



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

Condensed Consolidated Interim Financial Statements  
June 30, 2023  
(with Independent Auditors' Review Report Thereon)

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## **Independent Auditors' Review Report**

### **Based on a report originally issued in Korean**

To the Shareholders and Board of Directors of  
SK Inc.

#### **Reviewed Financial Statements**

We have reviewed the accompanying condensed consolidated interim financial statements of SK Inc. and its subsidiaries (the "Company"), expressed in Korean won, which comprise the condensed consolidated interim statement of financial position as of June 30, 2023, the related condensed consolidated interim statement of comprehensive income (loss) for the three-month and six-month periods ended June 30, 2023, and the related condensed consolidated interim statement of changes in equity and cash flows for the six-month period ended June 30, 2023, and notes comprising a summary of material accounting policy information and other explanatory information.

#### **Responsibilities of Management for the Interim Financial Statements**

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standard ("K-IFRS") No. 1034 "Interim Financial Reporting", and for such internal control as management determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibilities**

Our responsibility is to express a conclusion on these condensed consolidated interim 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 condensed consolidated interim financial statements referred to above are not presented fairly, in all material respects, in accordance with the K-IFRS No. 1034, "Interim Financial Reporting".

#### **Other matters**

The condensed consolidated interim statements of comprehensive income for the three-month and six-month periods ended June 30, 2022, and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period ended June 30, 2022, presented for comparative purposes, were reviewed by another auditor whose report dated August 16, 2022, stated that nothing has come to their attention that causes them to believe that the condensed consolidated interim financial information as of June 30, 2022 was not prepared, in all material respects, in accordance with the K-IFRS No. 1034, "Interim Financial Reporting".

Moreover, the consolidated statement of financial position as of December 31, 2022, the related statement of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by another auditor in accordance with KSAs, whose report thereon dated March 14, 2023, expressed an unqualified opinion. The accompanying consolidated statement of financial position as of December 31, 2022, presented for comparative purposes, is not different from that audited by another auditor from which it was derived in all material respects.



The procedures and practices utilized in the Republic of Korea to review such condensed consolidated interim financial statements may differ from those generally accepted and applied in other countries.

The accompanying condensed consolidated interim financial statements as of June 30, 2023, for the three-month and six-month periods ended June 30, 2023 and 2022, and the consolidated statement of financial position as of December 31, 2022 have been translated into United States dollars solely for the convenience of the reader and such translation does not comply with K-IFRS. We have reviewed the translation and nothing came to our attention that cause us to believe that the condensed consolidated interim financial statements expressed in Korean won have not been translated into dollars on the basis set forth in note 2.1 to the condensed consolidated interim financial statements.

*KPMG Samjong Accounting Corp.*

KPMG Samjong Accounting Corp.  
Seoul, Korea  
August 14, 2023

This review report is effective as of August 14, 2023, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this review report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

**SK Inc. and its subsidiaries**  
**Condensed consolidated interim statements of financial position**  
**as of June 30, 2023 and December 31, 2022**

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

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	5	₩ 21,928,210	₩ 21,393,853	\$ 16,703,390	\$ 16,296,354
Short-term financial instruments	5, 32	3,410,911	3,727,273	2,598,195	2,839,178
Trade receivables, net	5, 6, 27, 32, 34	13,063,416	14,334,532	9,950,804	10,919,052
Other receivables, net	5, 27, 31, 34	2,846,200	3,559,791	2,168,038	2,711,602
Inventories, net	7, 32	14,804,552	15,552,284	11,277,081	11,846,651
Short-term investment securities	5, 8, 32, 34	180,134	240,621	137,214	183,288
Other current assets	5, 6, 18, 19, 32, 34	6,232,644	5,589,702	4,747,596	4,257,847
Assets held for sale	29	3,823,726	595,523	2,912,649	453,628
<b>Total current assets</b>		<b>66,289,793</b>	<b>64,993,579</b>	<b>50,494,967</b>	<b>49,507,600</b>
Non-current assets:					
Long-term financial instruments	5, 32	74,601	112,484	56,826	85,683
Long-term trade receivables, net	5, 6, 27, 34	536,234	517,701	408,466	394,349
Long-term other receivables, net	5, 27, 31, 34	348,155	380,964	265,200	290,192
Long-term investment securities	5, 8, 32, 34	9,011,826	7,950,497	6,864,584	6,056,137
Investments in associates and joint ventures	9, 32	25,876,356	27,457,005	19,710,814	20,914,842
Property, plant and equipment, net	10, 32	66,085,807	59,921,872	50,339,585	45,644,327
Right-of-use assets, net	11	5,170,900	5,437,414	3,938,833	4,141,845
Investment property, net	12, 32	1,874,300	1,866,106	1,427,712	1,421,470
Goodwill	13	6,946,903	7,475,558	5,291,669	5,694,362
Intangible assets, net	14	11,281,710	12,709,019	8,593,624	9,680,849
Defined benefit assets	17	495,885	660,282	377,731	502,957
Deferred tax assets		1,405,070	1,166,846	1,070,285	888,822
Other non-current assets	5, 6, 18, 19, 27, 34	3,962,734	3,856,533	3,018,535	2,937,640
<b>Total non-current assets</b>		<b>133,070,481</b>	<b>129,512,281</b>	<b>101,363,864</b>	<b>98,653,475</b>
<b>Total assets</b>		<b>₩ 199,360,274</b>	<b>₩ 194,505,860</b>	<b>\$ 151,858,831</b>	<b>\$ 148,161,075</b>
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Current liabilities:					
Short-term borrowings	5, 15, 31, 32, 34	₩ 16,041,188	₩ 17,457,297	\$ 12,219,065	\$ 13,297,758
Trade payables	5, 27, 34	12,316,382	14,024,892	9,381,766	10,683,190
Other payables	5, 27, 34	7,296,831	7,204,577	5,558,220	5,487,947
Provisions	16	570,301	640,198	434,416	487,658
Current portion of long-term debt	5, 15, 31, 32, 34	12,066,062	11,373,120	9,191,089	8,663,254
Other current liabilities	5, 6, 11, 18, 19	11,327,813	12,285,360	8,628,742	9,358,135
Liabilities held for sale	29	2,999,423	67,760	2,284,752	51,615
<b>Total current liabilities</b>		<b>62,618,000</b>	<b>63,053,204</b>	<b>47,698,050</b>	<b>48,029,557</b>
Non-current liabilities:					
Bonds and long-term borrowings	5, 15, 31, 32, 34	48,060,249	45,641,745	36,608,965	34,766,716
Long-term other payables	5, 34	1,351,095	1,513,207	1,029,170	1,152,656
Defined benefit liabilities	17	86,414	170,368	65,824	129,775
Provisions	16	1,046,308	866,826	797,005	660,288
Deferred tax liabilities		3,661,205	4,435,594	2,788,852	3,378,728
Other non-current liabilities	5, 6, 11, 18, 19, 27, 34	7,028,087	7,016,126	5,353,509	5,344,398
<b>Total non-current liabilities</b>		<b>61,233,358</b>	<b>59,643,866</b>	<b>46,643,325</b>	<b>45,432,561</b>
<b>Total liabilities</b>		<b>123,851,358</b>	<b>122,697,070</b>	<b>94,341,375</b>	<b>93,462,118</b>
<b>Equity</b>					
Equity attributable to owners of the parent:					
Share capital	1, 20	16,143	16,143	12,297	12,297
Other paid-in capital	20	6,907,960	6,401,912	5,262,005	4,876,533
Retained earnings	20	14,548,240	14,918,613	11,081,840	11,363,965
Other components of equity	20	803,107	258,878	611,751	197,195
Equity attributable to owners of the Parent Company		22,275,450	21,595,546	16,967,893	16,449,990
Non-controlling interests	1	53,233,466	50,213,244	40,549,563	38,248,967
<b>Total equity</b>		<b>75,508,916</b>	<b>71,808,790</b>	<b>57,517,456</b>	<b>54,698,957</b>
<b>Total liabilities and equity</b>		<b>₩ 199,360,274</b>	<b>₩ 194,505,860</b>	<b>\$ 151,858,831</b>	<b>\$ 148,161,075</b>

See accompanying notes to the condensed consolidated interim financial statements.

**SK Inc. and its subsidiaries**  
**Condensed consolidated interim statements of comprehensive income**  
**for the three-month and six-month periods ended June 30, 2023 and 2022**  
(Korean won in millions, except for earnings (losses) per share)

	Notes	Korean won			
		June 30, 2023		June 30, 2022	
		Three-month	Six-month	Three-month	Six-month
<b>Sales</b>	4, 27	₩ 31,923,219	₩ 64,625,805	₩ 32,572,360	₩ 62,603,824
<b>Cost of sales</b>	24, 27	29,474,485	59,156,175	27,374,802	52,840,054
<b>Gross profit</b>		2,448,734	5,469,630	5,197,558	9,763,770
<b>Other operating revenue</b>	4	167,000	167,000	-	-
<b>Selling and administrative expenses</b>	21, 24, 27	1,920,640	3,811,121	1,656,298	3,229,621
<b>Operating profit</b>	4	695,094	1,825,509	3,541,260	6,534,149
Finance income	22	1,460,560	3,631,922	2,300,906	4,297,202
Finance costs	22	1,980,013	4,806,857	3,146,682	6,011,415
Share of profit of equity-accounted investees, net	9	(646,307)	(1,191,714)	625,650	1,037,242
Other non-operating income	23	679,033	915,532	229,931	1,053,961
Other non-operating expenses	23	425,942	577,204	71,960	173,674
<b>Profit (loss) from continuing operations before income tax expense</b>	4	(217,575)	(202,812)	3,479,105	6,737,465
<b>Income tax expense (benefit) from continuing operations</b>	25	(13,982)	62,353	1,046,856	2,040,168
<b>Profit (loss) for the period from continuing operations</b>	4	(203,593)	(265,165)	2,432,249	4,697,297
<b>Gain (loss) from discontinued operation</b>	28	2,621	57,587	(65,409)	670,747
<b>Profit (loss) for the period attributable to:</b>		₩ (200,972)	₩ (207,578)	₩ 2,366,840	₩ 5,368,044
Owners of the Parent Company		(141,393)	(18,817)	797,929	2,020,658
Non-controlling interests		(59,579)	(188,761)	1,568,911	3,347,386
<b>Other comprehensive income (loss):</b>					
Items that will not be reclassified subsequently to profit or loss (net of tax):					
Remeasurements of the net defined benefit plans		6,438	(63,822)	10,893	28,256
Net gain (loss) on valuation of financial assets measured at FVOCI		(72,396)	22,766	(1,312,654)	(1,708,777)
Items that are or may be reclassified subsequently to profit or loss (net of tax):					
Equity adjustment arising from investments in equity-accounted investees		(87,022)	99,109	159,151	320,378
Net gain (loss) on valuation of derivative instruments		(8,013)	(20,654)	57,303	9,265
Foreign currency translation differences for foreign operations		29,980	1,100,586	1,290,515	1,677,721
		(131,013)	1,137,985	205,208	326,843
<b>Total comprehensive income (loss) for the period attributable to:</b>		₩ (331,985)	₩ 930,407	₩ 2,572,048	₩ 5,694,887
Owners of the Parent Company		(199,937)	473,268	758,954	2,104,156
Non-controlling interests		(132,048)	457,139	1,813,094	3,590,731
<b>Earnings (losses) per share (Korean won):</b>	26				
Basic earnings (losses) per share		₩ (2,544)	₩ (371)	₩ 14,183	₩ 35,962
Diluted earnings (losses) per share		(2,544)	(371)	14,155	35,894
Basic earnings (losses) per share from continuing operations		(2,557)	(646)	14,531	30,686
Diluted earnings (losses) per share from continuing operations		(2,557)	(646)	14,503	30,628

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**SK Inc. and its subsidiaries**  
**Condensed consolidated interim statements of comprehensive income**  
**for the three-month and six-month periods ended June 30, 2023 and 2022 (cont'd)**

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

	Notes	Translation into U.S. dollar (Note 2)			
		June 30, 2023		June 30, 2022	
		Three-month	Six-month	Three-month	Six-month
<b>Sales</b>	4, 27	\$ 24,316,894	\$ 49,227,457	\$ 24,811,365	\$ 47,687,252
<b>Cost of sales</b>	24, 27	22,451,619	45,061,072	20,852,226	40,249,889
<b>Gross profit</b>		1,865,275	4,166,385	3,959,139	7,437,363
<b>Other operating revenue</b>	4	127,209	127,209	-	-
<b>Selling and administrative expenses</b>	21, 24, 27	1,463,010	2,903,048	1,261,653	2,460,101
<b>Operating profit</b>	4	529,474	1,390,546	2,697,486	4,977,262
Finance income	22	1,112,553	2,766,546	1,752,671	3,273,310
Finance costs	22	1,508,237	3,661,530	2,396,924	4,579,079
Share of profit of equity-accounted investees, net	9	(492,312)	(907,765)	476,577	790,099
Other non-operating income	23	517,240	697,389	175,145	802,834
Other non-operating expenses	23	324,453	439,674	54,814	132,293
<b>Profit (loss) from continuing operations before income tax expense</b>	4	(165,735)	(154,488)	2,650,141	5,132,133
<b>Income tax expense (benefit) from continuing operations</b>	25	(10,651)	47,496	797,422	1,554,059
<b>Profit (loss) for the period from continuing operations</b>	4	(155,084)	(201,984)	1,852,719	3,578,074
<b>Gain (loss) from discontinued operation</b>	28	1,996	43,866	(49,824)	510,929
<b>Profit (loss) for the period attributable to:</b>		<u>\$ (153,088)</u>	<u>\$ (158,118)</u>	<u>\$ 1,802,895</u>	<u>\$ 4,089,003</u>
Owners of the Parent Company		(107,703)	(14,333)	607,807	1,539,197
Non-controlling interests		(45,385)	(143,785)	1,195,088	2,549,806
<b>Other comprehensive income (loss):</b>					
Items that will not be reclassified subsequently to profit or loss (net of tax):					
Remeasurements of the net defined benefit plans		4,904	(48,615)	8,298	21,523
Net gain (loss) on valuation of financial assets measured at FVOCI		(55,146)	17,342	(999,889)	(1,301,628)
Items that are or may be reclassified subsequently to profit or loss (net of tax):					
Equity adjustment arising from investments in equity-accounted investees		(66,287)	75,494	121,230	244,042
Net gain (loss) on valuation of derivative instruments		(6,104)	(15,733)	43,649	7,057
Foreign currency translation differences for foreign operations		22,837	838,350	983,025	1,277,972
		(99,796)	866,838	156,313	248,966
<b>Total comprehensive income (loss) for the period attributable to:</b>		<u>\$ (252,884)</u>	<u>\$ 708,720</u>	<u>\$ 1,959,208</u>	<u>\$ 4,337,969</u>
Owners of the Parent Company		(152,298)	360,503	578,119	1,602,800
Non-controlling interests		(100,586)	348,217	1,381,089	2,735,169
<b>Earnings (losses) per share (U.S. dollar):</b>	26				
Basic earnings (losses) per share		\$ (1.94)	\$ (0.28)	\$ 10.80	\$ 27.39
Diluted earnings (losses) per share		(1.94)	(0.28)	10.78	27.34
Basic earnings (losses) per share from continuing operations		(1.95)	(0.49)	11.07	23.37
Diluted earnings (losses) per share from continuing operations		(1.95)	(0.49)	11.05	23.33

See accompanying notes to the condensed consolidated interim financial statements.

**SK Inc. and its subsidiaries**  
**Condensed consolidated interim statements of changes in equity**  
**for the six-month periods ended June 30, 2023 and 2022**  
(Korean won in millions)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Equity attributable to owners of the Parent Company	Non-controlling Interests	Total equity
<b>As of January 1, 2022</b>	₩ 16,143	₩ 6,445,296	₩ 14,057,406	₩ 721,262	₩ 21,240,107	₩ 44,302,628	₩ 65,542,735
Total comprehensive income:							
Profit for the period	-	-	2,020,658	-	2,020,658	3,347,386	5,368,044
Remeasurements of the net defined benefit plans	-	-	11,900	-	11,900	16,356	28,256
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	15,402	(1,008,810)	(993,408)	(715,369)	(1,708,777)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	131,397	131,397	188,981	320,378
Net gain (loss) on valuation of derivative instruments	-	-	-	(68,568)	(68,568)	77,833	9,265
Foreign currency translation differences for foreign operations	-	-	-	1,002,177	1,002,177	675,544	1,677,721
Transactions with owners:							
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</b>	₩ 16,143	₩ 6,451,934	₩ 15,740,643	₩ 777,458	₩ 22,986,178	₩ 48,376,361	₩ 71,362,539
<b>As of January 1, 2023</b>	₩ 16,143	₩ 6,401,912	₩ 14,918,613	₩ 258,878	₩ 21,595,546	₩ 50,213,244	₩ 71,808,790
Total comprehensive income:							
Loss for the period	-	-	(18,817)	-	(18,817)	(188,761)	(207,578)
Remeasurements of the net defined benefit plans	-	-	(40,290)	-	(40,290)	(23,532)	(63,822)
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	(11,854)	(26,155)	(38,009)	60,775	22,766
Equity adjustment arising from investments in equity-accounted investees	-	-	-	63,330	63,330	35,779	99,109
Net loss on valuation of derivative instruments	-	-	-	(3,219)	(3,219)	(17,435)	(20,654)
Foreign currency translation differences for foreign operations	-	-	-	510,273	510,273	590,313	1,100,586
Transactions with owners:							
Dividends	-	-	(195,114)	-	(195,114)	(974,656)	(1,169,770)
Stock-based payment	-	7,644	-	-	7,644	22,080	29,724
Incineration of treasury stocks	-	100,681	(100,681)	-	-	-	-
Equity transactions within consolidated entities	-	407,510	-	-	407,510	3,093,057	3,500,567
Changes in the scope of consolidation	-	-	-	-	-	424,078	424,078
Others	-	(9,787)	(3,617)	-	(13,404)	(1,476)	(14,880)
<b>As of June 30, 2023</b>	₩ 16,143	₩ 6,907,960	₩ 14,548,240	₩ 803,107	₩ 22,275,450	₩ 53,233,466	₩ 75,508,916

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**SK Inc. and its subsidiaries**  
**Condensed consolidated interim statements of changes in equity**  
**for the six-month periods ended June 30, 2023 and 2022 (cont'd)**  
(U.S. dollar in thousands)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
<b>As of January 1, 2022</b>	\$ 12,297	\$ 4,909,580	\$ 10,707,957	\$ 549,407	\$ 16,179,241	\$ 33,746,670	\$ 49,925,911
Total comprehensive income:							
Profit for the period	-	-	1,539,197	-	1,539,197	2,549,806	4,089,003
Remeasurements of the net defined benefit plans	-	-	9,065	-	9,065	12,458	21,523
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	11,732	(768,442)	(756,710)	(544,918)	(1,301,628)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	100,089	100,089	143,953	244,042
Net gain (loss) on valuation of derivative instruments	-	-	-	(52,230)	(52,230)	59,287	7,057
Foreign currency translation differences for foreign operations	-	-	-	763,389	763,389	514,583	1,277,972
Transactions with owners:							
Dividends	-	-	(280,535)	-	(280,535)	(720,721)	(1,001,256)
Equity transactions within consolidated entities	-	16,999	-	-	16,999	666,324	683,323
Changes in the scope of consolidation	-	-	-	-	-	426,405	426,405
Others	-	(11,942)	2,714	-	(9,228)	(4,090)	(13,318)
<b>As of June 30, 2022</b>	\$ 12,297	\$ 4,914,637	\$ 11,990,130	\$ 592,213	\$ 17,509,277	\$ 36,849,757	\$ 54,359,034
<b>As of January 1, 2023</b>	\$ 12,297	\$ 4,876,533	\$ 11,363,965	\$ 197,195	\$ 16,449,990	\$ 38,248,967	\$ 54,698,957
Total comprehensive income:							
Loss for the period	-	-	(14,333)	-	(14,333)	(143,785)	(158,118)
Remeasurements of the net defined benefit plans	-	-	(30,690)	-	(30,690)	(17,925)	(48,615)
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	(9,030)	(19,923)	(28,953)	46,295	17,342
Equity adjustment arising from investments in equity-accounted investees	-	-	-	48,240	48,240	27,254	75,494
Net loss on valuation of derivative instruments	-	-	-	(2,452)	(2,452)	(13,281)	(15,733)
Foreign currency translation differences for foreign operations	-	-	-	388,691	388,691	449,659	838,350
Transactions with owners:							
Dividends	-	-	(148,624)	-	(148,624)	(742,425)	(891,049)
Stock-based payment	-	5,823	-	-	5,823	16,819	22,642
Incineration of treasury stocks	-	76,692	(76,692)	-	-	-	-
Equity transactions within consolidated entities	-	310,412	-	-	310,412	2,356,076	2,666,488
Changes in the scope of consolidation	-	-	-	-	-	323,033	323,033
Others	-	(7,455)	(2,756)	-	(10,211)	(1,124)	(11,335)
<b>As of June 30, 2023</b>	\$ 12,297	\$ 5,262,005	\$ 11,081,840	\$ 611,751	\$ 16,967,893	\$ 40,549,563	\$ 57,517,456

See accompanying notes to the condensed consolidated interim financial statements.

