum amount of milestone payment of CAD 21,000,000 may be recognized as revenue under the permission and commercialization of Canadian regulators in the future.

- 25) SK Biopharmaceuticals Co., Ltd., a subsidiary, signed a technology transfer contract with Dexcel Limited in Israel in May 2022 to grant exclusive rights of Cenobamate in Israel and Palestine (West bank, including Gaza district), and received a deposit of USD 3,000,000, which has been allocated to the transfer consideration of intellectual property right and performance obligation of supplying semi-finished product at no cost. Revenue will be recognized for Intellectual property right as right-of-use asset at a point in time and the revenue for semi-finished product will be recognized at the time of supply.

(5) Hybrid bonds

Details of hybrid bonds as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

Issue segment	Description	Issue date	Maturity date (*1)	Interest rate (%) (*2)	For the six-months ended	
					June 30, 2022	December 31, 2021
Group of SK Innovation	1st private equity bond type	2019.03.15	2049.03.15	4.20	₩ 600,000	₩ 600,000
Group of SK Telecom	2-1 private equity bond type	2018.06.07	2078.06.07	3.70	300,000	300,000
	2-2 private equity bond type	2018.06.07	2078.06.07	3.65	100,000	100,000
Group of SK E&S	2nd Korean currency type	2019.10.11	2049.10.11	3.30	330,000	330,000
	3rd Korean currency type	2020.07.14	2050.07.14	3.60	400,000	400,000

(\*1) The issuing Company may decide on early repayment and extension of maturity date when certain period is lapsed.

(\*2) After a certain period from the issue date, the interest rate will fluctuate in accordance with the contract.

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**31. Commitments and contingencies (cont'd)**

(6) Others

As of June 30, 2022, 44 notes (including 41 blank notes) and 81 checks (including 80 blank checks) are provided to financial institutions as collateral for borrowings.

**32. Pledged assets**

The following assets were pledged as collateral for the Group's borrowings and others as of June 30, 2022 (Korean won in millions and foreign currencies in thousands):