**SK Inc. and its subsidiaries**  
**Condensed consolidated interim statements of cash flows**  
**for the six-month periods ended June 30, 2023 and 2022**  
(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		2023	2022	2023	2022
<b>Cash flows from operating activities:</b>					
		₩ (207,578)	₩ 5,368,044	\$ (158,118)	\$ 4,089,003
	30	6,561,307	6,137,085	4,997,949	4,674,806
	30	975,345	(4,365,293)	742,950	(3,325,177)
		375,945	135,864	286,369	103,492
		(1,522,873)	(841,924)	(1,160,019)	(641,319)
		235,001	344,627	179,007	262,513
		(1,373,629)	(1,370,069)	(1,046,335)	(1,043,624)
<b>Net cash provided by operating activities</b>		<b>5,043,518</b>	<b>5,408,334</b>	<b>3,841,803</b>	<b>4,119,694</b>
<b>Cash flows from investing activities:</b>					
		403,906	(1,574,535)	307,668	(1,199,372)
		(223,444)	52,873	(170,204)	40,275
		59,634	48,130	45,425	36,662
		245,992	500,828	187,380	381,496
		111,176	7,756	84,686	5,908
		96,168	216,755	73,254	165,109
		14,122	24,638	10,757	18,768
		552,523	448,067	420,874	341,306
		(663,659)	(683,932)	(505,529)	(520,972)
		(467,466)	(901,789)	(356,083)	(686,920)
		(9,386,115)	(5,102,407)	(7,149,691)	(3,886,660)
		(198,396)	(246,416)	(151,124)	(187,703)
		29,157	(1,772,961)	22,210	(1,350,519)
		108,883	(602,454)	82,940	(458,908)
<b>Net cash used in investing activities</b>		<b>(9,317,519)</b>	<b>(9,585,447)</b>	<b>(7,097,437)</b>	<b>(7,301,530)</b>
<b>Cash flows from financing activities:</b>					
		(1,440,153)	7,201,483	(1,097,009)	5,485,590
		10,608,153	5,610,226	8,080,555	4,273,481
		(6,261,103)	(4,431,600)	(4,769,274)	(3,375,686)
		(413,859)	(405,583)	(315,249)	(308,945)
		(544,463)	(534,947)	(414,734)	(407,486)
		(1,187,310)	(1,319,494)	(904,410)	(1,005,099)
		4,089,152	660,020	3,114,832	502,757
		56,468	(32,926)	43,013	(25,081)
<b>Net cash provided by financing activities</b>		<b>4,906,885</b>	<b>6,747,179</b>	<b>3,737,724</b>	<b>5,139,531</b>
<b>Net increase in cash and cash equivalents</b>		<b>632,884</b>	<b>2,570,066</b>	<b>482,090</b>	<b>1,957,695</b>
<b>Net foreign exchange effects</b>		<b>15,047</b>	<b>365,836</b>	<b>11,461</b>	<b>278,668</b>
<b>Cash and cash equivalents included in assets held for sale</b>		<b>(113,574)</b>	<b>-</b>	<b>(86,515)</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>21,393,853</b>	<b>12,317,555</b>	<b>16,296,354</b>	<b>9,382,659</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>₩ 21,928,210</b>	<b>₩ 15,253,457</b>	<b>\$ 16,703,390</b>	<b>\$ 11,619,022</b>

See accompanying notes to the condensed consolidated interim financial statements.

**SK Inc. and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
**June 30, 2023 and 2022**

**1. Corporate information**

**1.1 Parent Company**

SK Inc. (the “Company” or “Parent 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, 2023, the share 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 17.73%, 7.02% and 6.58% respectively, as of June 30, 2023.

**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, 2023 are as follows:

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (%)
SK Innovation Co., Ltd. (*2)	Korea	Resource development	SK Inc.	34.91%
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 and transportation industry	Person	41.00%
goodsCORE Co., Ltd.	Korea	Business support services	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.	China	Investment	SK Geo Centric Co., Ltd.	100.00%
SK Geo Centric China, Ltd.	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.	China	Petrochemicals sales	SK Geo Centric China, Ltd.	100.00%
SK Geo Centric 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 GC Americas, Inc.	100.00%
SK Primacor Europe, S.L.U.	Spain	Petrochemicals manufacture and sales	SK GC Americas, Inc.	100.00%
SK Saran Americas LLC	USA	Petrochemicals manufacture and sales	SK GC Americas, Inc.	100.00%
SK Geo Centric Brazil LTDA	Brazil	Petrochemicals sales	SK GC 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%
ONEPOL 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 Enmove Co., Ltd.	Korea	Lubricants oil manufacturing and sales	SK Innovation Co., Ltd.	60.00%
Yubase Manufacturing Asia Corporation	Korea	Lubricants oil processing	SK Enmove Co., Ltd.	70.00%
SK Enmove (Tianjin) Co., Ltd. (formerly, SK Energy Lubricants (Tianjin) Co., Ltd.)	China	Lubricants oil manufacturing and sales	SK Enmove Co., Ltd.	100.00%
SK Enmove Americas, Inc. (formerly, SK Lubricants Americas, Inc.)	USA	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%
SK Enmove Europe B.V. (formerly, SK Lubricants Europe B.V.)	Netherlands	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%
SK Enmove Japan Co., Ltd. (formerly, SK Lubricants Japan Co., Ltd.)	Japan	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%
SK Enmove India Pvt. Ltd.	India	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%
Iberian Lube Base Oils Company, S.A.	Spain	Lubricants oil manufacturing and sales	SK Enmove Co., Ltd.	70.00%
SK Enmove Russia LLC. (formerly, SK Lubricants Russia LLC)	Russia	Lubricants oil sales	SK Enmove 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	Manufacture of Separators for secondary Cells	SK ie technology Co., Ltd.	100.00%
SK Hi-tech Battery Materials Poland Sp. Zo.o.	Poland	Manufacture of Separators for secondary Cells	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 condensed consolidated interim financial statements**  
**June 30, 2023 and 2022**

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

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SK USA, Inc.	USA	Management consulting	SK Innovation Co., Ltd.	100.00%
Blue Dragon Energy Co., Limited	Hong Kong	Investment	SK Innovation Co., Ltd.	100.00%
Happy Kium Co., Ltd.	Korea	Service	SK Innovation Co., Ltd.	100.00%
SK On Co., Ltd.	Korea	Lithium battery manufacturing	SK Innovation Co., Ltd.	89.52%
SK On Hungary Kft.	Hungary	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK On(Jiangsu) Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	70.04%
SK On(Yancheng) Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK Battery America, Inc.	USA	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
BlueOval SK, LLC (*2)	USA	Lithium battery manufacturing	SK Battery America, Inc.	50.00%
SK Battery Manufacturing Kft.	Hungary	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK On (Shanghai) Co., Ltd.	China	Lithium battery sales	SK On Co., Ltd.	100.00%
SK Mobile Energy Co., Ltd.	Korea	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
Yancheng Yandu District M Energy Consulting Limited Company	China	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%
Mobile Energy Battery America, LLC	USA	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%
Happy Mideum Co., Ltd.	Korea	Service	SK On Co., Ltd.	100.00%
SK on Certification Center (Jiangsu) Co., Ltd.	China	Lithium cell certification	SK On Co., Ltd.	100.00%
SK Earth On Co., Ltd.	Korea	Oil development	SK Innovation Co., Ltd.	100.00%
SK Innovation America, Inc.	USA	Investment	SK Innovation Co., Ltd.	100.00%
Grove Energy Capital IV, LLC	USA	Investment	SK Innovation America, Inc.	100.00%
SK innovation outpost Corporation	USA	Management consulting	SK Innovation Co., Ltd.	100.00%
SK Telecom Co., Ltd. (*2)	Korea	Mobile telecommunications	SK Inc.	30.01%
SK Telink Co., Ltd.	Korea	International call and MVNO business	SK Telecom Co., Ltd.	100.00%
SK Broadband Co., Ltd.	Korea	Wire communications	SK Telecom Co., Ltd.	74.38%
Home&Service Co., Ltd.	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%
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%
Service Ace 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 Holdings 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%
SK Telecom Americas, Inc.	USA	Management consulting and information gathering	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.	Netherland	Investment	SK Telecom Co., Ltd.	100.00%
SK Latin Americas Investment S.A.	Spain	Investment	SK Telecom Co., Ltd.	100.00%
Freedom Circle Capital Inc.	USA	Investment	SK Latin Americas 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 Inc.	USA	Non-memory and others Electronic Integrated circuit manufacturing	SK Telecom Co., Ltd.	75.01%
SAPEON Korea Inc.	Korea	Non-memory and others Electronic Integrated circuit manufacturing	Sapeon Inc.	100.00%
SK Square Co., Ltd. (*2)	Korea	Investment	SK Inc.	30.01%
Onestore 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%
Infra Communications Co., Ltd.	Korea	Service Operation business	One store Co., Ltd.	100.00%
11street Co., Ltd. (*3)	Korea	E-commerce	SK Square Co., Ltd.	98.10%
SK Shieldus Co., Ltd. (*4)	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.	China	System software development and supplying	SK Shieldus Co., Ltd.	100.00%
SK Shieldus America, Inc.	USA	System software development and supplying	SK Shieldus Co., Ltd.	100.00%
SK Shieldus Hungary Kft.	Hungary	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	Investment	SK Planet Co., Ltd.	100.00%
SK Planet, Inc.	USA	Mobile Solutions presenting	SK Planet Co., Ltd.	100.00%
SCODYS Pte. Ltd.	Singapore	Virtual currency creation and presenting	SK Planet, Inc.	100.00%
SK Square Americas, Inc.	USA	Investment	SK Square Co., Ltd.	100.00%
Dreamus Company Co., Ltd. (*2,5)	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%

**SK Inc. and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
**June 30, 2023 and 2022**

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

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity Ownership (*1)
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.	64.40%
Id Quantique Ltd.	Korea	Quantum information and communication business	id Quantique SA	100.00%
ID Quantique Limited, UK	UK	Quantum information and communication business	id Quantique SA	100.00%
ID Quantique Inc, USA	USA	Quantum information and communication business	id Quantique SA	100.00%
id Quantique Europe GmbH	Austria	Quantum information and communication business	id Quantique SA	100.00%
Alice und Bob Privatstiftung	Austria	System software development and supplying	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%
FSK L&S (America) Co., Ltd. (formerly, FSK L&S USA, Inc.)	USA	International freight forwarding industry	FSK L&S Co., Ltd.	100.00%
Incross Co., Ltd. (*2)	Korea	Media agency	SK Square Co., Ltd.	36.06%
Mindknock Co., Ltd.	Korea	Software development	Incross Co., Ltd.	100.00%
Solution Co., Ltd.	Korea	Software development and presenting	Incross Co., Ltd.	100.00%
Tmap Mobility Co., Ltd.	Korea	Information and communication industry	SK Square Co., Ltd.	62.45%
YLP Co., Ltd.	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%
LOGISOFT. CO. LTD.	Korea	Software development	Tmap Mobility Co., Ltd.	100.00%
Korea Security Holdings Co., Ltd.	Korea	Investment	SK Square Co., Ltd.	63.10%
TGC Square Pte. Ltd.	Singapore	Investment	SK Square Co., Ltd.	100.00%
SK Networks Co., Ltd. (*2)	Korea	Distribution and trading business	SK Inc.	41.20%
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 Retailis 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	Wholesale and commodity brokerage	SK Networks Co., Ltd.	100.00%
MINTIT VINA	Vietnam	Manufacturing and sales business	MINTIT Co., Ltd.	100.00%
Hico Capital LLC	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. (*6)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks Resources Pty Ltd. (*6)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks (China) Holdings Co., Ltd. (*6)	China	Holding company	SK Networks Co., Ltd.	100.00%
Shenyang SK Bus Terminal Co., Ltd. (*6)	China	Transportation industry	SK Networks (China) Holdings Co., Ltd.	75.00%
SK Networks (Dandong) Energy Co., Ltd. (*6)	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	Petrochemicals manufacturing	SKC Co., Ltd.	100.00%
SK Enpulse Co., Ltd.	Korea	Manufacturing and sales of semiconductor parts, materials and others	SKC Co., Ltd.	96.49%
Enpulse Taiwan Co., Ltd. (formerly, Solmics Taiwan Co., Ltd.)	Taiwan	Sales of semiconductor parts, materials and others	SK Enpulse Co., Ltd.	100.00%
Enpulse Shanghai Co., Ltd. (formerly, Solmics Shanghai Co., Ltd.)	China	Sales of semiconductor parts, materials and others	SK Enpulse Co., Ltd.	100.00%
SKC Solmics Hong kong Co., Ltd.	Hong Kong	SPC	SK Enpulse Co., Ltd.	100.00%
SKC Semiconductor Materials (Wuxi) Co., Ltd.	China	Manufacturing and Sales of semiconductor parts,materials and others	SKC Solmics Hong kong Co., Ltd.	100.00%
SKC-ENF Electronic Materials Ltd.	Hong Kong	SPC	SK Enpulse Co., Ltd.	75.10%
SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	China	Manufacturing of synthetic resins	SKC-ENF Electronic Materials Ltd.	100.00%
SE (JIANGSU) Electronic Materials Co., Ltd.	China	Manufacturing of synthetic resins	SKC-ENF Electronic Materials Ltd.	100.00%
Techdream Co., Ltd.	Hong Kong	Semiconductor component	SK Enpulse Co., Ltd.	100.00%
Enpulse America Corporation (formerly, SK Telesys Corp.)	USA	Telecommunication equipment sales	SK Enpulse 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%
SK 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%
NEXILIS MANAGEMENT EUROPE B.V.	Netherlands	SPC	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%

**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 (*1)
Ecovance Co., Ltd.	Korea	Manufacturing of biodegradable plastic materials and others	SKC Co., Ltd.	73.19%
SK Pucore Co., Ltd.	Korea	Manufacturing and sales of Polyol	SKC Co., Ltd.	100.00%
SK Pucore Europe sp. zo.o.	Poland	Manufacturing and sales of Polyol	SK Pucore Co., Ltd.	100.00%
SK Pucore USA Inc.	USA	Manufacturing and sales of Polyol	SK Pucore Co., Ltd.	100.00%
SK Pucore 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.	India	Manufacturing and sales of Polyol	SK Pucore Co., Ltd.	100.00%
SK Pucore RUS LLC	Russia	Manufacturing and sales of Polyol	SK Pucore Co., Ltd.	100.00%
NEX Investment Limited	UK	SPC	SKC Co., Ltd.	80.10%
NEX UK Holdings Limited	UK	SPC	NEX Investment Limited	51.00%
Absolics Inc.	USA	Manufacture of semiconductor glass substrates	SKC Co., Ltd.	70.05%
SK E&S Co., Ltd.	Korea	City gas business and power generation	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%
Busan 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%
Shinanjungdo Sunlight Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%
SK E&S Hong Kong Co., Ltd.	Hong Kong	City gas business	SK E&S Co., Ltd., Busan 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%
Energy Solution Holdings Inc.	USA	Investment	SK E&S Americas, Inc.	100.00%
LNG Americas, Inc.	USA	LNG business	SK E&S Americas, Inc.	100.00%
LAI CCS, LLC	USA	Carbon Collection and Storage-Related Investment Projects	LNG Americas, Inc.	100.00%
DewBlaine Energy, LLC	USA	Resource development	LNG Americas, Inc.	100.00%
Passkey, Inc.	USA	New regeneration business	SK E&S Americas, Inc.	100.00%
Mobility Solution I Inc.	USA	Holding Company	Passkey, Inc.	92.15%
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%
Pnes Investments, LLC	USA	Investment	Passkey, Inc.	100.00%
Rnes Holdings, LLC	USA	Renewable / electric power business	Passkey, Inc.	100.00%
Grid Solution, LLC	USA	New regeneration business	Rnes Holdings, LLC	85.31%
Key Capture Energy, LLC	USA	Energy solution	Grid Solution, LLC	98.24%
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 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 30, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 31, 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 NY 34, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 35, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 36, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 37, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 38, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NE 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NE 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 7, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NV 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NV 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NV 3, 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 19, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 21, LLC	USA	Energy solution	Key Capture Energy, LLC	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 (*1)
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 TX 29, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 30, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 31, 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 8, 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 CT 11, 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 MI 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MN 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ME 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ME 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
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 IL 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 4, 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 IN 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IN 5, 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 IA 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE WI 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MA 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ID 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ID 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ID 3, 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	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%
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%
PT Prism Nusantara International	Indonesia	LNG business	SK E&S Co., Ltd.	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%
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 business	SK E&S Co., Ltd.	100.00%
Prism DLNG Pte. Ltd.	Singapore	LNG business	Prism Energy International Pte. Ltd.	100.00%
Prism Darwin Pipeline Pty. Ltd.	Australia	LNG business	Prism DLNG Pte. 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%
Ariulhaengbok Solar Co., Ltd.	Korea	New regeneration business	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 haengbokmanu solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%
NEW RENEWABLE ENERGY NO.1 Joint Stock Company	Vietnam	New regeneration business	SK E&S Co., Ltd.	70.00%
SK Ecoplant Co., Ltd. (*2)	Korea	Construction	SK E&S Co., Ltd.	99.99%
Seosuwon Development Company (*2)	Korea	Real estate development	SK Inc.	44.48%
SKEC Nanjing Co., Ltd.	China	Construction	SK Ecoplant Co., Ltd.	19.90%
Changzhou SKY New Energy Co., Ltd.	China	Construction	SK Ecoplant 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, LLC	Turkey	Construction	SK Ecoplant Co., Ltd.	100.00%
SK Ecoplant Americas Corporation (formerly, SK E&C Betek Corporation)	USA	Fuel cell and construction	SK Ecoplant Co., Ltd.	100.00%
Mesa Verde RE Ventures, LLC	USA	Real estate development	SK Ecoplant Americas Corporation	100.00%
BT FC LLC	USA	Construction	SK Ecoplant Americas Corporation	100.00%
Sunlake Co., Ltd.	Canada	Construction	SK Ecoplant Co., Ltd.	100.00%
SKEC Consultores Ecquador, S.A.	Ecuador	Construction	Sunlake Co., Ltd.	100.00%
SK HOLDCO PTE. LTD.	Singapore	Investment	SK Ecoplant Co., Ltd.	63.51%
Silvertown Investco Limited.	UK	Investment	SK Ecoplant Co., Ltd.	100.00%
Seongju Tech Co., Ltd.	Korea	Disposal of waste	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	Operation of sewage treatment plant	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%

**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 (*1)
Chungcheong Environment Energy Co., Ltd.	Korea	Waste incineration and disposal	Environment Management Corporation Co., Ltd.	100.00%
Gyeonggi Environment Energy Co., Ltd.	Korea	Waste incineration and renewable energy	Environment Management Corporation Co., Ltd.	100.00%
Gyeongbuk Environment Energy Co., Ltd.	Korea	Waste incineration and renewable energy	Environment Management Corporation Co., Ltd.	100.00%
Gyeongin Environment Energy Company	Korea	Waste incineration and renewable energy	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%
City Environment Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Emedione Logis Co., Ltd.	Korea	Designated waste collection and transportation	City Environment 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.	87.00%
JA Green Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
AP Development Co., Ltd.	Korea	Solar power generation	SK Ecoplant Co., Ltd.	100.00%
DY Indus Co., Ltd.	Korea	Synthetic resins and other plastics material manufacturing industry	SK Ecoplant Co., Ltd.	100.00%
DY Polymer Co., Ltd.	Korea	Synthetic resins and other plastics material manufacturing industry	SK Ecoplant Co., Ltd.	100.00%
ECOPLANT HOLDING MALAYSIA SDN. BHD.	Malaysia	Holding company	SK Ecoplant Co., Ltd.	100.00%
Eco Frontier (Singapore) Pte. Ltd.	Singapore	Investment	SK Ecoplant Co., Ltd.	78.63%
Tes-Envirocorp Pte. Ltd.	Singapore	E-waste processing industry	Eco Frontier (Singapore) Pte. Ltd.	97.14%
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 And Recycling, 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%
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 Netherlands B.V.	Netherlands	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%
Shanghai Tes-Amm Xin New Materials Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) 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 Sustainable Battery Solutions (Australia) Pty Ltd.	Australia	E-waste processing industry	Tes-Amm Australia Pty 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 (Taiwan) Co., Ltd.	Taiwan	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	70.00%
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.	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 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%
TES Sustainable Battery Solutions Limited Liability Company	Hungary	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
Tes Sustainability Products Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes C Pte. Ltd.	Singapore	E-waste processing industry	Tes Sustainability Products Pte. Ltd.	100.00%
SK Oceanplant Co.,Ltd. (*2)	Korea	Steel pipe manufacturing	SK Ecoplant Co., Ltd.	30.61%
Goseong Holdings Ltd.	Korea	Holding company	SK oceanplant Co.,Ltd.	100.00%
SAM KANG S&C Co., Ltd.	Korea	Shipbuilding industry	SK oceanplant Co.,Ltd.	96.60%
Econovation, LLC	USA	Holding company	SK Ecoplant Co., Ltd.	51.67%
Topsun Co., Ltd. (*2)	Korea	Solar modules, battery manufacturing industry	Person	19.69%
Wind Energy Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
Gold Co., Ltd.	Korea	Renewable energy-related industry	Topsun Co., Ltd.	100.00%
TS Energy 18Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Neujinmok Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Janggam Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Go E Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Chopo Sunlight Co., Ltd.	Korea	A solar power plant	Topsun Co., Ltd.	100.00%
Top Operation	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 24Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 3Ho Co., Ltd.	Korea	Wind power generation	Topsun Co., Ltd.	100.00%
TS Energy 9Ho Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Hamgumi Sunlight Co., Ltd	Korea	Construction of solar power plant industry	Topsun Co., Ltd.	100.00%
Geom Bawi Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%



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

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (%)
Nickel Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
KUMO ENERGY Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	50.10%
Solar Ocean Co., Ltd.	Korea	Solar power	Topsun Co., Ltd.	65.00%
Mungyeong Solar Pam Co., Ltd.	Korea	Solar power generation industry	Topsun Co., Ltd.	100.00%
TS Energy 5Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
TOPSUN2 SOLAR CO., LTD	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
TS Energy 15Ho Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Eodeumi Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Baekya Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Duryu Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Saok Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Seongso Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Shinchu Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Soak Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Sangjeong Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Juseok Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
Silver Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
Eneman Energy Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
Cast Iron Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
CBK Energy Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
Signal Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
TS Energy Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
TS Energy 2Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 6Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
TS Energy 10Ho Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Seosan Top Seon Sunlight Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
TS Energy 17Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 20Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 21Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 29Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 30Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Topsun Kumo Energy Co., Ltd.	Korea	A solar power plant	Topsun Co., Ltd.	100.00%
Namhae Sunlight Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Sodu Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Gaewha Energy Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
Guldeung Solar Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Dongmae Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Toptech Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
T & Dochon Energy Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
T & Huimang Energy Co., Ltd.	Korea	Construction of steel structures	Topsun Co., Ltd.	100.00%
T & Mirae Energy Co., Ltd.	Korea	Construction of steel structures	Topsun Co., Ltd.	100.00%
Toptech Huimang Energy Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Toptech Mirae Energy Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Toptech Dochon Energy Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Hanvit Energy Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Songgo Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Gaedo Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Yangji Pol Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Hwatae Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Bongri Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Bunmugol Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Yeondo Sunlight Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Mirae Energy Taecheon Co., Ltd.	Korea	Solar power maintenance	Topsun Co., Ltd.	100.00%
Naru Sunlight Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Nari Sunlight Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
SK ecoengineering Co., Ltd.	Korea	Construction industry and others	SK Ecoplant Co., Ltd.	52.65%
Ecoengineering Canada Ltd.	Canada	Construction	SK ecoengineering Co., Ltd.	100.00%
SK Specialty Co., Ltd.	Korea	Special gas manufacturing and sales	SK Inc.	100.00%
SK Specialty Japan Co., Ltd.	Japan	Special gas sales	SK Specialty Co., Ltd.	95.00%
SK Specialty Taiwan Co., Ltd.	Taiwan	Special gas sales	SK Specialty Co., Ltd.	100.00%
SK Specialty Jiangsu Co., Ltd.	China	Special gas manufacturing and sales	SK Specialty Co., Ltd.	100.00%
SK Specialty (Xian) Co., Ltd.	China	Trading business and warehouse operation	SK Specialty Co., Ltd.	100.00%
SK Specialty(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 Resonac 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 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	SK Materials JNC Co., Ltd.	100.00%
SK Materials Group14 Co., Ltd.	Korea	Manufacturing	SK Inc.	75.00%
SK Materials Group14 (Shanghai) Co., Ltd.	China	Sales of primary batteries and storage batteries	SK Materials Group14 Co., Ltd.	100.00%
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 manufacturing and sales	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%

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

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
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 integration and others	Essencore Limited	100.00%
Essencore Pte. Ltd.	Singapore	Manufacturing and distribution of semiconductor modules	Essencore Limited	100.00%
SK China Company, Ltd.	Hong Kong	Consulting and investment	SK Inc.	88.13%
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 Island	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%
SKY (Zhuohai Hengqin) Technology Co., Ltd.	China	Investment	SK China Company, Ltd.	100.00%
SK C&C Beijing Co., Ltd.	China	Consulting for computer system integration and others	SK Inc.	100.00%
SK C&C Chengdu Co., Ltd.	China	Consulting for computer system integration and others	SK C&C Beijing Co., Ltd.	100.00%
SK C&C India Pvt. Ltd.	India	Consulting for computer system integration and others	SK Inc.	100.00%
SK C&C USA, Inc.	USA	Consulting for computer system integration and others	SK Inc.	100.00%
GigaX Europe kft.	Hungary	IT Service	SK C&C USA, Inc.	100.00%
S&G Technology	Saudi Arabia	Consulting for computer 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	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	Investment	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.	50.01%
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%
Grove Energy Capital II, LLC	USA	Investment	Plutus Capital NY, Inc.	100.00%
Grove Energy Capital III, LLC	USA	Investment	Plutus Capital NY, Inc.	50.10%
Wonderland NY, LLC	USA	Investment	Plutus Capital NY, Inc.	100.00%
Atlas NY, LLC	USA	Investment	Plutus Capital 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.	64.79%
Linh Nam Ventures JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%
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	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%
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%
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%
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.	66.27%
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 Investment Partners LLC	USA	Investment	Tellus Investment Partners, Inc.	100.00%
Terra Investment Partners II, 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%

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

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
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 REIT Co., Ltd. (*2)	Korea	Real estate developing and trading	SK Inc.	42.99%
Clean Energy REIT Co., Ltd.	Korea	Real estate developing and trading	SK REIT Co., Ltd.	100.00%
Total Value 1 REIT Co., Ltd.	Korea	Real estate developing and trading	SK REIT Co., Ltd.	100.00%
SK REITs Management Co., Ltd.	Korea	Real estate developing and trading	SK Inc.	100.00%
Clean Industrial REITs Co., Ltd	Korea	Real estate developing and trading	SK REITs Management Co., Ltd.	100.00%
SK Japan Investment Inc.	Japan	Investment	SK Inc.	100.00%
SK Signet Inc. (*7)	Korea	Electric vehicle charger manufacturing and selling	SK Inc.	0.00%
SK Signet America Inc.	USA	Electric vehicle charger maintenance and technical support	SK Signet Inc.	100.00%
SK SIGNET MANUFACTURING TEXAS LLC.	USA	Motor, generator and electrical conversion equipment manufacturing industry	SK Signet America 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.	91.03%
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%
Energy Solution Group, Inc.	USA	Investment	SK Inc., SK Energy Co., Ltd.	100.00%
Atom Power, Inc. (*8)	USA	Electric Vehicle Charging Station Operation	Energy Solution Group, Inc.	9.59%
Skyline Mobility, Inc.	USA	E-Bike battery pack and others	Energy Solution Group, Inc.	100.00%
SK powertech Co., Ltd.	Korea	Semiconductor	SK Inc.	98.59%
Chamaedorea, Inc.	USA	Investment	SK Inc.	100.00%
Areca, Inc.	USA	Investment	SK Inc.	100.00%
Ackerton Partners Co., Ltd.	Korea	IT Service	SK Inc.	100.00%
Evertech Enterprise Co., Ltd.	Korea	Manufacturing	SK Inc.	95.40%
8 Rivers Capital, LLC	USA	Investment	SK Inc.	51.57%
Zero Degrees International, Inc.	USA	Investment	8 Rivers Capital, LLC	100.00%
Zero Degrees Rosella Pty. Ltd.	Australia	R&D	Zero Degrees International, Inc.	100.00%
Zero Degrees Whitetail 1, Ltd.	UK	Investment	Zero Degrees International, Inc.	100.00%
Zero Degrees Whitetail Dev. Ltd.	UK	Investment	Zero Degrees Whitetail 1, Ltd.	100.00%
Zero Degrees Crossbill Dev. Ltd.	UK	Investment	Zero Degrees Whitetail 1, Ltd.	100.00%
Crossbill Clean Energy Ltd.	UK	Renewable industry	Zero Degrees Crossbill Dev. Ltd.	100.00%
8Rivers Europe Ltd.	UK	Office support services	Zero Degrees International, Inc.	100.00%
Zero Degrees, LLC	USA	Investment	8 Rivers Capital, LLC	100.00%
Meadowlark Company C, LLC	USA	Investment	Zero Degrees, LLC	100.00%
Meadowlark Holdings, LLC	USA	Investment	Zero Degrees, LLC	100.00%
Meadowlark Energy HoldCo, LLC	USA	Investment	Meadowlark Holdings, LLC	100.00%
Meadowlark Energy, LLC	USA	Renewable industry	Meadowlark Energy HoldCo, LLC	100.00%
Coyote Company C, LLC	USA	Investment	Zero Degrees, LLC	100.00%
Coyote Power Holdings, LLC	USA	Investment	Zero Degrees, LLC	100.00%
Coyote Clean Power, LLC	USA	Renewable industry	Coyote Power Holdings, LLC	100.00%
Broadwing Company C, LLC	USA	Investment	Zero Degrees, LLC	100.00%
Broadwing Holdings, LLC	USA	Investment	Zero Degrees, LLC	100.00%
ParkIntuit, LLC	USA	Office support services	8 Rivers Capital, LLC	100.00%
8 Rivers Services, LLC	USA	Office support services	8 Rivers Capital, LLC	100.00%
NPEH, LLC	USA	Investment	8 Rivers Capital, LLC	91.40%

- (\*1) The equity ownership is based on ordinary shares and includes indirect investments held by the consolidated subsidiaries.
- (\*2) SK Innovation Co., Ltd. and 14 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 14 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 11Street Co., Ltd. is 98.10%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 80.26%.
- (\*4) The assets and liabilities of subsidiary SK Shieldus Co., Ltd. are classified as assets and liabilities held for sale (See Note 29).
- (\*5) 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%.
- (\*6) The assets and liabilities of SK Networks Resources Australia (Wyong) Pty Ltd. and 4 other companies are classified as assets and liabilities held for sale (See Note 29).
- (\*7) 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 51.55%
- (\*8) Atom Power, Inc. has a 9.59% stake in common shares, but the preferred shares with voting rights are issued, and the share with voting rights is 70.13%.

**SK Inc. and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
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**1.3 Changes in consolidated subsidiaries**

Changes in the consolidated subsidiaries for the six-month period ended June 30, 2023 are as follows:

December 31, 2022	Inclusion	Exclusion	June 30, 2023
572	134	9	697

For the six-month period ended June 30, 2023, subsidiaries newly included in consolidation are as follows:

Subsidiaries	Reasons for changes
SK innovation outpost Corporation	Establishment (40 companies)
SK Shieldus Hungary Kft	
Korea Security Holdings Co., Ltd.	
TGC Square Pte. Ltd.	
KCE NY 30, LLC	
KCE NY 31, LLC	
KCE NY 34, LLC	
KCE NY 35, LLC	
KCE NY 36, LLC	
KCE NY 37, LLC	
KCE NY 38, LLC	
KCE NE 1, LLC	
KCE NE 2, LLC	
KCE CA 1, LLC	
KCE CA 2, LLC	
KCE CA 3, LLC	
KCE CA 4, LLC	
KCE CA 5, LLC	
KCE CA 6, LLC	
KCE CA 7, LLC	
KCE NV 1, LLC	
KCE NV 2, LLC	
KCE NV 3, LLC	
KCE TX 29, LLC	
KCE TX 30, LLC	
KCE TX 31, LLC	
KCE CT 11, LLC	
KCE MI 5, LLC	
KCE MN 1, LLC	
KCE IL 4, LLC	
TES Netherlands B.V.	
Shanghai Tes-Amm Xin New Materials Co., Ltd	
Econovation, LLC	
Essencore Pte. Ltd.	
GigaX Europe kft.	
Skyline Mobility, Inc.	
Chamaedorea, Inc.	
Areca, Inc	
Clean Industrial REITs Co., Ltd.	
Ackerton Partners Co., Ltd	
Topsun Co., Ltd. and 68 others	Acquisition and others (94 companies)
SK ecoengineering Co., Ltd.	
Ecoengineering Canada Ltd.	
Evertch Enterprise Co., Ltd.	
8 Rivers Capital, LLC and 21 others	

For the six-month period ended June 30, 2023, subsidiaries excluded from consolidation are as follows:

Subsidiaries	Reasons for changes
SK Telesys. Co., Ltd.	Consolidated entities (4 companies)
goodsPOST Co., Ltd.	
SK Materials Renewtech Co., Ltd.	
SK BIOTEK USA, Inc.	
TES-AMM Korea Inc.	Disposal (1 company)
KCE TX 20, LLC	
Tes-Amm Middle East Fze	Liquidation (4 companies)
Lotus Fund, L.P.	
8 Rivers Advisors, LLC	

**SK Inc. and its subsidiaries**  
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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, 2023 are as follows (Korean won in millions):

Subsidiaries	Total assets	Total liabilities	Sales	Net income (loss)
SK Innovation Co., Ltd.	₩20,998,508	₩ 4,599,199	₩ 1,064,161	₩ 435,244
SK Energy Co., Ltd.	17,091,035	12,027,945	20,642,579	(297,815)
SK Geo Centric Co., Ltd.	6,683,705	3,580,043	5,829,527	45,973
SK Geo Centric International Trading (Shanghai) Co., Ltd.	207,484	182,776	792,415	1,100
SK Incheon Petrochem Co., Ltd.	5,980,924	4,629,408	4,734,446	(207,448)
SK Trading International Co., Ltd.	2,372,749	1,090,886	8,371,799	253,201
SK Energy International Pte. Ltd.	3,159,141	2,282,152	17,224,829	57,873
SK Energy Europe, Ltd.	202,584	106,248	2,504,059	3,501
SK Energy Americas, Inc.	839,365	760,463	2,648,323	(17,066)
SK Enmove Co., Ltd.	3,339,930	2,113,554	2,538,275	386,502
SK Enmove Americas, Inc. (formerly, SK Lubricants Americas, Inc.)	528,979	411,071	664,822	30,763
SK Enmove Europe B.V. (formerly, SK Lubricants Europe B.V.)	322,049	287,792	657,652	13,404
SK ie technology Co., Ltd.	2,448,629	447,255	146,119	(51,117)
SK Hi-tech Battery Materials Poland Sp. Zo.o.	2,241,814	928,771	87,184	61,607
SK On Co., Ltd.	14,288,076	6,198,147	5,018,817	(263,093)
SK On Hungary Kft.	5,459,007	3,552,482	995,793	35,144
SK On(Jiangsu) Co., Ltd.	2,603,520	1,551,330	1,880,265	38,295
SK Battery America, Inc.	7,737,805	4,822,775	1,019,709	(312,159)
BlueOval SK, LLC	4,962,715	761,157	-	(5,537)
SK Battery Manufacturing Kft.	2,166,175	1,843,077	694,419	(149,901)
SK Telecom Co., Ltd.	24,989,557	14,304,167	6,236,483	694,954
SK Broadband Co., Ltd.	6,613,247	3,594,519	2,131,612	111,143
PS&Marketing Corp.	409,315	182,765	626,766	1,257
SK Square Co., Ltd.	7,458,181	121,340	89,699	75,035
SK Shieldus Co., Ltd.	3,331,495	2,924,489	892,654	(48,787)
SK Networks Co., Ltd.	4,683,294	2,768,937	3,011,856	5,882
SK Magic Co., Ltd.	1,366,707	923,879	513,161	19,461
SK Rent-a-Car Co., Ltd.	3,523,402	2,996,727	706,151	16,191
SKC Co., Ltd.	2,805,950	937,317	79,202	61,220
SK PIC Global Co., Ltd.	636,567	378,135	508,307	(35,872)
SK Nexilis Co., Ltd.	2,266,361	1,233,893	360,058	(45,683)
SK E&S Co., Ltd.	9,857,386	4,227,658	536,056	388,051
Yeongnam Energy Service Co., Ltd.	429,192	204,239	546,575	17,772
Ko-one Energy Service Co., Ltd.	673,727	324,454	840,133	20,760
Narae Energy Service Co., Ltd.	1,440,240	798,956	587,502	90,660
Busan City Gas Co., Ltd.	1,342,214	418,943	731,837	434,554
Paju Energy Service Co., Ltd.	2,105,862	1,209,103	1,004,139	158,934
SK E&S Americas, Inc.	3,914,997	7,421	3,372	(149)
Passkey, Inc.	2,687,089	67,444	-	(23,443)
Prism Energy International Pte. Ltd.	1,936,266	1,225,275	1,256,578	115,441
SK Ecoplant Co., Ltd.	8,669,789	6,295,677	2,221,341	56,756
SK ecoengineering Co., Ltd.	955,444	687,356	778,462	30,889
SK Specialty Co., Ltd. (*1)	1,299,687	910,616	343,136	36,662
SK Siltron Co., Ltd. (*1)	4,959,663	3,106,706	1,071,860	120,152
SK China Company, Ltd.	3,246,479	53,248	-	27,815
SK South East Asia Investment Pte. Ltd.	3,313,309	535,144	50,685	(16,541)
SK REIT Co., Ltd. (*1)	3,117,646	2,166,924	61,099	7,151

(\*1) The subsidiary's 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, 2023 are as follows (Korean won in millions):

	June 30, 2023						
	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	63.43%	69.94%	69.43%	53.99%	54.74%	10.00%	57.10%
Current assets	₩ 32,660,629	₩ 6,705,986	₩ 5,469,958	₩ 2,438,041	₩ 1,940,746	₩ 3,990,632	₩ 5,904,576
Non-Current assets	40,813,576	23,599,592	15,135,141	6,834,801	4,300,372	13,829,358	8,439,003
Current liabilities	26,646,296	6,659,166	4,019,807	3,540,133	1,542,476	4,113,123	6,276,954
Non-current liabilities	20,666,358	11,252,735	710,277	3,353,496	2,318,234	6,522,790	3,721,140
Net assets	26,161,551	12,393,677	15,875,015	2,379,213	2,380,408	7,184,077	4,345,485
Book value of the non-controlling interests	17,381,344	7,631,737	11,056,616	1,350,602	1,633,114	4,699,536	3,540,934
Sales	37,870,126	8,678,610	(116,212)	4,627,541	1,300,009	5,671,858	3,927,262
Net income (loss)	(172,394)	650,258	(1,227,754)	15,235	(116,918)	705,782	236,253
Total comprehensive income (loss)	287,855	646,311	(1,186,055)	15,417	(36,676)	819,705	276,852
Net income (loss) of the non-controlling interests	(36,638)	428,571	(872,176)	7,773	(74,168)	219,237	161,171
Total comprehensive income (loss) of the non-controlling interests	257,721	402,400	(844,193)	7,323	(25,364)	237,947	200,283
Net cash flows from operating activities	2,310,367	2,397,782	217,273	(77,909)	(223,665)	393,846	(591,745)
Net cash flows from investing activities	(4,864,912)	(1,682,170)	(49,692)	(5,061)	(278,949)	(262,956)	(381,464)
Net cash flows from financing activities before dividends paid to the non-controlling interests	5,548,115	(731,493)	(139,243)	86,893	192,379	(86,884)	712,963
Dividends paid to the non-controlling interests	(319,315)	(311,321)	(6,062)	(16,111)	(40,053)	(213,295)	(42,179)
Net increase (decrease) in cash and cash equivalents	2,674,255	(327,202)	22,276	(12,188)	(350,288)	(169,289)	(302,425)

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

## **2. Summary of material accounting policy information**

### **2.1 Basis of preparation**

The Group prepares statutory condensed consolidated interim financial statements in Korean language in accordance with Korean International Financial Reporting Standards (“K-IFRS”) No. 1034 *Interim Financial Reporting* enacted by the Act on External Audit of Stock Companies. The accompanying condensed consolidated interim financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor’s review report thereon, the Korean version, which used for regulatory reporting purposes, shall prevail.

The condensed consolidated interim 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, 2022.

The accompanying condensed consolidated interim 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 condensed consolidated interim financial statements and has been made at the rate of ₩1,312.8 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, 2023. 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 Material accounting policy information**

The material accounting policy information used for the preparation of the accompanying the condensed consolidated interim financial statements as of and for the six-month period ended June 30, 2023, are the same as the accounting policy information adopted for the preparation of consolidated financial statements as of and for the year ended December 31, 2022, except for adoption of new and revised K-IFRSs applied in the current period, which are summarized below.