Company	Asset	Currency	amount (*1)	Provided to	Description
SK Innovation Co., Ltd.	Investments in associates	KRW	-	Yemen LNG Company and others	Collateral for project financing
Netruck Co., Ltd.	Property, plant and equipment	KRW	4,500	Shinhan Bank	Collateral for borrowing
Won Poll Co., Ltd.	Property, plant and equipment	KRW	3,360	Shinhan Bank	Collateral for borrowing
SK Broadband Co., Ltd.	Property, plant and equipment	KRW	1,513	Lessor	Restricted real rights for office lease
Panasia Semiconductor Materials, LLC	Investment securities	KRW	18,345	Hana Securities Co., Ltd. and others	Collateral for borrowing
Incross Co., Ltd.	Financial instruction	KRW	23,787	Naver Co., Ltd. and others	Performance guarantees for contract
One store Co., Ltd.	Investment property and others	KRW	612	Shinhan Bank	Collateral for borrowing
SK Networks Co., Ltd.	Property, plant and equipment	KRW	390,748	Korea Development Bank and others	Collateral for sales and others
SK Magic Co., Ltd.	Property, plant and equipment	KRW	96,000	Korea Development Bank	Collateral for borrowing
SK Rent-a-Car Co., Ltd.	Property, plant and equipment	KRW	320,449	Korea Development Bank and others	Collateral for borrowing
	Financial instruction	KRW	300	Kodit 2022 the 5 <sup>th</sup> Securitization Specialty Co., Ltd.	Collateral for borrowing
		KRW	300	Kodit Global 2022-1 Co., Ltd.	Collateral for borrowing
SKC Solmics Co., Ltd.	Property, plant and equipment	KRW	91,100	Korea Development Bank and others	Collateral for borrowing
SK pucore Co., Ltd.	Property, plant and equipment	KRW	64,293	Korea Development Bank	Collateral for borrowing
SKCFTH Co., Ltd.	Investment subsidiaries	KRW	690,000	Korea Development Bank and others	Collateral for borrowing
SK Nexilis Co., Ltd.	Property, plant and equipment	KRW	396,000	Korea Development Bank and others	Collateral for borrowing
	Investment subsidiaries	KRW	99,920	Korea Development Bank	Collateral for borrowing
SK PIC Global Co., Ltd.	Property, plant and equipment	KRW	33,600	Korea Development Bank	Collateral for borrowing
SKC, Inc.	Property, plant and equipment	USD	70,000	Standard Chartered Bank	Collateral for borrowing
SK E&S Co., Ltd.	Investments in subsidiaries	KRW	300,000	Korea Development Bank and others	Collateral for PF
	Investments in joint ventures	KRW	150,319	Korea Development Bank and others	Collateral for PF
		USD	14,000	BANGKOK BANK PUBLIC COMPANY LIMITED	Collateral for PF
	Investments in associates	KRW	18,621	Industrial Bank of Korea and others	Collateral for PF
Ko-one energy service Co., Ltd.	Investments in associates	KRW	2,711	Kookmin Bank and others	Collateral for PF
Busan Green Energy Co., Ltd.	Investments in associates	KRW	5,153	Shinhan Bank and others	Collateral for PF
Busan City Gas Co., Ltd.	Investment property	KRW	3,990	Megamart Co., Ltd. and others	Leasehold deposits
Paju Energy Service Co., Ltd.	Property, plant and equipment	KRW	360,000	Kookmin Bank and others	Collateral for borrowing
Chonnam City Gas Co., Ltd.	Property, plant and equipment	KRW	81	LG Hello Vision Co., Ltd.	Collateral for deposits received
Narae Energy Service Co., Ltd.	Property, plant and equipment and others	KRW	505,000	Korea Development Bank and others	Collateral for borrowing
Yeoju Energy Service Co., Ltd.	Property, plant and equipment	KRW	601,200	Korea Development Bank and others	Collateral for PF
Busan Jungkwan Energy Co., Ltd.	Property, plant and equipment	KRW	100,800	NH Bank and others	Collateral for borrowing
IGE Co., Ltd.	Property, plant and equipment	KRW	24,000	Korea Development Bank	Collateral for borrowing
Key Capture Energy, LLC.	Financial instruction	USD	96,539	RABOBANK and others	Collateral for service use
SK Ecoplant Co., Ltd.	Investment securities and others	KRW	33,401	Pledge establishment and others	Collateral for borrowing and others
	Investment property	KRW	1,415,982	Korea Development Bank and others	Collateral for borrowing
Seongju Tech Co., Ltd.	Property, plant and equipment	KRW	10,206	Woori Bank	Collateral for borrowing
DDS Co., Ltd.	Property, plant and equipment	KRW	3,000	Korea Development Bank	Collateral for borrowing
Samwon ENT Co., Ltd.	Cash equivalents	KRW	-	KB Securities	Collateral for borrowing
Daewon Green Energy Co., Ltd.	Property, plant and equipment	KRW	5,280	Korea Development Bank	Collateral for borrowing
Green Environment Technology Co., Ltd.	Property, plant and equipment	KRW	19,693	Korea Development Bank	Collateral for borrowing
Environment Management Corporation Co., Ltd.	Property, plant and equipment	KRW	33,973	KEB Hana Bank and others	Collateral for borrowing
	Investments in subsidiaries	KRW	529,311	KEB Hana Bank and others	Collateral for borrowing
	Investment securities and others	KRW	10,140	Korea Development Bank and others	Collateral for borrowing
	Others	KRW	1,442,054	KEB Hana Bank and others	Establishing pledge and others

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**32. Pledged assets (cont'd)**

Company	Asset	Currency	amount (*1)	Provided to	Description
Eco Frontier (Singapore) Pte. Ltd.	Financial instruction	SGD	5,811	Maybank, CIMB, HSBC, Hua Nan Bank, ANZ Banking Group and others	Collateral for bank guarantee
	Property, plant and equipment	EUR	3,833	Sparkasse Vest Recklinghausen, Royal Bank of Scotland, Banco Santander and others	Collateral for borrowing
		SGD	20,390	Maybank	Collateral for borrowing
		THB	1,290	Bangkok Bank Public Co., Ltd.	Collateral for borrowing
SK Industrial Development China Co., Ltd.	Others	CNY	2,000,000	Bank of China communications	Collateral for borrowing
SK Specialty Co., Ltd.	Property, plant and equipment	KRW	137,000	Korea Development Bank	Collateral for borrowing
		USD	3,500	Korea Development Bank	Collateral for borrowing
		JPY	3,690,000	Korea Development Bank	Collateral for borrowing
		KRW	1,668	Yeongju city and Gyeongsang Buk-do	Government subsidy
	Financial instruction	KRW	60	Kodit 2022 the 9 <sup>th</sup> Securitization Specialty Co., Ltd.	Collateral for borrowing
		KRW	75	Kodit 2022 the 10 <sup>th</sup> Securitization Specialty Co., Ltd.	Collateral for borrowing
		KRW	165	Kodit Global 2022-1 Co., Ltd.	Collateral for borrowing
SK Specialty Japan Co., Ltd.	Property, plant and equipment	JPY	315,000	MUFG Bank	Collateral for borrowing
SK Materials Airplus Inc.	Property, plant and equipment	KRW	684,000	Korea Development Bank and others	Collateral for borrowing
SK Tri Chem Co., Ltd.	Property, plant and equipment	KRW	3,692	Sejong City	Local investment promotion subsidy support collateral
SK Showa Denko Co., Ltd.	Property, plant and equipment	KRW	30,000	Korea Development Bank	Collateral for borrowing
SK Siltron Co., Ltd.	Property, plant and equipment	KRW	531,220	Korea Development Bank and others	Collateral for borrowing
SK Biotech Co., Ltd.	Property, plant and equipment	KRW	120,000	Korea Development Bank	Collateral for borrowing
Hweechan Co., Ltd.	Property, plant and equipment	KRW	13,440	KEB Hana Bank	Collateral for borrowing
SK REITs Co., Ltd.	Investment property	KRW	1,147,466	The lender and the lessor	Collateral for borrowing
Clean Energy REITs Co., Ltd.	Investment property	KRW	572,314	The lender and the lessor	Collateral for borrowing
SK Signet Inc.	Property, plant and equipment and others	KRW	12,000	Woori Bank	Collateral for borrowing
SK China Company, Ltd.	Others	USD	2,600	Kookmin Bank (Beijing)	Collateral for vehicls sales settlement
SK South East Asia Investment Pte. Ltd.	Property, plant and equipment and others	VND	11,095	ADB and Vietcombank	Collateral for borrowing and others
YES POWERTECHNIX	Property, plant and equipment	KRW	1,320	Industrial Bank of Korea	Collateral for borrowing
SK Materials Performance Co., Ltd.	Property, plant and equipment	KRW	8,221	Korea Development Bank	Collateral for borrowing

(\*1) The carrying amount of investment securities provided as collaterals for PF loans and facility borrowings are included.

SK Sheildus Co., Ltd., a subsidiary, provides its shares in Capstec Co., Ltd. as collateral for its long-term borrowing of ₩1,713,291 million.

T-map Mobility Co., Ltd., a subsidiary, has signed a stock pledge establishment contract with the seller in connection with the acquisition of common shares of Seoul Airbus Co., Ltd. The seller has established the shares equivalent to 20% of the total number of shares issued by Seoul Airbus Co., Ltd. as the first priority in order to secure all debts to be borne in the future under Tmap Mobility Co., Ltd.'s stock trading contract and shareholder contract.

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**33. Guarantees provided among the Group entities**