#### **2.2.1 New and revised K-IFRSs adopted in the current period**

The Group has applied amendments to K-IFRS issued that are mandatorily effective for accounting periods beginning on or after January 1, 2023.

##### **Amendments to K-IFRS No. 1001 *Presentation of Financial Statements***

The amendments require disclosure of material accounting policy information instead of a significant accounting policies, and explain the meaning of material accounting policy information. On the other hand, the application of this amendment has no significant impact on the financial position or management performance of the group.

The amendments required disclosure of the carrying amount and associated gains or losses of a financial liability if all or part of a financial instrument whose exercise price is subject to changes in the issuer’s share price is classified as a financial liability. On the other hand, the application of this amendment has no significant impact on the financial position or management performance of the group.

## **2.2 Material accounting policy information (cont'd)**

### **Amendments to K-IFRS No. 1008 *Accounting Policies, Changes in Accounting Estimates and Errors***

The amendments made clear in K-IFRS No. 1008 how to define an accounting estimate as the amount of money in the financial statements affected by measurement uncertainty and distinguish it from changes in accounting policy. On the other hand, the application of this amendment has no significant impact on the financial position or management performance of the group.

### **Amendments to K-IFRS No. 1012 *Income Taxes***

The amendments were amended to address the practical diversity of recognition of deferred tax assets and liabilities for transactions in which temporary differences to be added and deducted at the same amount occur. The amendments add the requirements to the proviso to paragraphs 15 and 24 of K-IFRS No. 1012(Exception for Initial Recognition of deferred tax) to require recognition of deferred tax assets and liabilities if there is a temporary difference in the same amount to be added and subtracted. On the other hand, the application of this amendment has no significant impact on the financial position or management performance of the group.

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

##### **Amendments to K-IFRS No. 1001 *Presentation of Financial Statements***

The amendments only affect the presentation of current and non-current liabilities in the statement of financial position, clarifying that the classification of current and non-current liabilities is based on the entity's rights existing at the end of the reporting period and highlighting that the entity's expectation of deferring the settlement of the liabilities. At the end of the reporting period, if the borrowing arrangement is in compliance, the right is explained and the definition is clarified by transferring cash, equity instruments, or other assets or services to the counterparty. The amendments shall apply for annual periods beginning on or after 1 January 2024, and may be applied early.

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



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**3. Significant accounting judgments, estimates and assumptions**

When preparing the condensed consolidated interim 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 condensed consolidated interim financial statements for the six-month period ended June 30, 2023, are consistent with those followed in the preparation of consolidated financial statements for the year ended December 31, 2022.

**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.	Construction and eco-friendly business
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, 2023 and 2022 are as follows (Korean won in billions):

	As of and for the six-month period ended June 30, 2023									Total
	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)	
Sales	₩ 38,037	₩ 8,679	₩ (116)	₩ 4,628	₩ 1,300	₩ 5,672	₩ 3,927	₩ 5,598	₩ (2,932)	₩ 64,793
and other operating revenue										
Internal sales	(367)	(143)	834	(539)	(170)	(246)	(7)	(2,294)	2,932	-
Net sales	37,670	8,536	718	4,089	1,130	5,426	3,920	3,304	-	64,793
Profit (loss) from continuing operations before income tax expense	(102)	871	(1,362)	35	(151)	985	186	554	(1,219)	(203)
Profit (loss) for the period from continuing operations	(172)	650	(1,228)	15	(117)	706	236	439	(794)	(265)
Total assets	73,475	30,306	20,605	9,273	6,241	17,820	14,344	61,088	(33,792)	199,360
Total liabilities	47,312	17,912	4,730	6,893	3,860	10,636	9,998	23,685	(1,175)	123,851
Depreciation	875	1,455	69	394	69	234	57	447	(26)	3,574
Amortization	101	427	27	18	17	12	42	76	137	857

	As of and for the six-month period ended June 30, 2022									Total
	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)	
Sales	₩ 36,167	₩ 8,567	₩ 2,020	₩ 4,644	₩ 1,540	₩ 5,715	₩ 3,099	₩ 5,048	₩ (4,196)	₩ 62,604
and other operating revenue										
Internal sales	(326)	(88)	(1,347)	(516)	(211)	(190)	(4)	(1,514)	4,196	-
Net sales	35,841	8,479	673	4,128	1,329	5,525	3,095	3,534	-	62,604
Profit (loss) from continuing operations before income tax expense	3,386	730	1,017	71	225	1,139	112	857	(800)	6,737
Profit (loss) for the period from continuing operations	2,202	478	943	54	188	956	50	724	(898)	4,697
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

(\*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, 2023 and 2022 (Korean won in billions):

	As of and for the six-month period ended June 30, 2023						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Sales	₩ 80,148	₩ 23,733	₩ 6,040	₩ 5,314	₩ 53	₩ (50,495)	₩ 64,793
and other operating revenue							
Operating profit (loss)	3,840	338	(24)	(393)	20	(1,955)	1,826
Profit (loss) from continuing operations	3,723	366	(23)	(705)	24	(3,588)	(203)
before income tax expense							
Profit (loss) for the period	3,184	282	(23)	(692)	22	(3,038)	(265)
Total assets	213,076	24,793	12,543	39,651	2,403	(93,106)	199,360
Total liabilities	106,385	9,858	7,543	10,588	669	(11,192)	123,851

	As of and for the six-month period ended June 30, 2022						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Sales	₩ 78,869	₩ 23,267	₩ 5,468	₩ 6,456	₩ 233	₩ (51,689)	₩ 62,604
and other operating revenue							
Operating profit (loss)	7,670	489	(140)	(57)	165	(1,593)	6,534
Profit (loss) from continuing operations	7,466	520	(246)	(183)	185	(1,005)	6,737
before income tax expense							
Profit (loss) for the period	5,301	455	(244)	(208)	168	(775)	4,697
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

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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, 2023 and 2022 are as follows (Korean won in billions):

		For the six-month period ended June 30, 2023									
		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. Sales		₩ 38,037	₩ 8,679	₩ (116)	₩ 4,628	₩ 1,300	₩ 5,672	₩ 3,927	₩ 5,598	₩ (2,932)	₩ 64,793
and other operating revenue											
2. Revenue from contracts with customers		37,709	8,679	1,120	3,808	1,300	5,669	3,898	5,265	(2,940)	64,508
Categories:											
Service sales		179	7,904	689	150	-	-	3,825	2,723	(1,378)	14,092
Finished goods sales		34,781	-	23	253	1,195	2,365	-	2,461	(685)	40,393
Merchandise sales		2,173	495	224	3,398	100	3,221	53	183	(830)	9,017
Other sales		576	280	184	7	5	83	20	(102)	(47)	1,006
		<u>37,709</u>	<u>8,679</u>	<u>1,120</u>	<u>3,808</u>	<u>1,300</u>	<u>5,669</u>	<u>3,898</u>	<u>5,265</u>	<u>(2,940)</u>	<u>64,508</u>
Timing of revenue recognition:											
Recognition at a point in time		37,530	727	464	3,658	1,300	417	24	2,606	3,690	50,416
Recognition over a period of time		179	7,952	656	150	-	5,252	3,874	2,659	(6,630)	14,092
		<u>37,709</u>	<u>8,679</u>	<u>1,120</u>	<u>3,808</u>	<u>1,300</u>	<u>5,669</u>	<u>3,898</u>	<u>5,265</u>	<u>(2,940)</u>	<u>64,508</u>
3. Revenue from other sources		161	-	(1,236)	820	-	3	29	333	8	118
4. Other operation income (*1)		167	-	-	-	-	-	-	-	-	167

(\*1) SK Innovation Co., Ltd., a subsidiary, will receive tax credits for battery cells and modules produced and sold in the United States under the Advanced Manufacturing Production Tax Credit System under the U.S. Inflation Reduction Act, which will take effect on January 1, 2023. Companies applying advanced manufacturing production tax credit can choose to deduct or receive cash according to the law for the amount of tax credit, which is expected to be received as of June 30, 2023 as SK Innovation Co., Ltd. chooses to receive cash.

		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. Sales		₩ 36,167	₩ 8,567	₩ 2,020	₩ 4,644	₩ 1,540	₩ 5,715	₩ 3,099	₩ 5,048	₩ (4,196)	₩ 62,604
and other operating revenue											
2. Revenue from contracts with customers		36,152	8,567	1,042	3,692	1,540	5,711	3,085	4,333	(2,530)	61,592
Categories:											
Service sales		145	7,867	871	195	-	-	2,985	1,321	(1,056)	12,328
Finished goods sales		34,055	-	18	201	1,372	2,328	-	2,495	(723)	39,746
Merchandise sales		830	482	50	3,295	159	3,335	26	500	(701)	7,976
Other sales		1,122	218	103	1	9	48	74	17	(50)	1,542
		<u>36,152</u>	<u>8,567</u>	<u>1,042</u>	<u>3,692</u>	<u>1,540</u>	<u>5,711</u>	<u>3,085</u>	<u>4,333</u>	<u>(2,530)</u>	<u>61,592</u>
Timing of revenue recognition:											
Recognition at a point in time		36,007	700	171	3,497	1,540	903	100	3,012	(1,474)	44,456
Recognition over a period of time		145	7,867	871	195	-	4,808	2,985	1,321	(1,056)	17,136
		<u>36,152</u>	<u>8,567</u>	<u>1,042</u>	<u>3,692</u>	<u>1,540</u>	<u>5,711</u>	<u>3,085</u>	<u>4,333</u>	<u>(2,530)</u>	<u>61,592</u>
3. Revenue from other sources		15	-	978	952	-	4	14	715	(1,666)	1,012

**SK Inc. and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
**June 30, 2023 and 2022**

**5. Financial instruments**

**5.1 Financial assets**

Details of financial assets as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023				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	₩ 7,184,294	₩ -	₩ 14,743,916	₩ -	₩ 21,928,210
Short-term financial instruments	1,311,522	-	2,099,389	-	3,410,911
Trade receivables (*1)	90,346	53,703	11,534,359	-	11,678,408
Other receivables	120,699	-	1,635,690	-	1,756,389
Short-term investment securities	178,289	-	1,845	-	180,134
Short-term loans	-	-	207,019	-	207,019
Accrued income	-	-	119,765	-	119,765
Guarantee deposits	-	-	535,414	-	535,414
Derivative financial assets	220,199	-	-	166,152	386,351
Lease receivables	-	-	26,871	-	26,871
	<u>9,105,349</u>	<u>53,703</u>	<u>30,904,268</u>	<u>166,152</u>	<u>40,229,472</u>
<b>Non-current assets</b>					
Long-term financial instruments	11,729	-	62,872	-	74,601
Long-term trade receivables	-	-	536,234	-	536,234
Long-term other receivables	115,412	-	232,743	-	348,155
Long-term investment securities	2,275,174	6,734,503	2,149	-	9,011,826
Long-term loans	-	-	617,458	-	617,458
Guarantee deposits	-	-	681,459	-	681,459
Derivative financial assets	890,187	-	-	342,852	1,233,039
Long-term lease receivables	-	-	53,010	-	53,010
	<u>3,292,502</u>	<u>6,734,503</u>	<u>2,185,925</u>	<u>342,852</u>	<u>12,555,782</u>
	<u>₩ 12,397,851</u>	<u>₩ 6,788,206</u>	<u>₩ 33,090,193</u>	<u>₩ 509,004</u>	<u>₩ 52,785,254</u>

(\*1) Contract assets (unbilled receivables) amounting to ₩1,385,008 million as of June 30, 2023 are not included in the financial assets.

**SK Inc. and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
**June 30, 2023 and 2022**

**5. Financial instruments (cont'd)**

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

	December 31, 2022				
	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	₩ 3,782,673	₩ -	₩ 17,611,180	₩ -	₩ 21,393,853
Short-term financial instruments	2,240,613	-	1,486,660	-	3,727,273
Trade receivables (*1)	45,369	-	13,138,018	-	13,183,387
Other receivables	162,617	-	3,397,174	-	3,559,791
Short-term investment securities	230,576	-	10,045	-	240,621
Short-term loans	-	-	132,368	-	132,368
Accrued income	-	-	117,013	-	117,013
Guarantee deposits	-	-	469,258	-	469,258
Derivative financial assets	210,773	-	-	229,353	440,126
Lease receivables	-	-	27,745	-	27,745
	<u>6,672,621</u>	<u>-</u>	<u>36,389,461</u>	<u>229,353</u>	<u>43,291,435</u>
<b>Non-current assets</b>					
Long-term financial instruments	24,580	-	87,904	-	112,484
Long-term trade receivables	-	-	517,701	-	517,701
Long-term other receivables	170,052	-	210,912	-	380,964
Long-term investment securities	1,976,650	5,972,901	946	-	7,950,497
Long-term loans	-	-	408,954	-	408,954
Guarantee deposits	-	-	692,386	-	692,386
Derivative financial assets	852,842	-	-	333,817	1,186,659
Long-term lease receivables	-	-	59,316	-	59,316
	<u>3,024,124</u>	<u>5,972,901</u>	<u>1,978,119</u>	<u>333,817</u>	<u>11,308,961</u>
	<u>₩ 9,696,745</u>	<u>₩ 5,972,901</u>	<u>₩ 38,367,580</u>	<u>₩ 563,170</u>	<u>₩ 54,600,396</u>

(\*1) Contract assets (unbilled receivables) amounting to ₩1,151,145 million as of December 31, 2022 are not included in the financial assets.

**SK Inc. and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
**June 30, 2023 and 2022**

**5. Financial instruments (cont'd)**

**5.2 Financial liabilities**

Details of financial liabilities as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023			Total
	Financial liabilities measured at FVTPL	Other financial liabilities	Financial liabilities designated as hedging instruments	
Current liabilities:				
Short-term borrowings	₩ -	₩ 16,041,188	₩ -	₩ 16,041,188
Trade payables	-	12,316,382	-	12,316,382
Other payables	7,454	7,211,875	-	7,219,329
Current portion of long-term debt	-	12,066,062	-	12,066,062
Accrued expenses	-	3,309,194	-	3,309,194
Dividends payable	-	18,939	-	18,939
Leasehold deposits received	-	209,144	-	209,144
Derivative financial liabilities	141,610	-	10,455	152,065
Lease liabilities	-	1,215,525	-	1,215,525
Finance guarantee liabilities	-	7,786	-	7,786
Financial liabilities at fair value through profit or loss	72,529	-	-	72,529
	<u>221,593</u>	<u>52,396,095</u>	<u>10,455</u>	<u>52,628,143</u>
Non-current liabilities:				
Bonds and long-term borrowings	-	48,060,249	-	48,060,249
Long-term other payables	278,845	1,064,478	-	1,343,323
Long-term accrued expenses	-	9,009	-	9,009
Leasehold deposits received	-	369,646	-	369,646
Derivative financial liabilities	1,063,136	-	20,601	1,083,737
Lease liabilities	-	4,011,196	-	4,011,196
Financial guarantee liabilities	-	14,655	-	14,655
Financial liabilities at fair value through profit or loss	90,959	-	-	90,959
	<u>1,432,940</u>	<u>53,529,233</u>	<u>20,601</u>	<u>54,982,774</u>
	<u>₩ 1,654,533</u>	<u>₩ 105,925,328</u>	<u>₩ 31,056</u>	<u>₩ 107,610,917</u>

**SK Inc. and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
**June 30, 2023 and 2022**

**5. Financial instruments (cont'd)**

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

	December 31, 2022			
	Financial liabilities measured at FVTPL	Other financial liabilities	Financial liabilities designated as hedging instruments	Total
<b>Current liabilities:</b>				
Short-term borrowings	₩ -	₩ 17,457,297	₩ -	₩ 17,457,297
Trade payables	-	14,024,892	-	14,024,892
Other payables	79,304	7,125,273	-	7,204,577
Current portion of long-term debt	-	11,373,120	-	11,373,120
Accrued expenses	-	4,821,371	-	4,821,371
Dividends payable	-	935	-	935
Leasehold deposits received	-	167,538	-	167,538
Derivative financial liabilities	165,617	-	42,577	208,194
Lease liabilities	-	1,286,208	-	1,286,208
Finance guarantee liabilities	-	1,508	-	1,508
Financial liabilities at fair value through profit or loss	57,218	-	-	57,218
	<u>302,139</u>	<u>56,258,142</u>	<u>42,577</u>	<u>56,602,858</u>
<b>Non-current liabilities:</b>				
Bonds and long-term borrowings	-	45,641,745	-	45,641,745
Long-term other payables	161,550	1,351,657	-	1,513,207
Long-term accrued expenses	43,070	17,467	-	60,537
Leasehold deposits received	-	432,615	-	432,615
Derivative financial liabilities	813,861	-	4,558	818,419
Lease liabilities	-	4,220,239	-	4,220,239
Financial guarantee liabilities	-	23,400	-	23,400
Financial liabilities at fair value through profit or loss	91,355	-	-	91,355
	<u>1,109,836</u>	<u>51,687,123</u>	<u>4,558</u>	<u>52,801,517</u>
	<u>₩ 1,411,975</u>	<u>₩ 107,945,265</u>	<u>₩ 47,135</u>	<u>₩ 109,404,375</u>

**SK Inc. and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
**June 30, 2023 and 2022**

**5. Financial instruments (cont'd)**

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

1) 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.

2) Details of fair values of financial instruments by hierarchy level as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023				
	Book value	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>					
Financial assets measured at FVTPL	₩ 11,287,465	₩ 444,105	₩ 8,743,656	₩ 2,099,704	₩ 11,287,465
Financial assets measured at FVOCI	6,788,206	3,539,049	-	3,249,157	6,788,206
Derivative financial assets	<u>1,619,390</u>	<u>1,337</u>	<u>841,241</u>	<u>776,812</u>	<u>1,619,390</u>
	<u>₩ 19,695,061</u>	<u>₩ 3,984,491</u>	<u>₩ 9,584,897</u>	<u>₩ 6,125,673</u>	<u>₩ 19,695,061</u>
<b>Financial liabilities:</b>					
Financial liabilities measured at FVTPL	₩ 449,787	₩ -	₩ -	₩ 449,787	₩ 449,787
Derivative financial liabilities	<u>1,235,802</u>	<u>-</u>	<u>121,508</u>	<u>1,114,294</u>	<u>1,235,802</u>
	<u>₩ 1,685,589</u>	<u>₩ -</u>	<u>₩ 121,508</u>	<u>₩ 1,564,081</u>	<u>₩ 1,685,589</u>
	December 31, 2022				
	Book value	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>					
Financial assets measure at FVTPL	₩ 8,633,130	₩ 430,499	₩ 6,380,535	₩ 1,822,096	₩ 8,633,130
Financial assets measured at FVOCI	5,972,901	2,853,745	-	3,119,156	5,972,901
Derivative financial assets	<u>1,626,785</u>	<u>861</u>	<u>878,318</u>	<u>747,606</u>	<u>1,626,785</u>
	<u>₩ 16,232,816</u>	<u>₩ 3,285,105</u>	<u>₩ 7,258,853</u>	<u>₩ 5,688,858</u>	<u>₩ 16,232,816</u>
<b>Financial liabilities:</b>					
Financial liabilities measured at FVTPL	₩ 432,497	₩ -	₩ -	₩ 432,497	₩ 432,497
Derivative financial liabilities	<u>1,026,613</u>	<u>-</u>	<u>228,490</u>	<u>798,123</u>	<u>1,026,613</u>
	<u>₩ 1,459,110</u>	<u>₩ -</u>	<u>₩ 228,490</u>	<u>₩ 1,230,620</u>	<u>₩ 1,459,110</u>



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**June 30, 2023 and 2022**

**6. Trade receivables**

(1) Details of trade receivables as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Trade receivables:				
Trade receivables (*1)	₩ 12,397,913	₩ 574,910	₩ 13,948,905	₩ 548,695
Contract assets (unbilled receivables)	1,385,008	-	1,151,145	-
Loss allowance:				
Trade receivables	(719,505)	(38,676)	(765,518)	(30,994)
	<u>₩ 13,063,416</u>	<u>₩ 536,234</u>	<u>₩ 14,334,532</u>	<u>₩ 517,701</u>

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

(2) Details of contract assets and liabilities related to the contract with the customer as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023	December 31, 2022
Contract assets: (*1)		
Construction business	₩ 1,202,046	₩ 988,901
Telecommunication business	132,176	132,221
Others	187,303	241,677
	<u>₩ 1,521,525</u>	<u>₩ 1,362,799</u>
Contract liabilities: (*2)		
Construction business	₩ 1,468,586	₩ 1,201,904
Telecommunication business	228,682	233,922
Others	1,527,979	1,370,875
	<u>₩ 3,225,247</u>	<u>₩ 2,806,701</u>

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

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

(3) Details of construction profit variation by changes of accounting estimates related to construction contracts as of June 30, 2023 are as follows (Korean won in millions):

	June 30, 2023				
	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	₩ 255,952	₩ 144,047	₩ 57,441	₩ 54,464	₩ 57,441
Others	(1,408)	(824)	(618)	34	(618)
	<u>₩ 254,544</u>	<u>₩ 143,223</u>	<u>₩ 56,823</u>	<u>₩ 54,498</u>	<u>₩ 56,823</u>

Impact on profit (loss) 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 June 30, 2023. Estimated construction costs and revenue can be changed in the future period.