Guarantees provided among the Group entities as of June 30, 2022 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantor	Guarantee	Currency	Amount	Description of guarantee
SK Inc.	Abrasax Investment Inc.	USD	315,000	Cash deficiency support of debt
	Hudson Energy NY, LLC	USD	226,000	Cash deficiency support of debt
SK Innovation Co., Ltd.	SK Battery America, Inc.	USD	1,680,000	Guarantee of debt
	SK Battery Hungary Kft.	USD	250,000	Guarantee of debt
	SK Hi-tech Battery Materials (Jiangsu) Co., Ltd.	USD	50,000	Guarantee of debt
	SK Hi-Tech Battery Materials Poland Sp. Zo.o.	CNY	500,000	Guarantee of debt
	SK Battery Manufacturing Kft.	USD	130,000	Guarantee of debt
		USD	500,000	Guarantee of debt
	SK Earthon Co., Ltd.	HUF	34,194,000	Guarantee of local factory construction
		USD	34,000	Guarantee of mandatory work load for mining products
SK Innovation Co., Ltd. and SK On Co., Ltd.	SK On Hungary Kft.	HUF	9,810,000	Guarantee of local factory construction
SK Geo Centric Co., Ltd.	SK Ningbo Performance Rubber Co., Ltd.	USD	14,000	Guarantee of payment for license agreement
	SK Global Chemical Americas, Inc.	USD	160,000	Guarantee of payment for principal of debt
	SK Functional Polymer, S.A.S	EUR	216,000	Guarantee of payment for principal of debt
SK ie technology Co., Ltd.	SK Hi-Tech Battery Materials(Jiang Su) Co., Ltd.	CNY	700,000	Guarantee of financial obligation
SK Networks Co., Ltd.	SK Networks Hong Kong Ltd.	USD	90,600	Standing surety for investee
	SK Networks (Shanghai) Co., Ltd.	USD	18,000	Standing surety for investee
		CNY	54,000	Standing surety for investee
	SK Networks (Xiamen) Steel Processing Center Co., Ltd.	CNY	68,000	Standing surety for investee
SKC Co., Ltd.	SK Networks Resources Australia Pty. Ltd.	AUD	8,000	Standing surety for investee
	SKC, Inc.	USD	109,000	Guarantee of payment
	SKC (Jiangsu) High Tech Plastics Co., Ltd.	USD	69,725	Guarantee of payment
		CNY	210,000	Guarantee of payment
	SK Telesys Co., Ltd.	KRW	30,000	Guarantee of financial obligation
	SKC (Natong) PU Specialty Co., Ltd.	CNY	80,254	Guarantee of payment
		USD	7,000	Guarantee of payment
	SKC (Natong) Semiconductor Materials Technology Co., Ltd.	USD	5,200	Guarantee of payment
SK E&S Co., Ltd.	CAILIP Gas Marketing, LLC	USD	210,000	Guarantee for derivative hedge and others
	Paju Energy Service Co., Ltd.	KRW	400,000	Guarantee of debt and others
	Narae Energy Service Co., Ltd.	KRW	270,000	Guarantee of debt and others
	Yeoju Energy Service Co., Ltd.	KRW	200,000	Guarantee of payment for principal of debt
	Prism Energy International Pte. Ltd.	USD	801,000	Guarantee for derivative hedge and others
	LAI LNG, LLC	USD	63,000	Guarantee for derivative hedge and others
	IGE Co., Ltd.	KRW	130,000	Guarantee of debt
	BU12 Australia Pty. Ltd.,	USD	306,650	Guarantee for BU gas field recovery cost
	BU13 Australia Pty. Ltd.	USD		
SK E&S Americas, Inc.	Caillip Gas Marketing, LLC	USD	40,000	Performance guarantee for purchase contract of Feed Gas
SK Ecoplant Co., Ltd.	SKEC Anadolu, LLC	EUR	62,330	Performance guarantees for contract and others
	Silvertown Investco Limited.	GBP	10,671	Guarantee of financial obligation
	Sunlake Co., Ltd.	CAD	6,000	Guarantee of financial obligation
	SK E&C Betek Corporation	USD	108,500	Guarantee of financial obligation
	Environment Management Corporation Co., Ltd.	KRW	60,880	Fund supplement agreement for loan agreement
	Samwon ENT Co., Ltd.	KRW	69,000	Conditional debt acquisition
	Eco Frontier (Singapore) Pte. Ltd.	USD	810,000	Guarantee of payment and others
Environment Management Corporation Co., Ltd.	Gyeongsan Clean Water Way Co., Ltd.	KRW	8,200	Guarantee of debt and others
	Dalseong Maleunmulgil Co., Ltd.	KRW	3,200	Guarantee of debt and others
	Honam Environment Energy Co., Ltd.	KRW	8,000	Guarantee of debt
SK Specialty Co., Ltd.	SK Specialty Jiangsu Co., Ltd.	USD	29,000	Guarantee of debt
	SK Specialty Taiwan Co., Ltd.	USD	2,000	Guarantee of debt
	SK Specialty Japan Co., Ltd.	JPY	276,000	Guarantee of debt
SK Biotek Co., Ltd.	SK Biotek Ireland Limited.	USD	30,000	Guarantee for credit limit
		EUR	10,000	Performance guarantees
SK Siltron Co., Ltd.	SK Siltron CSS, LLC	USD	55,000	Guarantee of debt

### 34. Financial risk management

Regarding financial instruments, the Group is exposed to a variety of financial risks: credit, liquidity and market. This note presents information related to risk exposures of the Group and the main objective, strategy, evaluation of risk, management process and capital management. Additional quantitative information is stated throughout the interim condensed consolidated financial statements.

#### 34.1 Financial risk management

##### 34.1.1 Risk management activities

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The risk management committee reports regularly to the board of directors on its activities. The Group audit committee is assisted in its oversight role by internal audit.

Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group audit committee. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

##### 34.1.2 Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In addition, the maximum exposure to credit risk as of June 30, 2022 and December 31, 2021 is as follows (Korean won in millions):

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Financial assets measured at FVTPL	₩ 14,705,572	₩ 10,871,691
Financial assets measured at FVOCI	18,754	7,799
Financial assets measured at amortized cost	28,685,959	25,365,205
Derivatives designated as hedging instruments	<u>696,227</u>	<u>263,779</u>
	<u>₩ 44,106,512</u>	<u>₩ 36,508,474</u>

The Group has provided payment guarantees for others including related parties, associates and others. The Group, due to its payment guarantees, is exposed to credit risk (see Note 31).

##### 34.1.2.1 Trade and other receivables

The Group enters into transactions only with customers that are credit worthy. Credit quality of a customer is assessed based on an extensive credit rating scored and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and credit quality may be adjusted to reflect the appropriate appetite of credit risk in accordance with the Group's risk management policies.

The Group applies a simplification method that recognizes lifetime expected credit losses as a loss allowance for trade and other receivables. To measure expected credit losses, sales receivables and contract assets were divided based on credit risk characteristics and past due dates.

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**34.1.2.2 Guarantee**

SK ecoplant Co., Ltd., one of the subsidiaries, offers payment guarantees for loans of project financing. The financing liabilities related to the payment guarantees recognized are ₩16,974 million as of June 30, 2022. The Group recognizes the financial guarantee liabilities related to the payment guarantees contracted with the Group, such as SK ecoplant Co., Ltd., as of June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
SK Innovation Co., Ltd.	₩ 773	₩ 1,137
SK ecoplant Co., Ltd.	16,974	15,921
SKC Co., Ltd.	72	-
SK Biotek Co., Ltd.	472	472
SK Showa Denko Co., Ltd.	4	22
	<u>₩ 18,295</u>	<u>₩ 17,552</u>

In addition, the Group has provided payment guarantees for others, including subsidiaries and others (see Notes 31 and 33).

**34.1.2.3. Other financial assets**

Credit risk arising from other financial assets consists of long-term and short-term financial instruments, occurrence of trade opponent arising from the bankruptcy, etc. In this case, the credit risk exposure of the Group will be the same as the book value of the maximum applicable financial instruments. On the other hand, the management of the Group's credit rating, because it is excellent to deal with financial institutions, is judged to have limited impact on the credit risk of the financial institutions of the Group.

**34.1.3 Liquidity risk**

Liquidity risk is the risk that the Group encounters difficulty in meeting the obligations of the financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The contractual maturity of financial liabilities as of June 30, 2022 is as follows. Amounts include interests paid and presented at gross amounts (Korean won in millions):

	Book value	Contractual cash flow	Less than 3 months	3~12 months	1~5 years	More than 5 years
Loans and borrowings	₩ 32,020,989	₩ 33,376,176	₩ 7,179,326	₩ 11,913,194	₩ 13,642,032	₩ 641,624
Bonds	35,936,871	39,374,422	1,222,455	6,207,664	24,658,904	7,285,399
Derivative financial liabilities	675,928	675,928	75,371	263,129	337,428	-
Trade payables	14,802,757	14,802,757	13,958,765	843,992	-	-
Lease liabilities	5,486,802	6,118,991	144,312	1,151,486	3,418,624	1,404,569
Other liabilities	13,655,741	13,683,182	5,945,513	5,846,893	1,652,360	238,416
	<u>₩ 102,579,088</u>	<u>₩ 108,031,456</u>	<u>₩ 28,525,742</u>	<u>₩ 26,226,358</u>	<u>₩ 43,709,348</u>	<u>₩ 9,570,008</u>

**34.1.4 Market risk**

Market risk is the fluctuating risk in fair value of the financial instruments or future cash flows caused by the changes in market price. Market risk consists of currency risk, interest rate risk, crude oil and petroleum product price risk, and others. The fundamental goal of market price management is the maximization of the profit and the limit of the exposure to market risk within an acceptable level. The Group sells and purchases financial derivatives and financial instruments or financial liabilities for the purpose of controlling the market risk. In general, the Group applies hedge accounting in order to minimize the volatility of profit.

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**34.1.4.1 Currency risk**

The Group is exposed to foreign currency risk arising from sales and purchases denominated in currencies other than functional currency. Main currencies used for these transactions are USD, JPY, CNY and EUR.

Details of foreign currencies assets and liabilities as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions and foreign currencies in thousands):

	Currency	June 30, 2022		December 31, 2021	
		Foreign currencies	Korean won equivalent	Foreign currencies	Korean won equivalent
Assets	USD	11,374,747	₩ 14,706,410	7,542,986	₩ 8,942,210
	JPY	16,057,463	151,976	16,318,984	168,125
	CNY	2,106,095	405,950	2,468,361	459,757
	EUR	332,733	449,206	400,449	537,539
	Others		2,099,188		912,134
			₩ 17,812,730		₩ 11,019,765
Liabilities	USD	14,541,698	₩ 18,800,961	11,908,339	₩ 14,117,336
	JPY	12,788,127	121,033	10,970,493	113,022
	CNY	4,800,813	925,357	1,024,139	190,756
	EUR	467,893	631,679	167,922	225,408
	Others		593,233		531,211
			₩ 21,072,263		₩ 15,177,733

Should the exchange rate of the aforementioned currencies fluctuate by 10%, the effects on equity would be as follows (Korean won in millions):

Currency	June 30, 2022		December 31, 2021	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ (409,455)	₩ 409,455	₩ (517,513)	₩ 517,513
JPY	3,094	(3,094)	5,510	(5,510)
CNY	(51,941)	51,941	26,900	(26,900)
EUR	(18,247)	18,247	31,213	(31,213)

The Group is hedging currency risk by using derivative financial instruments such as currency swaps, currency forwards and others (See Note 19).

**34.1.4.2 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's management has entered into the foreign currency swap and interest rate swap contracts to manage its interest rate risk (see Note 19).

### 34.2 Capital risk management

The fundamental goal of capital management is to keep a sound financial structure. The Group is using the debt ratio, calculated as total debt divided by total amount of capital, as an indicator of capital management. The Group maintains a debt ratio of 162.1% as of June 30, 2022. The maturity of the debt is dispersed in the long term; so, debt-repayments are not demanding.

The Group's debt ratio as of June 30, 2022 and December 31, 2021 are as follows (Korean won in millions):

	June 30, 2022	December 31, 2021
Total liabilities	₩ 115,691,612	₩ 99,815,712
Total equity	71,362,539	65,542,735
Debt ratio	162.1%	152.3%

### 35. Business combination

As of June 30, 2022, details of business combination are as follows.

#### (1) General information

In order to strengthen the manufacturing and sales business of basic chemical raw materials (Polyol), SKC Co., Ltd. acquired substantial control over 50% of Mitsui Chemicals & SKC Polyurethanes Inc. on January 1, 2022 as the date of acquisition. Accordingly, the classification of Mitsui Chemicals & SKC Polyurethanes Inc. has been changed from investment in joint venture to investment in subsidiary.

Mobility Solution II Inc., a subsidiary, gained control by acquiring a 100% stake in EverCharge, Inc. on March 23, 2022.

SK ecoplant., Co., Ltd., a subsidiary, established Eco Frontier (Singapore) Pte. Ltd. during the current period to start the electronic waste recycling business, and acquired 100% of shares in Tes-Envirocorp Pte. Ltd. on April 30, 2022, the deemed acquisition date and acquired 52 subsidiaries. In addition, for the purpose of expanding the portfolio of environmental business during the current period, SK ecoplant., Co., Ltd. acquired 100% of the shares of J.A. Green Co., Ltd. on June 30, 2022, the deemed acquisition date.

T-map Mobility Co., Ltd., a subsidiary, acquired a 100% stake and gained control in Seoul Airbus Co., Ltd. to expand and strengthen its business portfolio.

**SK Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**35. Business combination (cont'd)**

(2) Identifiable assets acquired and liabilities assumed

Identifiable assets acquired and liabilities assumed due to merger are as follows (Korean won in millions):