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

(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, 2023 are as follows (Korean won in millions):

Subsidiaries	Project	Contract date	Completion date(*1)	Percentage (%)	Unbilled receivables		Trade receivables (*2)	
					Amount	Impairment	Amount	Loss allowance
SK Ecoplant Co., Ltd.	Goseong green power project	2014.07	2022.01	99.62	₩ -	₩ -	₩ 60,012	₩ -

(\*1) It is the contractual or scheduled construction deadline for each project.

(\*2) It refers to amounts of billed receivables.

**7. Inventories**

Details of inventories as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023			December 31, 2022		
	Acquisition cost	Valuation allowance	Book value	Acquisition cost	Valuation allowance	Book value
Merchandise	₩ 1,578,665	₩ (59,341)	₩ 1,519,324	₩ 1,472,655	₩ (41,180)	₩ 1,431,475
Finished goods	4,547,679	(398,875)	4,148,804	4,669,223	(421,219)	4,248,004
Semifinished goods and work in progress	2,329,895	(210,438)	2,119,457	2,156,940	(337,549)	1,819,391
Raw materials and sub-materials	2,979,690	(105,039)	2,874,651	3,809,625	(232,547)	3,577,078
Materials in transit	3,424,186	-	3,424,186	3,791,181	-	3,791,181
Supplies	693,709	(4,505)	689,204	668,966	(3,343)	665,623
Uncompleted contracts	16,729	-	16,729	16,765	-	16,765
Others	13,350	(1,153)	12,197	3,920	(1,153)	2,767
	<u>₩ 15,583,903</u>	<u>₩ (779,351)</u>	<u>₩ 14,804,552</u>	<u>₩ 16,589,275</u>	<u>₩ (1,036,991)</u>	<u>₩ 15,552,284</u>

**SK Inc. and its subsidiaries**  
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**June 30, 2023 and 2022**

**8. Investment securities**

Details of investment securities as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023			Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI (*1)	Financial assets measured at amortized cost	
Equity instruments:				
Marketable equity instruments	₩ 444,105	₩ 3,539,049	₩ -	₩ 3,983,154
Non-marketable equity instruments	141,557	3,195,454	-	3,337,011
	<u>585,662</u>	<u>6,734,503</u>	<u>-</u>	<u>7,320,165</u>
Bond instruments:				
Beneficiary securities and others	1,736,783	-	-	1,736,783
Debt securities	131,018	-	3,994	135,012
	<u>1,867,801</u>	<u>-</u>	<u>3,994</u>	<u>1,871,795</u>
	<u>₩ 2,453,463</u>	<u>₩ 6,734,503</u>	<u>₩ 3,994</u>	<u>₩ 9,191,960</u>
Current investment securities	₩ 178,289	₩ -	₩ 1,845	₩ 180,134
Non-current investment securities	2,275,174	6,734,503	2,149	9,011,826
	December 31, 2022			
	Financial assets measured at FVTPL	Financial assets measured at FVOCI (*1)	Financial assets measured at amortized cost	Total
Equity instruments:				
Marketable equity instruments	₩ 430,499	₩ 2,853,745	₩ -	₩ 3,284,244
Non-marketable equity instruments	145,087	3,118,493	-	3,263,580
	<u>575,586</u>	<u>5,972,238</u>	<u>-</u>	<u>6,547,824</u>
Bond instruments:				
Beneficiary securities and others	1,337,220	663	-	1,337,883
Debt securities	294,420	-	10,991	305,411
	<u>1,631,640</u>	<u>663</u>	<u>10,991</u>	<u>1,643,294</u>
	<u>₩ 2,207,226</u>	<u>₩ 5,972,901</u>	<u>₩ 10,991</u>	<u>₩ 8,191,118</u>
Current investment securities	₩ 230,576	₩ -	₩ 10,045	₩ 240,621
Non-current investment securities	1,976,650	5,972,901	946	7,950,497

(\*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.

**SK Inc. and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
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**9. Investments in associates, joint ventures and joint operation**

(1) Investments in associates and joint ventures

Details of investments in associates and joint ventures as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

Company	Domicile	Equity ownership (*1)	June 30, 2023		December 31, 2022
			Acquisition cost	Book value	Book value
<b>Associates:</b>					
SK Hynix Inc.	Korea	20.1%	₩ 5,420,310	₩ 12,602,349	₩ 13,876,478
Vingroup Joint Stock Company (*2)	Vietnam	6.1%	957,882	689,926	668,735
Eureka Midstream Holdings	USA	40.0%	465,582	560,760	558,039
VCM Services And Trading Development Joint Stock Company (*2)	Vietnam	15.8%	465,019	512,838	495,372
Masan Group Corporation (*2)	Vietnam	9.3%	457,718	395,687	382,546
SK ecoengineering Co., Ltd. (*3)	Korea	-	-	-	508,121
Darwin LNG Pty Ltd.	Australia	25.0%	419,675	479,590	458,916
Center For Breakthrough Medicines Holdings, LLC	USA	44.0%	409,059	360,236	387,739
Shenzhen Londian Wason Holdings Group. Co., Ltd.	China	29.5%	383,369	465,547	468,993
The CrownX Corporation (*2)	Vietnam	4.9%	348,648	405,288	390,667
FR BR Aggregator	USA	39.0%	350,718	256,878	286,327
Huizhou EVE United Energy Co., Ltd.	China	49.0%	344,465	499,626	430,301
Peru LNG Company, LLC	USA	20.0%	319,287	294,063	291,151
Daehan Oil Pipeline Corporation	Korea	41.0%	311,372	320,891	325,794
NHIP II Bison Holdings, LLC	USA	24.4%	297,511	312,680	301,753
Yemen LNG Company Ltd. (*2,4)	Bermuda	6.9%	252,813	-	-
Canakkale Highway And Bridge	Turkey	25.0%	290,269	378,005	339,811
Korea IT Fund (*5)	Korea	63.3%	242,170	327,563	324,860
ProteoVant Sciences, Inc.	USA	40.0%	222,370	41,303	205,760
Joyvio (*2)	China	14.0%	213,793	197,274	219,137
Content Wavve Corp	Korea	40.5%	222,161	138,957	139,931
Best Oil Company Ltd.	Myanmar	35.0%	153,024	150,993	135,364
TBM Co., Ltd. (*2)	Japan	13.5%	141,971	115,425	124,336
ENN (Zhoushan) LNG Co., Ltd. (*2)	China	10.0%	133,234	143,424	136,268
8 Rivers Capital LLC (*3)	USA	-	-	-	124,296
Others				3,174,706	2,880,597
				<u>22,824,009</u>	<u>24,461,292</u>
<b>Joint ventures (*6):</b>					
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	China	35.0%	676,332	941,982	965,874
Beijing BESK Technology Co., Ltd.	China	49.0%	247,428	252,767	251,247
Lunar Energy, Inc.	USA	43.5%	181,620	113,569	129,964
ZETA CAYMAN Limited	Cayman	50.0%	179,756	130,070	140,229
Ignis Therapeutics	Cayman	41.0%	177,525	111,499	90,858
Eurasia Tunnel	Turkey	50.0%	174,215	451,850	409,162
Parkingcloud Corp.	Korea	44.6%	160,038	155,278	157,625
Boryeong LNG Terminal Co., Ltd.	Korea	50.0%	133,323	166,154	164,059
SABIC SK Nexlene Company Pte. Ltd.	Singapore	50.0%	112,670	211,214	189,585
Others				517,964	497,110
				<u>3,052,347</u>	<u>2,995,713</u>
				<u>₩ 25,876,356</u>	<u>₩ 27,457,005</u>

**SK Inc. and its subsidiaries**  
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**9. Investments in associates, joint ventures and joint operation (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) It was consolidated during the period ended June 30, 2023.
- (\*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) 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.

(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, 2023 and 2022 are as follows (Korean won in millions):

		For the six-month period ended June 30, 2023							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other comprehensive income	Dividends received	Others (*1)	Ending balance
Associates	₩	24,461,292	₩ 701,505	₩ (62,899)	₩ (1,199,318)	₩ 21,881	₩ (177,357)	₩ (921,095)	₩ 22,824,009
Joint ventures		2,995,713	₩ 39,104	₩ (7,772)	₩ 7,604	₩ 3,903	₩ (14,948)	₩ 28,743	₩ 3,052,347
	₩	<u>27,457,005</u>	<u>₩ 740,609</u>	<u>₩ (70,671)</u>	<u>₩ (1,191,714)</u>	<u>₩ 25,784</u>	<u>₩ (192,305)</u>	<u>₩ (892,352)</u>	<u>₩ 25,876,356</u>

  

		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>

(\*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, 2023 are as follows (Korean won in millions):

	Beginning balance	Changes	Ending balance
Korea Consortium Kazakh B.V.	₩ 175,694	₩ -	₩ 175,694
Yemen LNG Company Ltd. and others	₩ 92,819	₩ 7,625	₩ 100,444

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

(4) Condensed financial information of significant investments in associates and joint ventures as of June 30, 2023 are as follows (Korean won in millions):

	As of and for the six-month period ended June 30, 2023						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income (loss)	Total comprehensive income (loss)
<b>Associates:</b>							
SK Hynix Inc.	₩ 29,661,132	₩ 73,157,875	₩ 19,776,433	₩ 25,583,524	₩ 12,394,044	₩ (5,573,398)	₩ (5,461,274)
Vingroup Joint Stock Company	16,261,621	16,984,438	17,610,988	8,042,495	2,142,986	32,403	32,403
Eureka Midstream Holdings	36,227	1,137,164	14,428	414,238	72,802	30,436	30,436
VCM Services And Trading Development Joint Stock Company	616,429	393,864	451,216	299,170	403,434	(15,808)	(15,808)
Masan Group Corporation	2,873,188	5,246,960	3,404,663	2,648,674	1,028,842	24,170	24,170
Darwin LNG Pty Ltd.	173,361	128,658	46,834	55,540	377,400	26,037	26,037
Center For Breakthrough Medicines Holdings, LLC	101,674	623,331	130,494	427,004	16,687	(98,439)	(98,439)
Shenzhen Londian Wason Holdings Group Co., Ltd.	1,831,693	996,928	1,797,843	331,608	634,567	23,810	23,810
The CrownX Corporation	1,801,567	1,167,512	1,027,345	550,349	731,505	40,932	40,932
Huizhou EVE United Energy Co., Ltd.	1,162,831	585,059	601,247	94,975	949,736	99,619	99,619
Peru LNG Company, LLC	624,663	2,409,290	332,780	1,228,520	1,199,218	10,451	10,451
Daehan Oil Pipeline Corporation	113,780	933,904	41,787	259,450	98,328	25,301	25,301
Canakkale Highway And Bridge	467,712	4,073,133	96,599	2,924,276	17,603	107,941	76,329
Korea IT Fund	102,711	414,494	-	-	15,474	3,368	7,686
ProteoVant Sciences, Inc.	126,054	14,920	39,674	12,289	1,547	(14,151)	(14,151)
Joyvio	2,121,646	2,249,444	1,807,345	1,327,524	1,588,692	39,423	40,451
Content Wavve Corp	130,629	232,757	104,100	222,976	164,730	(61,895)	(61,601)
Best Oil Company Limited	617,732	182,089	510,047	12,562	995,625	27,705	27,705
TBM Co., Ltd.	79,186	52,128	9,132	42,594	16,995	(19,868)	(19,868)
ENN (Zhoushan) LNG Co., Ltd.	132,602	1,091,657	270,387	300,010	39,292	25,233	29,778
<b>Joint ventures:</b>							
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	906,926	4,275,282	1,041,579	1,664,050	5,249,058	(84,339)	(84,339)
Beijing BESK Technology Co., Ltd.	647,993	427,016	464,869	45,396	528,966	36,274	36,274
ZETA CAYMAN Limited	1,254	259,857	971	-	-	(975)	(975)
Ignis Therapeutics	182,412	206,567	1,024	392	-	(7,317)	(8,443)
Eurasia Tunnel	285,276	1,644,987	181,152	866,712	6,998	49,838	51,113
Parkingcloud Corp	116,389	76,095	24,349	36,430	34,821	(4,055)	(4,055)
Boryeong LNG Terminal Co., Ltd.	146,595	1,508,128	81,344	1,265,434	129,016	23,873	23,854
SABIC SK Nexlene Company Pte. Ltd.	408,248	503,039	123,209	297,536	316,689	43,197	22,925

(5) Details of joint operation as of June 30, 2023 and December 31, 2022 are as follows:

	Ownership equity		Principal place of business	Date of financial statements in use	Nature of Joint Agreement Activities and others
	June 30, 2023	December 31, 2022			
Ulsan Aromatics Co., Ltd.	50%	50%	Republic of Korea	December 31	(*1,2)
PT. Patra SK	65%	65%	Indonesia	December 31	(*1,3)

(\*1) The Group classified the joint arrangement with the entities above as a joint operation, considering facts and circumstances that the contractual agreement is designed to provide outputs to relevant parties of the agreement, despite the terms of the agreement that grant the parties neither any rights to the assets nor any obligations to the liabilities in relation to the agreement.

(\*2) The entity was established as a joint venture with ENEOS Corporation on March 30, 2012 and is engaged in manufacturing of aromatic compounds.

(\*3) The entity was established as a joint venture with PT Pertamina Patra Niaga on November 19, 2006 and is engaged in manufacturing and selling lubricating oil.

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**10. Property, plant and equipment**

(1) Details of property, plant and equipment as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Acquisition cost	₩ 93,146,717	₩ 85,931,206
Accumulated depreciation and accumulated impairment loss	<u>(27,060,910)</u>	<u>(26,009,334)</u>
	<u>₩ 66,085,807</u>	<u>₩ 59,921,872</u>

(2) Changes in property, plant and equipment for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2023						Ending balance
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	
Land	₩ 9,316,944	₩ 43,395	₩ 10,285	₩ (30,167)	₩ -	₩ 220,233	₩ 9,560,690
Buildings	6,609,655	3,531	9,937	(3,591)	(147,574)	1,440,152	7,912,110
Structures	1,906,675	31,194	2,910	(221)	(73,279)	152,060	2,019,339
Machinery and equipment	20,873,162	7,530	239,467	(23,802)	(2,148,048)	2,386,978	21,335,287
Vehicles	177,588	79	9,045	(1,879)	(15,520)	3,856	173,169
Operating lease asset	2,387,593	-	614,432	(9,096)	(253,970)	(125,390)	2,613,569
Others	5,280,841	6,799	683,565	(5,573)	(375,095)	(133,551)	5,456,986
Construction-in-progress	13,369,414	45,174	7,995,687	(8,483)	-	(4,387,135)	17,014,657
	<u>₩ 59,921,872</u>	<u>₩ 137,702</u>	<u>₩ 9,565,328</u>	<u>₩ (82,812)</u>	<u>₩ (3,013,486)</u>	<u>₩ (442,797)</u>	<u>₩ 66,085,807</u>

	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>

(\*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, 2023 and December 31, 2022 are as follows (Korean won in millions):

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Acquisition cost	₩ 7,981,074	₩ 8,112,183
Accumulated depreciation and accumulated impairment losses	<u>(2,810,174)</u>	<u>(2,674,769)</u>
	<u>₩ 5,170,900</u>	<u>₩ 5,437,414</u>

(2) Changes in right-of-use assets for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	<u>For the six-month period ended June 30, 2023</u>						<u>Ending balance</u>
	<u>Beginning balance</u>	<u>Business combination</u>	<u>Increase</u>	<u>Decrease</u>	<u>Depreciation</u>	<u>Others (*1)</u>	
Land and buildings	₩ 2,519,406	₩ 48,765	₩ 291,669	₩ (61,335)	₩ (288,009)	₩ (3,652)	₩ 2,506,844
Tank	156,403	-	47,403	(174)	(32,910)	1,495	172,217
Ships	1,435,547	-	1,630	-	(69,460)	43,026	1,410,743
Vehicles	946,903	716	82,414	(170,960)	(101,544)	(16,022)	741,507
Others	379,155	161	29,728	(10,272)	(53,261)	(5,922)	339,589
	<u>₩ 5,437,414</u>	<u>₩ 49,642</u>	<u>₩ 452,844</u>	<u>₩ (242,741)</u>	<u>₩ (545,184)</u>	<u>₩ 18,925</u>	<u>₩ 5,170,900</u>

	<u>For the six-month period ended June 30, 2022</u>						<u>Ending balance</u>
	<u>Beginning balance</u>	<u>Business combination</u>	<u>Increase</u>	<u>Decrease</u>	<u>Depreciation</u>	<u>Others (*1)</u>	
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	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>

(\*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, 2023 and 2022 are as follows (Korean won in millions):

	<u>For the six-month period ended June 30, 2023</u>						<u>Ending balance</u>	
	<u>Beginning balance</u>	<u>Business combination</u>	<u>Increase</u>	<u>Interest expenses</u>	<u>Decrease</u>	<u>Transfer</u>		<u>Others (*1)</u>
Lease liabilities	₩ 5,506,447	₩ 33,015	₩ 394,659	₩ 100,289	₩ (644,752)	₩ (55,565)	₩ (107,372)	₩ 5,226,721

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

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

The Group recognized lease payments of ₩114,307 million and ₩115,637 million in relation to short-term lease, ₩5,442 million and ₩5,028 million in relation to leases of low-value assets and ₩77,422 million and ₩88,831 million in relation to variable lease payments in cost of sales and selling and administrative expenses during the six-month periods ended June 30, 2023 and 2022. The total cash outflow of leases during the period ended is ₩841,923 million and ₩807,731 million during the six-month periods ended June 30, 2023 and 2022.



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**12. Investment properties**

(1) Details of investment properties as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023	December 31, 2022
Acquisition cost	₩ 2,075,757	₩ 2,046,637
Accumulated depreciation and accumulated impairment loss	(201,457)	(180,531)
	<u>₩ 1,874,300</u>	<u>₩ 1,866,106</u>

(2) Changes in investment properties for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

For the six-month period ended June 30, 2023						
	Beginning balance	Acquisitions	Disposals	Depreciation	Others (*1)	Ending balance
Land	₩ 1,121,125	₩ 447	₩ (1,208)	₩ -	₩ 5,596	₩ 1,125,960
Buildings	739,922	4,116	(16,748)	(15,105)	30,600	742,785
Structures	5,059	560	-	(63)	(1)	5,555
	<u>₩ 1,866,106</u>	<u>₩ 5,123</u>	<u>₩ (17,956)</u>	<u>₩ (15,168)</u>	<u>₩ 36,195</u>	<u>₩ 1,874,300</u>

  

For the six-month period ended June 30, 2022						
	Beginning balance	Acquisitions	Disposals	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>

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

**13. Goodwill**

Changes in goodwill for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2023	June 30, 2022
Beginning balance	₩ 7,475,558	₩ 5,618,511
Business combination(see Note 35)	535,543	1,873,999
Transfer (*1)	(1,181,716)	-
Others (*2)	117,518	263,591
Ending balance	<u>₩ 6,946,903</u>	<u>₩ 7,756,101</u>

(\*1) As SK Square Co., Ltd., a subsidiary, classified the security business sector as a discontinued operation, it was transferred to assets held for sale.

(\*2) 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, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2023						
	Beginning balance	Business combination	Acquisitions	Disposals	Amortization	Others (*3)	Ending balance
Development costs	₩ 252,314	₩ -	₩ 18,997	₩ -	₩ (36,549)	₩ 1,131	₩ 235,893
Facility usage rights	33,351	-	976	(1)	(2,787)	1,153	32,692
Industrial property rights	194,812	-	8,750	(10)	(5,903)	5,032	202,681
Frequency usage rights	2,082,434	-	-	-	(240,297)	(1)	1,842,136
Customer-related assets	2,985,910	-	2,576	(2,523)	(139,620)	(485,997)	2,360,346
Membership (*1)	353,156	1,152	28,213	(13,237)	-	(6,348)	362,936
Development costs for petroleum resource	1,300,661	-	76,117	-	(41,359)	(1,582)	1,333,837
Brand-related assets (*1)	2,681,683	-	-	-	-	(377,513)	2,304,170
Developed technology	876,564	-	-	-	(90,866)	12,860	798,558
Others (*2)	1,948,134	3,845	46,368	(1,075)	(299,378)	110,567	1,808,461
	<u>₩ 12,709,019</u>	<u>₩ 4,997</u>	<u>₩ 181,997</u>	<u>₩ (16,846)</u>	<u>₩ (856,759)</u>	<u>₩ (740,698)</u>	<u>₩ 11,281,710</u>

	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>

(\*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. Bonds and borrowings**

(1) Details of bonds and borrowings as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Short-term borrowings (*1)	₩ 16,041,188	₩ -	₩ 17,457,297	₩ -
Bonds and long-term borrowings:				
Bonds	8,660,132	29,914,458	8,119,008	27,743,958
Long-term borrowings (*1)	3,405,930	18,145,791	3,254,112	17,897,787
	<u>12,066,062</u>	<u>48,060,249</u>	<u>11,373,120</u>	<u>45,641,745</u>
	<u>₩ 28,107,250</u>	<u>₩ 48,060,249</u>	<u>₩ 28,830,417</u>	<u>₩ 45,641,745</u>

(\*1) It includes borrowings collateralized for trade receivables of ₩112,794 million and ₩98,947 million as of June 30, 2023 and December 31, 2022, respectively, which were transferred but not derecognized.