	<u>SK pucore Co., Ltd.</u>	<u>EverCharge, Inc.</u>	<u>Tes-Envirocorp Pte. Ltd.</u>	<u>JA GREEN Co., Ltd.</u>	<u>Seoul Airbus Co., Ltd.</u>
<b>Assets:</b>					
Cash and cash equivalents	₩ 11,986	₩ 765	₩ 96,399	₩ 1,194	₩ 328
Trade and other receivables	113,340	1,114	116,360	2,278	1,019
Inventories	96,862	1,403	21,353	-	36
Property, plant and equipment	107,061	183	82,267	38,858	7,240
Right-of-use assets	9,687	-	36,300	7	5
Intangible assets	113,874	250	29,791	1	395
Other assets	411,605	518	27,716	2,226	4,959
	<u>864,415</u>	<u>4,233</u>	<u>410,186</u>	<u>44,564</u>	<u>13,982</u>
<b>Liabilities:</b>					
Trade and other payables	₩ 97,359	₩ 1,260	₩ 124,723	₩ 3,585	₩ 1,560
Borrowing liabilities	113,774	3,481	48,008	12,100	-
Lease liabilities	10,176	-	37,600	-	5
Current income tax liabilities	3,878	-	-	614	-
Defined benefit liabilities	682	-	-	-	163
Deferred income tax liabilities	14,072	-	8,176	-	-
Other liabilities	11,796	110	32,238	11,082	213
	<u>251,737</u>	<u>4,851</u>	<u>250,745</u>	<u>27,381</u>	<u>1,941</u>
<b>Fair value of identifiable net assets</b>	<u>₩ 612,678</u>	<u>₩ (618)</u>	<u>₩ 159,441</u>	<u>₩ 17,183</u>	<u>₩ 12,041</u>

As of June 30, 2022, the fair value of the assets acquired and liabilities assumed was determined tentatively because independent valuation was not completed.

(3) Goodwill

Goodwill arising from business combination is as follows (Korean won in millions):

	<u>SK pucore Co., Ltd.</u>	<u>EverCharge, Inc.</u>	<u>Tes-Envirocorp Pte. Ltd.</u>	<u>JA GREEN Co., Ltd.</u>	<u>Seoul Airbus Co., Ltd.</u>
a. The total consideration transferred (*1)	₩ 400,212	₩ 314,401	₩ 1,369,872	₩ 132,230	₩ 57,797
b. Fair value of proportionate share of acquired net assets:					
Fair value of the net identifiable assets	612,678	(618)	159,441	17,183	12,041
Non-controlling Interests (*2)	(400,212)	-	-	-	-
	<u>212,466</u>	<u>(618)</u>	<u>159,441</u>	<u>17,183</u>	<u>12,041</u>
c. Goodwill (c=a-b)	<u>₩ 187,746</u>	<u>₩ 315,019</u>	<u>₩ 1,210,431</u>	<u>₩ 115,047</u>	<u>₩ 45,756</u>

(\*1) It includes the fair value of interests of investments in associates and joint ventures held before the business combination.

(\*2) Non-controlling interests arising from the merger are measured in proportion to the non-controlling interests in identifiable net assets of the merged company.

### **36. Subsequent events**

#### **36.1 Interim dividend payment of SK Inc.**

SK Inc. declared to pay interim dividend in accordance with the board's resolution on July 21, 2022 as follows:

	Details
Amount of interim dividend	₩1,500 per share (total amount of dividend: ₩85,035 millions)
Ratio of dividend to market value	Ordinary shares: 0.7%, Preferred Shares: 0.8%
Basic date for dividend	June 30, 2022
Date of dividend payment	Within one month from the resolution date by Commercial Act Article 464-2 (1)

#### **36.2 Establishment and Investment of Energy Solution Group**

On August 2, 2022, the Company jointly established and acquired Energy Solution Group (acquisition amount: USD 161 million) with its subsidiary, SK Energy Co., Ltd.

#### **36.3 Establishment and acquisition of BlueOval SK, LLC by SK ON Co., Ltd**

SK ON Co., Ltd., a subsidiary, increased paid-in capital (investment amount: USD 139 million) in SK Battery America, Inc., a subsidiary, as of July 12, 2022 according to the resolution of the board of directors on June 29, 2022. With the increase in capital, SK Battery America Inc., a subsidiary, has established and acquired a 50% stake in BlueOval SK, LLC, a joint venture with Ford Motor Company, as of July 13, 2022.

#### **36.4 Acquisition of a stake in Changzhou BTR New Material Technology in SK ON Co., Ltd.**

SK ON Co., Ltd., a subsidiary, acquired a 31.3% stake in Changzhou BTR New Material Technology as of July 15, 2022 (acquired amount: CNY 438 million) to secure supply stability and business competitiveness of cathode materials.

#### **36.5 Interim dividend payment of SK Telecom Co., Ltd.**

SK Telecom Co., Ltd. declared to pay interim dividend in accordance with the board's resolution on July 28, 2022 as follows:

	Details
Amount of interim dividend	₩ 830 per share (total amount of dividend: ₩ 180,967 millions)
Ratio of dividend to market value	1.55%
Basic date for dividend	June 30, 2022
Date of dividend payment	Within August 17, 2022 on the basis of Article 165-12 (3) of the Capital Market and Financial Investment Business Act

### **36.6 Resolution to exchange shares of SK Telecom Co., Ltd.'s**

SK Telecom Co., Ltd., a subsidiary, decided to buy and sell shares to strengthen strategic cooperation with Hana Financial Group at the board of directors' meeting on July 22, 2022.

According to the resolution, on July 27, 2022, SK Telecom Co., Ltd. disposed of all of Hana Card Co., Ltd.'s common shares (39,902,323 shares) and Finnq Inc.'s common shares (6,370,000 shares) to Hana Financial Group for ₩ 330,032 million and ₩ 5,733 million, respectively. SK Telecom Co., Ltd. is obligated to purchase common shares of Hana Financial Group from July 27, 2022 to January 31, 2024 after depositing ₩ 330,032 million in a specific money trust by the agreement with Hana Financial Group.

As part of the above transaction, SK Telecom Co., Ltd. disposed of all shares in SK Square Co., Ltd. (767,011 shares) to Hana Card Co., Ltd. for ₩ 31,563 million on July 27, 2022, and Hana Card Co., Ltd. is obligated to purchase common shares of SK Telecom Co., Ltd. from July 27, 2022 to January 31, 2024 after depositing ₩ 68,437 million in a specific money trust.

Shares acquired by SK Telecom Co., Ltd., Hana Financial Group Co., Ltd., and Hana Card Co., Ltd. cannot be sold until the end of March 2025.

### **36.7 Disposal of NanoEnTek Inc. by SK Square Co., Ltd.**

SK Square Co., Ltd., a subsidiary, decided to dispose of 7,600,649 shares (28.4% stake) of common stock of NanoEnTek Inc. at the board meeting on July 19, 2022. The disposal amount is ₩ 58,000 million, and the scheduled disposal date is September 22, 2022.

### **36.8 Investment Resolution of T-Mobility Co., Ltd.**

In order to expand and strengthen its business portfolio, T-map Mobility Co., Ltd., the subsidiary, decided to acquire 10,000 shares (100% stake) of common stock in Ro G Soft Ltd. at the board meeting on June 15, 2022. The acquisition amount is ₩ 54,701 million, and the acquisition completion date is August 8, 2022. The acquisition amount may vary depending on the earnout provision and terms and conditions of the contract.

### **36.9 Issuance of convertible preferred shares of SK ecoplant Co., Ltd.**

SK ecoplant Co., Ltd., a subsidiary, has decided to issue 1,333,334 shares of preferred stocks (CPS) with voting rights in accordance with a resolution of the board of directors held on June 30, 2022. The date of issuance of the convertible preferred stock is July 22, 2022, and the issuance amount is ₩ 600,000 million (issue price: ₩ 450,000 per share, face value: ₩ 5,000).

### **36.10 Call option exercise of SK ecoplant Co., Ltd.**

By the resolution of the board of directors' meeting on August 10, 2022, SK ecoplant Co., Ltd., a subsidiary, decided to exercise the right to call options of USD 310 million to Bloom Energy Corporation.

**36.11 Technology Transfer Contract Signs of SK Biopharmaceuticals Co., Ltd.**

SK Biopharmaceuticals Co., Ltd., a subsidiary, signed a technology transfer agreement with Eurofarma Laboratorios S.A. based in Brazil in July 2022 to grant exclusive rights of Cenobamate in 17 Latin American countries including Brazil and Mexico, and received a USD 15,000,000 of upfront payment. In this regard, revenue was recognized for intellectual property right as right-of-use asset at a point in time. Revenues will be recognized for Milestone Payments for up to USD 43,000,000 if contractual conditions are met in the future such as permission from Brazilian and Mexican regulators and commercialization.

**36.12 Issuance of Public Offered Bonds by SK E&S Co., Ltd.**

SK E&S Co., Ltd., a subsidiary, has issued unguaranteed public offering bonds, and the details of issuance are as follows (Korean won in millions):

	The date of issue	Maturity date	Interest rate (%)	June 30, 2022
17-1	2022-07-27	2025-07-25	4.23	₩ 260,000
17-2	2022-07-27	2027-07-27	4.29	90,000
				<u>₩ 350,000</u>