(2) Details of bonds as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023	December 31, 2022
SK Inc.	₩ 7,135,000	₩ 6,915,000
SK Innovation Co., Ltd.	1,916,400	1,293,650
SK Energy Co., Ltd.	3,280,000	3,310,000
SK Geo Centric Co., Ltd.	1,880,000	1,810,000
SK Incheon Petrochem Co., Ltd.	1,997,000	2,037,000
SK Enmove Co., Ltd.	1,040,000	920,000
SK Battery America, Inc.	1,312,800	1,267,300
SK On Co., Ltd.	1,881,520	700,000
SK Earthon Co., Ltd.	150,000	150,000
SK Telecom Co., Ltd.	6,553,960	7,005,760
SK Broadband Co., Ltd.	1,847,680	1,380,190
SAPEON Inc.	52,512	-
SK Shieldus Co., Ltd.	-	297,823
SK Networks Co., Ltd.	1,210,000	1,110,000
SK Magic Co., Ltd.	543,000	453,000
SK Rent-a-Car Co., Ltd.	985,000	725,000
SKC Co., Ltd.	188,500	192,400
SK Enpulse Co., Ltd.	10,000	-
SK Telesys Co., Ltd.	-	10,000
SK E&S Co., Ltd.	1,900,000	1,580,000
Paju Energy Service Co., Ltd.	680,000	680,000
Narae Energy Service Co., Ltd.	370,000	370,000
Yeosu Energy Service Co., Ltd.	200,000	200,000
IGE Co., Ltd.	130,000	130,000
SK Ecoplant Co., Ltd.	1,503,000	1,550,000
Topsun Co., Ltd.	4,717	-
SK Oceanplant Co., Ltd.	50,000	55,000
SK Specialty Co., Ltd.	580,000	460,000
SK Materials Airplus Incorporated.	40,000	100,000
SK Siltron Co., Ltd.	741,000	741,000
Teraon Co., Ltd.	10	10
SK Signet Inc.	-	500
SK REIT Co., Ltd.	452,100	429,000
8 Rivers Capital, LLC	4,923	-
	<u>38,639,122</u>	<u>35,872,633</u>
Less: discount on bonds payable	(64,532)	(9,667)
Less: current portion	<u>(8,660,132)</u>	<u>(8,119,008)</u>
	<u>₩ 29,914,458</u>	<u>₩ 27,743,958</u>

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**15. Bonds and borrowings (cont'd)**

(3) Details of long-term borrowings as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

Financial institution	Description	Interest rate (%)	June 30, 2023	December 31, 2022
Korea Development Bank and others	General	0.75 ~ 7.90	₩ 7,789,702	₩ 8,256,466
Korea Development Bank and others	Fund for facility	1.50 ~ 7.75	5,938,170	5,811,463
Standard Chartered Bank and others	Foreign borrowings	1.10 ~ 8.00	6,155,625	5,429,201
Korea Energy Agency (*1)	Fund for mine exploration	0.00 ~ 1.80	74,950	75,416
Korea Development Bank and others	Fund for operation	-	-	19,520
Korea Development Bank and others	Takeover	LIBOR(3M) + 1.60	183,792	177,422
Mizuho Bank and others	Takeover	EURIBOR(3M) + 1.55	229,675	217,543
Kentucky Economic Development Finance Authority (*2)	Redeemable loan	-	295,380	285,143
MD Prime 1 <sup>st</sup> Co., Ltd. and others	Others	3MCD + 1.80, 4.95	1,007,818	1,007,818
			21,675,112	21,279,992
Less: discount			(123,392)	(128,093)
Less: current portion			(3,405,930)	(3,254,112)
			<u>₩ 18,145,790</u>	<u>₩ 17,897,787</u>

(\*1) As of June 30, 2023 and December 31, 2022, the group holds a loan amounting to ₩52,713 million and ₩67,655 million from Korea Energy Agency for the purpose of oil exploration and development in which there is no repayment obligation in case of failure in exploration.

(\*2) The obligation to repay the amount received by the subsidiary BlueOval SK, LLC from the local government will expire when the employment and wage levels required by the period are met.

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

**16. Provisions**

Changes in the provisions for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2023					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for sale warranties	₩ 215,191	₩ 114,628	₩ (9,350)	₩ 320,469	₩ 39,223	₩ 281,246
Provision for service / construction warranties	95,848	15,925	(10,733)	101,040	101,040	-
Provision for restoration	705,171	69,680	(23,802)	751,049	141,087	609,962
Provision for onerous contracts	282,239	11,721	(62,204)	231,756	190,196	41,560
Other provisions	208,575	218,872	(215,152)	212,295	98,755	113,540
	<u>₩ 1,507,024</u>	<u>₩ 430,826</u>	<u>₩ (321,241)</u>	<u>₩ 1,616,609</u>	<u>₩ 570,301</u>	<u>₩ 1,046,308</u>

  

	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>

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**17. Defined benefit liabilities(assets)**

(1) Details of defined benefit liabilities as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023	December 31, 2022
Present value of defined benefit obligation	₩ 3,409,758	₩ 3,418,566
Fair value of plan assets	(3,819,229)	(3,908,480)
Defined benefit liability	86,414	170,368
Defined benefit asset (*1)	(495,885)	(660,282)

(\*1) Since the Group has neither an enforceable legal right to use any excess reserves of a plan in the Group for a settlement of defined benefit obligations of another plan nor an intention to settle such obligations likewise, the asset above may not be set off.

(2) Changes in the defined benefit liabilities for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2023		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 3,418,566	₩ (3,908,480)	₩ (489,914)
Business combination	67,840	(82,504)	(14,664)
Provision for pension benefits:			
Current service cost	216,670	-	216,670
Past service cost	(15,014)	-	(15,014)
Net interest expense (income)	87,022	(101,399)	(14,377)
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expenses)	-	10,205	10,205
Actuarial changes arising from changes in financial assumptions and others	69,637	-	69,637
Contributions by employer directly to plan assets	-	(55,722)	(55,722)
Benefit paid	(221,351)	214,853	(6,498)
Transferred to liabilities held for sale	(166,479)	40,277	(126,202)
Others	(47,133)	63,541	16,408
Ending balance	₩ 3,409,758	₩ (3,819,229)	₩ (409,471)
	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	₩ 3,721,636	₩ (3,366,660)	₩ 354,976

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**18. Other assets and liabilities**

(1) Details of other assets as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023	December 31, 2022
Current assets:		
Short-term loans	₩ 207,019	₩ 132,368
Accrued income	119,765	117,013
Advanced payments	1,804,265	1,295,693
Prepaid expenses	3,001,447	2,788,339
Guarantee deposits	535,414	469,258
Derivative financial assets	386,351	440,126
Lease receivables	26,871	27,745
Other contract assets	98,340	150,887
Others	53,172	168,273
	<u>₩ 6,232,644</u>	<u>₩ 5,589,702</u>
Non-current assets:		
Long-term prepaid expenses	₩ 1,222,926	₩ 1,228,124
Long-term loans	617,458	408,954
Long-term guarantee deposits	681,459	692,386
Derivative financial assets	1,233,039	1,186,659
Long-term lease receivables	53,010	59,316
Other long-term contract assets	43,874	62,654
Others	110,968	218,440
	<u>₩ 3,962,734</u>	<u>₩ 3,856,533</u>

(2) Details of other liabilities as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023	December 31, 2022
Current liabilities:		
Accrued expenses	₩ 4,089,675	₩ 4,821,371
Dividends payable	18,939	935
Advances received	2,144,933	2,107,997
Unearned revenue	285,946	139,865
Withholdings	2,017,015	1,859,463
Leasehold deposits received	209,144	167,538
Income tax payable	750,812	1,239,007
Derivative financial liabilities	152,065	208,194
Lease liabilities	1,215,525	1,286,208
Finance guarantee liabilities	7,786	1,508
Financial liabilities at fair value through profit or loss	72,529	57,218
Other contract liabilities	261,042	269,543
Others	102,402	126,513
	<u>₩ 11,327,813</u>	<u>₩ 12,285,360</u>
Non-current liabilities:		
Long-term accrued expenses	₩ 9,009	₩ 60,537
Long-term unearned revenue	848,888	839,648
Leasehold deposits received	369,646	432,615
Derivative financial liabilities	1,083,737	818,419
Long-term lease liabilities	4,011,196	4,220,239
Financial guarantee liabilities	14,655	23,400
Financial liabilities at fair value through profit or loss	90,959	91,355
Other long-term contract liabilities	75,913	75,875
Others (*1)	524,084	454,038
	<u>₩ 7,028,087</u>	<u>₩ 7,016,126</u>

(\*1) Includes long-term employee benefit liabilities amounting to ₩131,175 million and ₩137,793 million as of June 30, 2023 and December 31, 2022, respectively.

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**19. Derivative financial assets and liabilities**

Details of derivative financial assets and liabilities as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Firm contracts	₩ 936	₩ (51,803)	₩ (17,832)	₩ (85,378)
Swap contracts	277,180	(193,909)	326,765	(187,723)
Forward contracts	(50,680)	54,462	(66,554)	39,790
Futures contracts	18,412	-	4,827	-
Options contracts	(11,562)	340,552	(15,274)	601,551
	<u>₩ 234,286</u>	<u>₩ 149,302</u>	<u>₩ 231,932</u>	<u>₩ 368,240</u>
Derivative financial assets	₩ 386,351	₩ 1,233,039	₩ 440,126	₩ 1,186,659
Derivative financial liabilities	(152,065)	(1,083,737)	(208,194)	(818,419)

**20. Equity**

(1) Details of share capital as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions, except for number of shares):

	June 30, 2023	December 31, 2022
Number of shares authorized for issue	400,000,000	400,000,000
Per share (Korean won)	₩ 200	₩ 200
Number of issued shares:		
Ordinary share	73,198,329	74,149,329
Preferred share	566,135	566,135
Share 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 share (par value: ₩1,200 million) in 2015 and 951,000 shares of its treasury share (par value: ₩190 million) in the six-month periods ended June 30, 2023 by reducing retained earnings, which resulted in a difference between total par value of ordinary shares and share capital.

(2) Details of other paid-in capital as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	June 30, 2023	December 31, 2022
Additional paid-in capital (*1)	₩ 6,609,167	₩ 6,609,167
Treasury shares (*2)	(1,905,497)	(2,009,083)
Others	2,204,290	1,801,828
	<u>₩ 6,907,960</u>	<u>₩ 6,401,912</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, 2023, treasury shares consist of those acquired to increase the enterprise value and to stabilize share price (6,973,149 ordinary shares) and those acquired from repurchase of shares from dissenting shareholders on business combination and shares arising from odd lot shares (11,023,237 ordinary shares and 1,787 preferred shares) during the year 2015.

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

(3) Details of retained earnings as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Legal reserve (*1)	₩ 8,072	₩ 8,072
Voluntary reserve	62,897	62,897
Unappropriated retained earnings	14,477,271	14,847,644
	<u>₩ 14,548,240</u>	<u>₩ 14,918,613</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 share 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 share capital through approval at the general meeting of the shareholders.

(4) Details of other components of equity as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Net loss on valuation of financial assets measured at FVOCI	₩ (975,109)	₩ (948,954)
Equity adjustments arising from investments in equity-accounted investees	165,310	101,980
Net gain on valuation of derivative instruments	58,155	61,374
Foreign currency translation differences for foreign operations	1,554,751	1,044,478
	<u>₩ 803,107</u>	<u>₩ 258,878</u>



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

(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.

	1-2(*1)	1-3	2-1	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)	41,430	41,431	142,692	71,346
Exercise price (Korean won)	₩ 244,400	₩ 263,950	₩ 153,450	₩ 153,450
Contractual life of options	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	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
	1(*2, 3)	2(*3)	1(*3)	2(*3)
Grant date	2018-03-29		2020-03-31	
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)	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 extinguished during the six-month period ended June 30, 2023

(\*2) All were exercised during the six-month period ended June 30, 2023

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

The Group reversed ₩7,652 million of share-option-compensation cost upon the grant of share options above for the six-month period ended June 30, 2023 (accumulated compensation costs for share options: ₩(-)15,023 million), and recognized the contra account to cash-settled share option liability as stock-compensation cost as the fair value of cash-settled liabilities is remeasured at the end of each reporting period. As of June 30, 2023, the amount of liabilities recognized in relation to cash-settled share options is ₩9,884 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):

	1-3		2-1		2-2	
Risk-free interest rate		3.56%		3.65%		3.65%
Option life		7 years		7 years		7 years
Expected price (Closing price on the preceding day in Korean won)	₩	148,700	₩	148,700	₩	148,700
Expected volatility		26.80%		26.80%		26.80%
Rate of returns		3.36%		3.36%		3.36%
Exercise price (Korean won)	₩	263,950	₩	153,450	₩	153,450
Fair value per share (Korean won)	₩	89	₩	25,924	₩	25,924

  

	2		1		2	
Risk-free interest rate		3.56%		3.65%		3.65%
Option life		6 years		7 years		7 years
Expected price (Closing price on the preceding day in Korean won)	₩	148,700	₩	148,700	₩	148,700
Expected volatility		26.80%		26.80%		26.80%
Rate of returns		3.36%		3.36%		3.36%
Exercise price (Korean won)	₩	108,959	₩	89,204	₩	89,204
Fair value per share (Korean won)	₩	40,477	₩	61,017	₩	61,017

Changes in stock option granted by the Company for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won and in shares):

	June 30, 2023		June 30, 2022	
	Quantities	Weighted average exercise price	Quantities	Weighted average exercise price
Beginning balance	392,762	₩ 160,508	434,191	₩ 166,785
Exercised	(18,607)	(100,884)	(41,429)	(226,290)
Extinguished	(41,430)	(244,400)	-	-
Ending balance	<u>332,725</u>	<u>₩ 153,397</u>	<u>392,762</u>	<u>₩ 160,508</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, 2023, the recognized stock compensation costs related to the Stock Grant is ₩275 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(reversal) recognized under the share option program are as follows (Korean won in millions):

	Current(reversal)	Accumulated	Remaining	Total
Group of SK Innovation Co., Ltd.	₩ 13,519	₩ 21,052	₩ 69,847	₩ 90,899
Group of SK Telecom Co., Ltd.	857	156,436	2,129	158,565
Group of SK Square Co., Ltd.	15,340	85,950	33,262	119,212
Group of SK Networks Co., Ltd.	(470)	2,436	-	2,436
Group of SKC Co., Ltd.	1,574	6,391	1,024	7,415
Group of SK Ecoplant Co., Ltd.	1,722	5,411	5,788	11,199
Others	1,053	6,655	6,265	12,920
	<u>₩ 33,595</u>	<u>₩ 284,331</u>	<u>₩ 118,315</u>	<u>₩ 402,646</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, 2023 and 2022 are as follows (Korean won in millions):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Salaries	₩ 554,855	₩ 1,092,625	₩ 459,115	₩ 862,332
Provision for pension benefits	26,618	52,973	31,135	70,431
Employee welfare benefits	124,292	265,528	91,770	199,531
Travel	36,193	64,874	25,358	40,269
Bad debt expenses(reversal)	(38,391)	(20,463)	19,906	37,479
Communications	3,017	6,113	2,326	4,156
Utilities	10,099	30,140	9,448	23,863
Taxes and dues	34,904	81,382	33,899	68,152
Supplies	11,762	26,204	12,360	25,369
Rents	51,299	99,961	44,748	83,590
Depreciation	134,187	266,836	128,635	263,764
Amortization	93,859	189,507	84,803	167,063
Repairs	5,615	13,782	5,840	10,966
Insurance	19,676	38,311	16,912	30,832
Advertising	169,934	299,450	183,949	329,665
Research and development	182,898	367,894	160,337	290,465
Education and examination	14,749	37,316	13,263	30,374
Outsourcing technology services	302,653	510,386	158,295	347,851
Transport	85,104	170,428	104,256	217,096
Others	97,317	217,874	69,943	126,373
	<u>₩ 1,920,640</u>	<u>₩ 3,811,121</u>	<u>₩ 1,656,298</u>	<u>₩ 3,229,621</u>

**22. Finance income and costs**

Details of finance income and costs for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Financial income:				
Interest income	₩ 207,682	₩ 405,159	₩ 84,548	₩ 156,670
Gain on foreign currency transactions	600,401	1,530,390	803,231	1,104,127
Gain on foreign currency translation	110,740	408,943	263,762	409,518
Gain on transactions of derivatives	527,818	941,048	797,059	1,953,628
Gain on valuation of derivatives	(36,770)	234,276	175,672	448,073
Others	50,689	112,106	176,634	225,186
	<u>₩ 1,460,560</u>	<u>₩ 3,631,922</u>	<u>₩ 2,300,906</u>	<u>₩ 4,297,202</u>
Financial expenses:				
Interest expenses	₩ 768,722	₩ 1,507,325	₩ 431,945	₩ 810,601
Loss on foreign currency transactions	788,940	1,764,544	937,114	1,295,687
Loss on foreign currency translation	(36,632)	421,184	561,759	780,776
Loss on transactions of derivatives	432,754	822,301	1,106,523	2,143,563
Loss on valuation of derivatives	(47,896)	128,732	(282,029)	250,115
Others	74,125	162,771	391,370	730,673
	<u>₩ 1,980,013</u>	<u>₩ 4,806,857</u>	<u>₩ 3,146,682</u>	<u>₩ 6,011,415</u>

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

(1) Details of other non-operating income for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Other non-operating income:				
Dividend income	₩ 14,219	₩ 50,835	₩ 10,005	₩ 16,587
Rental income	358	1,002	354	674
Gain on disposal of trade receivables	-	-	-	1,043
Gain on disposal of investments in associates and joint ventures	5,826	17,959	13,836	484,079
Gain on disposal of property, plant and equipment	543,312	549,046	69,407	80,103
Gain on disposal of intangible assets	173	756	3,327	82,540
Others	115,145	295,934	133,002	388,935
	<u>₩ 679,033</u>	<u>₩ 915,532</u>	<u>₩ 229,931</u>	<u>₩ 1,053,961</u>

(2) Details of other non-operating expenses for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Other non-operating expenses:				
Loss on disposal of trade receivables	₩ 23,766	₩ 58,795	₩ 9,564	₩ 15,728
Loss on impairment of investments in associates	193,162	194,495	-	-
Loss on disposal of property, plant and equipment	9,159	13,465	9,167	16,290
Loss on impairment of property, plant and equipment	1,429	15,051	4,159	5,187
Loss on disposal of intangible assets	962	1,331	491	1,243
Loss on impairment of intangible assets	22,272	23,384	-	-
Donations	30,796	48,878	25,245	36,762
Others	144,396	221,805	23,334	98,464
	<u>₩ 425,942</u>	<u>₩ 577,204</u>	<u>₩ 71,960</u>	<u>₩ 173,674</u>

**24. The Classification of expenses by nature**

Details of the classification of expenses by nature for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Employee benefits	₩ 2,302,934	₩ 4,548,760	₩ 2,348,618	₩ 4,339,060
Depreciation and amortization	2,246,918	4,415,429	2,232,713	4,306,789
Network connection	173,639	352,382	157,919	379,699
Transport	209,112	498,089	281,015	574,617
Advertising	175,428	305,526	184,943	335,121
Lease payments and rents	123,581	258,141	138,585	270,182
Others	5,383,311	10,697,452	6,310,347	11,051,985
Use of raw materials and purchase of finished goods and merchandise	21,103,056	42,175,855	18,732,401	37,472,835
Changes in finished goods and semi-finished good	(322,854)	(284,338)	(1,355,441)	(2,660,613)
	<u>₩ 31,395,125</u>	<u>₩ 62,967,296</u>	<u>₩ 29,031,100</u>	<u>₩ 56,069,675</u>

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**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, 2023 was not calculated due to pre-tax losses, and 2022 is 29.15%.

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

(1) Basic earnings per share for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Profit(loss) for the period attributable to owners of the Parent Company	₩ (141,393)	₩ (18,817)	₩ 797,929	₩ 2,020,658
Less: preferred share dividends	(1,346)	(1,848)	(1,771)	(2,695)
Profit for the period attributable to ordinary share owners of the Parent Company	(142,739)	(20,665)	796,158	2,017,963
Weighted-average number of ordinary share outstanding (*1)	56,111,141	55,650,423	56,134,549	56,113,388
Basic earnings(losses) per share (In Korean won)	₩ (2,544)	₩ (371)	₩ 14,183	₩ 35,962

(\*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, 2023 and 2022 are as follows:

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Weighted-average number of shares outstanding	74,149,329	74,149,329	74,149,329	74,149,329
Weighted-average number of treasury shares	(18,038,188)	(18,498,906)	(18,014,780)	(18,035,941)
Weighted-average number of issued shares outstanding	56,111,141	55,650,423	56,134,549	56,113,388

Diluted earnings per share for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Profit(loss) for the period attributable to ordinary share owners of the Parent Company	₩ (142,739)	₩ (20,665)	₩ 796,158	₩ 2,017,963
Weighted-average number of diluted ordinary share outstanding	56,162,072	55,717,199	56,244,280	56,219,558
Diluted earnings(losses) per share (In Korean won) (*1)	₩ (2,544)	₩ (371)	₩ 14,155	₩ 35,894

(\*1) During the period ended June 30, 2023, the loss per diluted share is the same as the underlying loss per share due to loss occurred and there is no dilution effect of the potential ordinary shares.

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

The basis of calculating the weighted-average number of diluted ordinary shares for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows:

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Weighted-average number of shares outstanding	56,111,141	55,650,423	56,134,549	56,113,388
Effect of exercise of stock option	50,931	66,776	109,731	106,170
Weighted-average number of diluted ordinary shares outstanding	56,162,072	55,717,199	56,244,280	56,219,558

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

Basic earnings per share from continuing operations for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions, except basic earnings per share and weighted-average number of ordinary shares outstanding):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Profit(loss) for the period attributable to owners of the Parent Company	₩ (142,739)	₩ (20,665)	₩ 796,158	₩ 2,017,963
Less: profit (loss) from discontinued operations	761	15,293	(19,562)	296,065
Profit for the period from continuing operations attributable to ordinary share owners of the Parent Company	(143,500)	(35,958)	815,720	1,721,898
Weighted-average number of ordinary shares outstanding	56,111,141	55,650,423	56,134,549	56,113,388
Basic earnings(losses) per share from continuing operations (In Korean won)	₩ (2,557)	₩ (646)	₩ 14,531	₩ 30,686

Diluted earnings per share from continuing operations for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions, except basic earnings per share and weighted-average number of ordinary shares outstanding):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Profit(loss) for the period from continuing operations attributable to owners of the Parent Company	₩ (143,500)	₩ (35,958)	₩ 815,720	₩ 1,721,898
Weighted-average number of diluted ordinary shares outstanding	56,162,072	55,717,199	56,244,280	56,219,558
Diluted earnings(losses) per share from continuing operations (In Korean won) (*1)	₩ (2,557)	₩ (646)	₩ 14,503	₩ 30,628

(\*1) During the period ended June 30, 2023, the continued operating loss per diluted share is the same as the underlying continued operating loss per share due to continued operating loss occurred and there is no dilution effect of the potential ordinary shares.

(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, 2023 and 2022 are as follows (Korean won in millions, except basic earnings (losses) per share and weighted-average number of ordinary shares outstanding):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Profit(loss) from discontinued operations attributable to share owners of the Parent Company	₩ 761	₩ 15,293	₩ (19,562)	₩ 296,065
Weighted-average number of ordinary shares outstanding	56,111,141	55,650,423	56,134,549	56,113,388
Basic earnings (losses) per share from discontinued operations (In Korean won)	₩ 14	₩ 275	₩ (348)	₩ 5,276

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

Diluted earnings (losses) per share from discontinued operations for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions, except basic earnings (losses) per share and weighted-average number of ordinary shares outstanding):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Profit(loss) from discontinued operations attributable to share owners of the Parent Company	₩ 761	₩ 15,293	₩ (19,562)	₩ 296,065
Weighted-average number of diluted ordinary shares outstanding	<u>56,162,072</u>	<u>55,717,199</u>	<u>56,244,280</u>	<u>56,219,558</u>
Diluted earnings (losses) per share from discontinued operations (In Korean won) (*1)	<u>₩ 14</u>	<u>₩ 274</u>	<u>₩ (348)</u>	<u>₩ 5,266</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 condensed consolidated interim financial statements as of and for the six-month periods ended June 30, 2023 and 2022.

(1) Details of significant transactions with the related parties for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

		June 30, 2023			
Company name		Sales and others		Expenses and others	
		Three-month	Six-month	Three-month	Six-month
Other related parties	Daehan Oil Pipeline Corporation	₩ 522	₩ 16,114	₩ 17,603	₩ 35,130
	SABIC SK Nexlene Company Pte. Ltd.	207	381	80,303	147,811
	Korea Nexlene Company	48,397	102,609	2	70
	Best Oil Company Limited	306,437	735,590	3	3
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	312	621	164,608	330,524
	Baic Eletronics SK(Jiangsu) Technology Co., Ltd.	11,006	22,340	330,112	511,702
	ChangZhou BTR New Material Technology Co., Ltd.	202,151	370,741	241,139	452,292
	Xinglu (HongKong) Ltd.	80,184	128,237	-	-
	Huizhou EVE United Energy Co., Ltd.	25,469	44,436	357,992	837,257
	Peru LNG Company LLC	57,758	186,104	-	-
	Asia Bitumen Trading Pte. Ltd.	6,675	6,675	(15)	13,876
	Ignis Therapeutics	5,696	5,696	-	-
	F&U Credit Information Co., Ltd.	849	1,660	13,872	26,638
	SK Hynix Inc.	520,978	1,176,877	54,243	64,437
	SK Hynix Semiconductor (China) Ltd.	48,103	112,576	316	538
	SK Hynix Semiconductor (Chongqing) Ltd.	5,496	11,236	-	-
	SK Hynix Semiconductor HK Ltd.	2	4	192,528	324,740
	SK Hynix System IC Co., Ltd.	1,232	2,416	-	-
	Happynarae Co., Ltd.	3,387	5,987	97,007	164,301
	SKC Evonik Peroxide Korea Co., Ltd.	55	1,157	8,862	9,078
	Boryeong LNG Terminal Co., Ltd.	61	10,061	26,784	62,198
	Darwin LNG Pty Ltd.	143,193	169,545	-	-
	Eurasia Tunnel	943	1,811	-	-
	Xe-Pian Xe-Namnoy Power Company	1,102	1,630	-	-
	Bloom SK Fuel Cell, LLC	442	647	-	1,069
	Yongin Ilban Industry Danji Co., Ltd.	56,210	84,341	-	-
	Godeok Clean Energy Co., Ltd.	35,030	76,601	-	-
	Chuncheon Green Energy Inc.	5,110	13,865	-	-
	Others	169,864	403,124	144,471	234,343
Others (*1)	SK D&D Co., Ltd.	1,341	2,649	232	699
	Ulsan Aromatics Co., Ltd.	29,254	56,421	24,282	57,598
	SK Chemicals Co., Ltd.	10,529	23,054	2,439	5,772
	SK Gas Co., Ltd.	97,465	142,632	62,820	208,832
	Ubins Co., Ltd.	212	353	22,367	33,989
	Others	22,509	40,067	32,898	80,159
		₩ 1,898,181	₩ 3,958,258	₩ 1,874,868	₩ 3,603,056

(\*1) Although, not designated as related parties as defined in K-IFRS No. 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, 2022			
		Sales and others		Expenses and others	
	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	-	-
	Daewon Green Energy Co., Ltd.	13,665	15,767	-	-
	Bloom SK Fuel Cell, LLC	-	-	6,121	12,765
	Yongin Ilban Industry Danji Co., Ltd.	1,822	8,667	-	-
	Godeok Clean Energy Co., Ltd.	438	2,620	-	-
Chuncheon Green Energy Inc.	-	3	-	-	
Others	223,166	343,016	890,255	1,063,962	
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 K-IFRS No. 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, 2023 and December 31, 2022 are as follows (Korean won in millions):

	Company name	June 30, 2023		December 31, 2022	
		Receivables		Receivables	
		(*1)	Payables	(*1)	Payables
Other related parties	Daehan Oil Pipeline Corporation	₩ 201	₩ 2,756	₩ 110	₩ 10,029
	SABIC SK Nexlene Company Pte. Ltd.	849	44,231	348	46,818
	Korea Nexlene Company	16,329	249	26,361	268
	Best Oil Company Limited	148,744	15,115	204,549	49,856
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	319	7,757	-	8,042
	Baic Electronics SK(Jiangsu) Technology Co., Ltd.	14,307	329,461	18,858	146,986
	ChangZhou BTR New Material Technology Co., Ltd.	138,724	185,744	86,563	229,826
	Yemen LNG Company Ltd.	84,080	-	71,883	-
	Xinglu (HongKong) Ltd.	79,699	-	38,162	-
	Huizhou EVE United Energy Co., Ltd.	42,060	359,250	36,111	408,582
	Peru LNG Company LLC	-	-	8,579	-
	Asia Bitumen Trading Pte. Ltd.	6,681	-	-	-
	Ignis Therapeutics	-	21,452	12	33,142
	Korea Consortium Kazakh B.V. (*2)	123,495	-	119,215	-
	F&U Credit Information Co., Ltd.	36	4,434	81	5,682
	Wave City Development Co., Ltd.	2,355	-	2,355	-
	SK Hynix Inc.	488,168	184,531	1,781,976	84,075
	SK Hynix Semiconductor (China) Ltd.	25,547	634	44,823	280
	SK Hynix Semiconductor (Chongqing) Ltd.	3,228	70	3,659	30
	SK Hynix Semiconductor HK Ltd.	2	80,691	2	30,587
	SK Hynix System IC Co., Ltd.	502	329	181	13
	Happynarae Co., Ltd.	1,048	33,987	12,420	61,828
	SKC Evonik Peroxide Korea Co., Ltd.	2	1,471	2	4,450
	Boryeong LNG Terminal Co., Ltd.	11	-	4,139	15
	Darwin LNG Pty Ltd.	31,251	-	42,802	-
	Eurasia Tunnel	30,437	-	28,786	-
	Xe-Pian Xe-Namnoy Power Company	98,129	-	95,889	-
	Yongin Ilban Industry Danji Co., Ltd.	1,100	151,411	1,100	188,573
	Bloom SK Fuel Cell, LLC	2,135	-	-	5,317
	SK E&C JURONG Investment Singapore Pte. Ltd.	74,375	-	74,375	-
	Godeok Clean Energy Co., Ltd.	-	10,298	-	62,136
	Chuncheon Green Energy Inc.	2	-	2	-
	Others	201,518	162,342	150,411	416,679
Others (*3)	SK D&D Co., Ltd.	317	519	-	-
	Ulsan Aromatics Co., Ltd.	-	27	-	13,435
	SK Chemicals Co., Ltd.	4,478	2,991	5,066	872
	SK Gas Co., Ltd.	52,305	152,778	7,986	244,960
	Ubins Co., Ltd.	41	9,528	26	21,190
	Others	16,157	17,675	16,266	20,640
		<u>₩ 1,688,632</u>	<u>₩ 1,779,731</u>	<u>₩ 2,883,098</u>	<u>₩ 2,094,311</u>

(\*1) The Group recognized bad debt expense amounting to ₩971 million for the six-month period ended June 30, 2023 and ₩452 million for the six-month period ended June 30, 2022. The Group recognized the allowance for doubtful accounts amounting to ₩262,288 million and ₩261,317 million as of June 30, 2023 and December 31, 2022, respectively.

(\*2) As of June 30, 2023 and 2022, the Group recognized loss allowances in full amount of corresponding receivables.

(\*3) Although, not designated as related parties as defined in K-IFRS No. 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 financial transactions with related-parties for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

Company	Currency	June 30, 2023		June 30, 2022	
		Loans	Collection	Loans	Collection
Yemen LNG Company Ltd.	KRW	9,475	-	3,647	-
Xe-Pian Xe-Namnoy Power Company	KRW	-	-	11,990	-
Bloom SK Fuel Cell, LLC	KRW	2,000	-	-	-
Gray Whale Offshore Wind Power No.1 Co., Ltd.	KRW	1,270	-	-	-
Gray Whale Offshore Wind Power No.2 Co., Ltd.	KRW	1,168	-	-	-
Gray Whale Offshore Wind Power No.3 Co., Ltd.	KRW	2,559	-	-	-
Komundo Offshore Wind Power Co., Ltd.	KRW	900	-	-	-
Maenggoldo Offshore Wind Power Co., Ltd.	KRW	1,050	-	-	-
KC MT Co., Ltd.	KRW	4,212	-	-	-

(4) There were additional capital contribution transactions for investments in associates and joint ventures for the six-month periods ended June 30, 2023 and 2022 (see Note 9).

(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 six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	June 30, 2023		June 30, 2022	
	Three-month	Six-month	Three-month	Six-month
Salaries	₩ 4,548	₩ 8,840	₩ 6,261	₩ 10,430
Provision for pension benefits	1,154	2,236	741	8,441
Share compensation expense	(5,348)	(7,377)	2,356	2,889
	<u>₩ 354</u>	<u>₩ 3,699</u>	<u>₩ 9,358</u>	<u>₩ 21,760</u>

## **28. Discontinued operations**

### **(1) Details of discontinued operations**

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, before the prior period.

SKC Co., Ltd., a subsidiary of the Group, sold EVA and Back Sheet solar power business and PVDF business for construction before 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. Furthermore, in accordance with the decision of the Board of Directors made on June 8, 2022, the entity split its industry material business division as of November 1, 2022, and sold it as of December 2, 2022, and sold Beijing SKpucore Inc. as of October 21, 2022.

SK Ecoplant Co., Ltd., a subsidiary of the Group, spin off the K-Solutions Business Group, P-Solutions Business Group, Gas&Power Business Group, Battery Business Group, and Industrial Business Group on February 1, 2022 in accordance with the board's resolution on October 28, 2021. After the merger in SK ecoengineering Co., Ltd., 50.0003% of stake therein was sold to Ecoenergy Holdings Ltd. on February 15, 2022 and excluded from the consolidation scope.

SK Square Co., Ltd., a subsidiary of the Group, classified the security business division of the consolidated entity as a discontinued operation with the decision to sell all of its common shares held by SK Shielders Co., Ltd. during the six-month period ended June 30, 2023.

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

(2) Gain and loss from the discontinued operation for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2023				
	Resource business and others in SK Networks Co., Ltd.	Industrial materials business in SKC Co., Ltd.	Security business in SK Square Co., Ltd.	Total	
	₩	₩	₩	₩	₩
Revenue	2,729	-	887,892	890,621	
Expenses	12,083	7,742	845,827	865,652	
Profit (loss) before income tax expense	(9,354)	(7,742)	42,065	24,969	
Income tax benefit	(1,732)	-	(30,886)	(32,618)	
Profit (loss) for the period from discontinued operations	<u>(7,622)</u>	<u>(7,742)</u>	<u>72,951</u>	<u>57,587</u>	
Attributable to:					
Owners of the Parent Company	₩ (3,507)	₩ (3,504)	₩ 22,304	₩ 15,293	
Non-controlling interests	(4,115)	(4,238)	50,647	42,294	

	For the six-month period ended June 30, 2022					
	Resource business and others in SK Networks Co., Ltd.	Industrial materials Business in SKC Co., Ltd.	SK Ecoplant Co., Ltd. K-solution Business Group, etc	Security business in SK Square Co., Ltd.	Total	
	₩	₩	₩	₩	₩	₩
Revenue	25,708	678,721	1,061,521	834,935	2,600,885	
Expenses	22,241	659,036	267,726	813,212	1,762,215	
Profit before Income tax expense	3,467	19,685	793,795	21,723	838,670	
Income tax expense (benefit)	2,239	(1,756)	161,800	5,640	167,923	
Profit for the period from discontinued operations	<u>1,228</u>	<u>21,441</u>	<u>631,995</u>	<u>16,083</u>	<u>670,747</u>	
Attributable to:						
Owners of the Parent Company	₩ 545	₩ 9,198	₩ 281,405	₩ 4,917	₩ 296,065	
Non-controlling interests	683	12,243	350,590	11,166	374,682	

(3) Details of cash flows relating to discontinued operations for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2023				
	Resource business And others in SK Networks Co., Ltd.	Industrial materials business in SKC Co., Ltd.	Security, business in SK Square Co., Ltd.	Total	
	₩	₩	₩	₩	₩
Cash flows from operating activities	(7,438)	(121)	101,548	93,989	
Cash flows from investing activities	8,747	(7,620)	(148,741)	(147,614)	
Cash flows from financing activities	525	-	(14,389)	(13,864)	
Foreign exchange effects	-	-	420	420	

  

	For the six-month period ended June 30, 2022				
	Resource business and others in SK Networks Co., Ltd.	Industrial materials Business in SKC Co., Ltd.	SK Ecoplant co., Ltd. K-solution Business Group, etc	Security business in SK Square Co., Ltd.	Total
	₩	₩	₩	₩	₩
Cash flows from operating activities	12,933	20,794	(82,652)	107,071	58,146
Cash flows from investing activities	1,986	(21,465)	444,905	(88,959)	336,467
Cash flows from financing activities	1,172	26,482	(78)	(43,062)	(15,486)
Foreign exchange effects	-	-	-	361	361

**SK Inc. and its subsidiaries**  
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**29. Assets and liabilities held for sale**

Details of assets and liabilities held for sale as of June 30, 2023 are as follows (Korean won in millions):

		June 30, 2023	
		Assets	Liabilities
Investment securities	ESR Cayman Limited (*1)	₩ 220,624	₩ -
	Digital Content Korea Investment Association, and others	4,385	-
Business segment	China business segment (*2)	73,940	13,149
	Resources business segment (*2)	32,789	4,130
	Security business segment (*3)	3,412,387	2,976,544
Associates	Daekyo Confident Content Korea Investment Association, and others	1,062	-
	NanoEntek Inc. (*4)	69,922	5,600
Intangible assets	Brand and others (*5)	8,617	-
		<u>₩ 3,823,726</u>	<u>₩ 2,999,423</u>

(\*1) The Group decided to sell ESR Cayman Limited 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, 2022, 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 segment. 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.

(\*3) SK Square Co., Ltd., a subsidiary plans to acquire 47,903,598 shares (63.1% stake) of Korea Security holdings(tentative name) that will be established by transferring entire stake of common shares in SK Shieldus Co., Ltd. according to the comprehensive transfer process by Commercial law, and made contract to sell 21,870,273 shares (28.8% stake) to Soteria Bidco SCSp. For this reason, the Group classified assets and liabilities held by SK Shieldus Co., Ltd as held-for-sale assets and liabilities.

(\*4) SK Square Co., Ltd., a subsidiary, decided to sell NanoEntek Inc. owned by SK Square Co., Ltd. to secure new investment funds, and all shares of the related company were reclassified as non-current assets to be sold. Meanwhile, there has been a change in the sales account since the end of the reporting period, and it will be disposed of on September 8, 2023 under the change contract.

(\*5) During the period ended June 30, 2023, SK Innovation Co., Ltd., a subsidiary, signed a contract to sell PVDC technology and plans to complete the sale within 2023. The assets to be sold were measured at the smaller of the net fair value and carrying amount after deducting the incidental cost of the sale from the fair value.

**SK Inc. and its subsidiaries**  
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**30. Cash flow information**

(1) Details of non-cash adjustments for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2023	June 30, 2022
Provision for pension benefits	₩ 187,279	₩ 231,449
Depreciation	3,573,838	3,460,766
Amortization	856,759	864,010
Bad debt expenses (reversal)	(17,703)	39,177
Reversal of valuation loss on inventories	(257,640)	(7,926)
Interest expenses	1,554,686	859,017
Loss on foreign currency translation	421,265	787,232
Loss on valuation of derivatives	128,732	251,270
Loss on disposal of trade receivables	58,795	15,815
Loss on impairment of investments in associates and joint ventures	194,495	-
Loss on disposal of property, plant and equipment	22,828	23,840
Loss on impairment of property, plant and equipment	15,051	5,187
Loss on disposal of intangible assets	1,576	1,383
Loss on impairment of intangible assets	23,384	-
Tax expense (income)	(54,175)	2,208,092
Share of profit of equity-accounted investees, net	1,191,714	(1,037,529)
Interest income	(407,726)	(158,549)
Gain on foreign currency translation	(409,171)	(413,061)
Gain on valuation of derivatives	(234,276)	(452,368)
Dividend income	(50,835)	(18,939)
Gain on disposal of trade receivables	-	(1,043)
Gain on disposal of investments in associates and joint ventures	(17,959)	(484,079)
Gain on disposal of property, plant and equipment	(552,551)	(80,167)
Gain on disposal of intangible assets	(800)	(82,540)
Gain on disposal of assets held for sale	-	(785,828)
Others	333,741	911,876
	<u>₩ 6,561,307</u>	<u>₩ 6,137,085</u>

(2) Details of working capital adjustments for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2023	June 30, 2022
Inventories	₩ 1,005,372	₩ (6,235,017)
Trade receivables	1,792,387	(1,557,537)
Other receivables	899,117	(157,184)
Trade payables	(754,728)	5,128,030
Other payables	(759,752)	(1,000,294)
Advances received	(238,488)	52,299
Retirement benefits	(268,484)	(120,416)
Plan assets	222,672	60,932
Others	(922,751)	(536,106)
	<u>₩ 975,345</u>	<u>₩ (4,365,293)</u>

(3) Significant non-cash transactions for the six-month periods ended June 30, 2023 and 2022 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2023	June 30, 2022
Decrease in other payables due to acquisition of property, plant and equipment and others	₩ (666,146)	₩ (49,709)

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**31. Commitments and contingencies**

(1) Guarantees provided for the Group as of June 30, 2023 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	538,305	Performance guarantees for contract and others
	Seoul Guarantee Insurance	KRW	17,980	Performance guarantees for contract and others
Netruck Co., Ltd.	Seoul Guarantee Insurance	KRW	4,141	Performance insurances for warranties and others
SK Telink Co., Ltd.	Seoul Guarantee Insurance	KRW	785	Performance guarantees for contract
SK Planet Co., Ltd.	Seoul Guarantee Insurance	KRW	12,434	Performance guarantees for contract and others
	KEB Hana Bank	KRW	3,000	Performance guarantees and others
SK Broadband Co., Ltd.	Seoul Guarantee Insurance	KRW	29,810	Guarantee of warranties-contract
Service Top Co., Ltd.	Seoul Guarantee Insurance	KRW	9	Payment of debt for the return of assistive engineering equipment (support fund) for the disabled
SK Square Co., Ltd.	KEB Hana Bank	USD	499	Guarantee of foreign currencies
Tmap Mobility Co., Ltd.	Seoul Guarantee Insurance	KRW	2,871	Performance guarantees and others
SK Shieldus Co., Ltd.	Korea Software Financial Cooperative	KRW	136,202	Guarantee of bid payment and others
SK M&Service Co., Ltd.	Seoul Guarantee Insurance	KRW	173,372	Performance guarantees and others
	Shinhan Bank	KRW	100,000	Guarantee for payment of Korean won
PS&Marketing Corp.	Seoul Guarantee Insurance	KRW	1,647	Performance guarantees
Dreamus Company Co., Ltd.	Seoul Guarantee Insurance	KRW	882	Performance guarantees for contract
One store Co., Ltd.	Seoul Guarantee Insurance	KRW	847	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	8,547	Specific debt guarantee
SK Stoa 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	20,416	Guarantee of deposit on lease and others
FSK L&S Co., Ltd.	Seoul Guarantee Insurance	KRW	13,490	Performance guarantees for contract and others
SK O&S Co., Ltd.	Seoul Guarantee Insurance	KRW	50,000	Performance guarantees for contract
SK Networks Co., Ltd.	KEB Hana Bank	KRW	2,000	Guarantee of payment for goods
	Seoul Guarantee Insurance	KRW	9,216	Performance guarantees for contract
SK Networks Service Co., Ltd.	Seoul Guarantee Insurance	KRW	10,632	Performance guarantees for sales contract
	KEB Hana Bank	KRW	1,200	Performance guarantees for contract
SK Magic Co., Ltd.	Seoul Guarantee Insurance	KRW	19,419	Performance guarantees for contract
	Machinery Financial Cooperative	KRW	7	Performance insurances for warranties and others
SK Magic Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1	Performance insurances for warranties and others
SK Rent-a-Car Co., Ltd.	Seoul Guarantee Insurance	KRW	13,720	Performance guarantees for contract
SK E&S Co., Ltd.	Seoul Guarantee Insurance	KRW	113,785	Performance guarantees for contract and others
	Kookmin Bank	USD	80,000	Guarantee of debt
	Shinhan Bank	KRW	96,300	Guarantee of debt
		USD	80,000	Guarantee of debt
	BNP Paribas	USD	71,000	PPA Bid Guarantee
Yeongnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,894	Guarantee of warranties and approval
Chonnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	299	Guarantee of warranties and payment
Busan City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	8,068	Guarantee of seizure contract and others
Kangwon City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	1,202	Guarantee of performance and approval
Jeonbuk Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	344	Performance guarantees and warranties
Chungcheong Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	2,666	Performance insurances for warranties and others
Ko-one Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,775	Performance guarantees for contract
Paju Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	442	Performance guarantees for approval and others
Narae Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	4,814	Guarantee of license to use national property and others
Yeoju Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	4,532	Performance guarantees for deposit on approval and others
Dangjin Haengbok Solar Co., Ltd.	Seoul Guarantee Insurance	KRW	3,211	Guarantee of payment of facility restoration and relocation work expenses
Shinanjeungdo Sunlight Co., Ltd.	Seoul Guarantee Insurance	KRW	25	Permission for development activities and approval for implementation of urban planning facility projects
Prism Energy International. Zhoushan Limited	KEB Hana Bank Beijing Branch	CNY	34,460	Guarantee of Terminal fee
BU12 Australia Pty. Ltd.	ANZ Bank	USD	318,476	BU gas field restoration costs
BU13 Australia Pty. Ltd.		USD	219	Guarantee of deposit on office lease



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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	352,313	Performance guarantees for overseas construction and others	
		KWD	67,665	Performance guarantees for overseas construction and others	
		QAR	89,529	Performance guarantees for overseas construction and others	
		TRY	26,730	Performance guarantees for overseas construction and others	
		THB	153,040	Performance guarantees for overseas construction and others	
		KZT	7,568,929	Performance guarantees for overseas construction and others	
		VND	575,276,451	Performance guarantees for overseas construction and others	
		HKD	24,921	Performance guarantees for overseas construction and others	
		AED	89,475	Performance guarantees for overseas construction and others	
		NOK	370,295	Performance guarantees for overseas construction and others	
		SGD	752	Performance guarantees for overseas construction and others	
		KEB Hana Bank	USD	172,893	Performance guarantees for overseas construction and others
			SAR	182,198	Performance guarantees for overseas construction and others
			EUR	84,938	Performance guarantees for overseas construction and others
			KRW	92,705	Performance guarantees for overseas construction and others
			GBP	18,900	Performance guarantees for overseas construction and others
	Busan Bank	USD	851	Performance guarantees and others	
		Industrial Bank of Korea	USD	2,470	Performance guarantees and others
		Kookmin Bank	EUR	5,730	Performance guarantees and others
	Woori Bank	USD	13,500	Performance guarantees and others	
	Shinhan Bank	USD	10,911	Performance guarantees for overseas construction and others	
	Korea Eximbank	EUR	1,658	Performance guarantees for overseas construction and others	
		USD	107,317	Performance guarantees for overseas construction and others	
		EUR	12	Performance guarantees for overseas construction and others	
		NOK	136,302	Performance guarantees for overseas construction and others	
	Korea Housing Guarantee Co., Ltd.	KRW	3,414,675	Housing guarantees and others	
		Seoul Guarantee Insurance	KRW	869,799	Performance guarantees for domestic construction and others
	Engineering Financial Cooperative	Construction Guarantee	KRW	1,216,787	Domestic construction contract
		Cooperative	KRW	5,712,106	Performance guarantees for domestic construction and others
	Machinery Financial Cooperative and others	KRW	608,703	Performance guarantees for construction and others	
		Korea Trade Insurance Corporation	KRW	113,325	Insurance of overseas investment and others
	SK Oceanplant Co., Ltd.	Seoul Guarantee Insurance	USD	29,839,618	Performance guarantees for domestic construction and others
		EUR	3,648,576	and others	
SK ecoengineering Co., Ltd.	Construction Guarantee Cooperative	USD	1,600,361	Performance guarantees for domestic construction and others	
		EUR	2,522,186	and others	
	Seoul Guarantee Insurance	PLN	69,655,631		
		USD	317,366		
Environment Management Corporation Co., Ltd.	Construction Guarantee Cooperative	PLN	11,896,139		
		KRW	86,338	Performance guarantees, performance insurances for warranties and others	
	Seoul Guarantee Insurance	KRW	106,802	Guarantees for contract, payment, and others	
	Engineering Financial Cooperative	KRW	157,449	Guarantees for contract, pre-payment, and others	
SK Specialty Co., Ltd.	Seoul Guarantee Insurance	KRW	178	Performance guarantees and others	
SK Materials Performance Co., Ltd.	Korea Trade Insurance Corporation.	USD	6,000	Insurance of short-term export	
SK Signet Inc.	Seoul Guarantee Insurance	KRW	4,661	Performance guarantees and others	
SK Pinx Co., Ltd.	Seoul Guarantee Insurance	KRW	242	Performance guarantees for sales contract	
SK Tri Chem Co., Ltd.	Seoul Guarantee Insurance	KRW	1,185	Performance guarantees and others	
ONEPOL Co., Ltd.	Seoul Guarantee Insurance	KRW	776	Performance guarantees and others	

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

(2) Guarantees provided to others as of June 30, 2023 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	180,000	Guarantee of debt
Iberian Lube Base Oils S.A.	Puertos del Estado	EUR	918	Guarantees for construction
	Railway Administration and others	EUR	223	Guarantee for installing facilities and others
Netruck Co., Ltd.	Seoul Guarantee Insurance	KRW	50	Guarantees for payment of electricity and others
SK Innovation Co., Ltd.	Terra Power, LLC	USD	133,000	Performance guarantees for investment
SK Telink Co., Ltd.	IOT Wave Co., Ltd. and others	KRW	16	Performance guarantees for insurance and others
SK Communications Co., Ltd.	Purchaser or right holder of electronic payment method	KRW	310	Protection of user funds from electronic financiers and others
Dreamus Company Co., Ltd.	Youngkwang Precision Industry Co., Ltd. and others	KRW	230	Performance guarantees for contract
SKC Co., Ltd.	PI Advanced Materials Co., Ltd.	USD	7,836	Guarantee for litigation
	SK Microworks America, Inc.	USD	169,000	Local finance payment guarantee
	SK microworks high tech	USD	49,950	Local finance payment guarantee
	Plastics(Jiangsu) Co., Ltd	CNY	360,000	Local finance payment guarantee
SK E&S Co., Ltd.	Boryeong LNG Terminal Co., Ltd.	KRW	310,000	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	46,962	Guarantee for loan agreement
	Gyeongsan Pure Water Co., Ltd. and others	KRW	2,271	Performance guarantees for business
SK Ecoplant Co., Ltd.	SBC General Trading & Contracting Co. WLL and others	KWD	3,500	Performance guarantees for contract and others
	Pohang Clean Water Co., Ltd. and others	KRW	1,053,927	Cash deficiency support agreement
	Gweonseon District 6 redevelopment maintenance business association and others	KRW	204,542	Guarantees for reconstruction project financing
	Customers of Pangyo SK view and others	KRW	912,362	Guarantee of payment of intermediate payment and moving expenses loan
	Lu 1 City SK leaders view and others	KRW	3,685,131	Guarantee of completion
	Fuel cell power generation project	KRW	209,869	Performance assurance related to long-term maintenance contracts and others
	Fuel cell power generation project	USD	206,330	Performance assurance related to long-term maintenance contracts and others
	Contractor issuing guarantee for sale	KRW	2,084,171	Joint surety

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

(3) Pending litigations

The Group's significant pending litigations as of June 30, 2023, in which the Group is a plaintiff are as follows (Korean won in millions):

Plaintiff	Defendant	Description	Claim	Status
SK Shieldus Co., Ltd.	In Vision Co., Ltd. and others	Claim for payment of sales and others	KRW 1,134	First trial in progress
SK Planet Co., Ltd.	Fair Trade Commission	Claim for revocation of corrective order and others	KRW 335	First trial in progress
11 street Co., Ltd	Individual and others	Claim for payment and others	KRW 8,300	Third trial in progress and others
SK Broadband Co., Ltd.	The head of Namdaemun Tax office and others	Claim for cancellation of imposition disposition of comprehensive real estate tax and others	KRW 5,986	First trial in progress and others
SK Telecom Co., Ltd.	Individual and others	Claim for payment and others	KRW 2,784	First trial in progress and others
Dreamus Company Co., Ltd.	Ebo Tech	Claim for payment of goods	KRW 475	First trial in progress
SK Networks Co., Ltd.	Individual and others	Claim for payment and others	KRW 4,350	First trial in progress and others
SK Magic Co., Ltd.	CUCKOO Homesys Co., Ltd. and others	Claim for prohibition of patent infringement	KRW 230	First trial in progress
SK Specialty Co., Ltd.	Byuckwoo Co.,Ltd.	Claim for payment and others	KRW 1,110	First trial in progress
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for for accounts receivable	KRW 188	First trial in progress and others
SK E&S Co., Ltd.	Gwangyang City mayor	Claim for cancellation of imposition of refusal of request for correction	KRW 1,176	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 3,171	Second trial in progress and others
Paju Energy Service Co., Ltd.	Paju City mayor	Claim for cancellation of imposition of refusal of request for correction	KRW 1,703	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
	Plant & Mechanical Contractors Financial Cooperative and others	Claim for deposit of construction performance and others	KRW 5,796	First trial in progress
	Korea National Oil Corporation	Claim for payment of construction and others	KRW 13,294	First trial in progress and others
	Korea Land & Housing Corporation	Claim for payment of constructio	KRW 860	Second trial in progress
	NSRP	Claim for payment of construction	KRW 244,181	Arbitration in progress
	PNPC	Claim for payment of construction	KRW 199,020	Arbitration in progress
	KB Insurance Co., Ltd.	Claim for payment of Insurance and others	KRW 158,092	First trial in progress
	Seongchang ENC Co., Ltd. and others	A final and conclusive bond investigation trial of rehabilitation bond	KRW 204,753	First 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
	Goseong Green Power Co., Ltd.	Claim for payment of construction	KRW 284,922	First trial in progress
Environment Management Corporation Co., Ltd.	Dohwa Engineering Co., Ltd. and others	Claim for payment	KRW 55,910	First trial in progress and others
SK Oceanplant Co.,Ltd.	Green ST Co., Ltd. and others	Claim for return of payment and others	KRW 2,583	First trial in progress
Topsun Co., Ltd.	KOCECO Co., Ltd.	Claim for settlement	KRW 450	First trial in progress
E-MEDI ONE Co., Ltd.	Individual and others	Claim for a loan and others	KRW 2,061	First trial in progress

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

The Group's significant pending litigations as of June 30, 2023, in which the Group is a defendant are as follows (Korean won in millions):

Defendant	Plaintiff	Description	Claim	Status
SK Shieldus Co., Ltd.	Oliveland Ltd.	Claim for damages and others	KRW 1,714	First trial in progress and others
Dreamus Company Co., Ltd.	Individual	A lawsuit for infringement of copyright	KRW 217	First trial in progress
Tmap Mobility Co., Ltd.	ELUON CMS Corporation	Litigation for license contract	KRW 543	First trial in progress
11Street Co., Ltd.	Individual and others	Litigation for Claims for Settlement and others	KRW 1,846	Second trial in progress and others
SK Broadband Co., Ltd.	KISTI and others	Claim for damages and others	KRW 9,801	First trial in progress and others
SK Telecom Co., Ltd.	HSF and others	Claim for damages and others	KRW 20,356	Second trial in progress and others
SK M&Service Co., Ltd.	Individual	A lawsuit for confirmation of invalidity of dismissal and others	KRW 50	Second trial in progress
SK Networks Co., Ltd.	Individual and others	Claim for damages and others	KRW 3,455	First trial in progress and others
SK Magic Co., Ltd.	Individual and others	Claim for invalidation of contract termination	KRW 267	First trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for return of unjust enrichment and others	KRW 1,337	First trial in progress and others
SK Nexilis Co., Ltd.	Individual and others	Claim for damages	KRW 6,531	Second trial in progress and others
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	Second trial in progress
Narae energy service Co., Ltd.	Korea Electric Power Corporation	Claim for cancellation of imposition disposition of property tax 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
	Incheon Metropolitan City	Claim for design compensation cost return	KRW 7,156	Second trial in progress and others
	Woryeong SK Ocean View residents representative and others	Claim for damages and others	KRW 17,035	Second trial in progress and others
	NSRP	Claim for payment of construction	KRW 115,264	First trial in progress
	PNPC	Claim for payment of construction	KRW 426,660	Arbitration in progress
	IMCO and others	Claim for payment of construction and others	KRW 150,284	First trial in progress and others
	Korea Gas Corporation Co., Ltd. Republic of Korea	Claim for damages	KRW 9,050	Second trial in progress
		Claim for damages and others	KRW 5,326	First trial in progress and others
Environment Management Corporation Co., Ltd.	Woori Bank	Claim for payment of construction	KRW 15,000	Second trial in progress
	Siheung City and others	Claim for cost share and others	KRW 2,303	First trial in progress and others
SK Oceanplant Co., Ltd.	JEONJIN OCEAN DEVELOPMENT Co., Ltd. and others	Claim for payment of construction	KRW 5,951	First trial in progress and others
Green Environment	Daesang Co., Ltd.	Claim for payment of construction	KRW 196	First trial in progress
Topsun Co., Ltd.	Individual and others	Claim for damages and others	KRW 1,575	First trial in progress and others

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. ₩1 trillion out of the total paybles to LG Energy Solution Co., Ltd., has been paid in cash as of December 31, 2022, and the amount of royalties is expensed during period ended June 30, 2023.

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

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.

Among these series of litigation cases, the California State Court's civil action is under discussion between the California Atony General Office, SK Trading International Co., Ltd., SK Energy Americas Inc., and Vitol Inc. On the other hand, in the case of class action in federal courts, the duration and final result are unpredictable at this time.

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 before the period ended December 31, 2022 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, 2022. Accordingly, SK Innovation Co., Ltd. paid expenses of ₩1,626 million for the six-month period ended June 30, 2023, the cumulative amount charged to SK Innovation CO., Ltd. is ₩4,765 million.

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 December 31, 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, 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, 2023, the final result of trial 1 and the timing of payment of compensation for damage are not estimable.

#### **(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 Global Chemical Co., Ltd., SK EnmoveCo., 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.

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

- 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). Meanwhile, the building was completed and registered for ownership preservation in August 2014, and the transfer of destination land and buildings to a third party is restricted for 10 years from the time of ownership preservation registration.
- 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	March 30, 2022	March 30, 2022
Expiry date	April 13, 2027	May 11, 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 contracts
Investor	Warmachine Sixth Co., Ltd. and others
Number of shares	13,140,440
Contract date	August 16, 2022
Expiry date	August 30, 2027
Settlement	The Company and the investors settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be 0.
Premium	The Company shall pay 0.5% of the initial contract amount within 5 operating day from the effective date of contract and shall pay to the investors the amount equivalent to 4.948% of the total shares held by investors on a three-month basis. When the investor receives dividends on the shares held, the amount shall be paid to the Company.
Call option	On a three-month basis from the effective date of contract ("the quarterly payment day"), the Company has the right to purchase the shares held by the investors at the initial contract price of the ordinary shares with certain level of additional charges.

As of June 30, 2023, 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 4, 2022
Expiry date	November 16, 2027
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	At the date when three months passed after the last premium payment date or the effective date ("premium payment date") during the period from the effective date to the expiration date of this Agreement, the Company shall pay the remaining contract amount of the remaining shares multiplied by the TRS Premium (rate of return on final asking price of 91-day Transferable Certificate of Deposit (CD) plus 1.80% of annual rate). On the other hand, if an investor receives dividends or other receivables from holding the target stock, the relevant amount must be paid to the Company.
Call option	On each premium payment date (every three months from the effective date of this contract), the Company may claim all remaining underlying assets (ordinary shares that SK E&S issued and an investor purchased from the Company) to the remaining contract amount of the underlying assets plus the call option exercise fee, securities exchange tax, and special tax for rural development.

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

As of June 30, 2023, the value of the agreements amounting to ₩677,775 million is recognized in current portion of long-term borrowings (see Note 15).

- 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., 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 Resonac Corporation, and Showa Denko K.K. has the right to sell 630,000 shares (15%) of SK Resonac Corporation at ₩5,000 per share in the event of a specific case of this agreement.
- 11) Areca, Inc., Chamaedorea, Inc., and Tillandsia, Inc., subsidiaries, acquired stakes in 8 Rivers Capital, LLC during 2022 and 2023, and considered them to be controlling and incorporated them into the consolidated target. The contracts concluded during the acquisition of shares include the following key arrangements.
- Investor's Tag-along right
  - Investor's Drag-along right
  - 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
Drag-along Right	When a company's stake is sold to a non-affiliated company or most of the company's assets are sold to a non-affiliated company	The right to sell shares held by the largest shareholder together with shares held by investors

- 12) 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.
- 13) As of June 30, 2023, SK E&S Co., 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.
- 14) LNG Americas, Inc., 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, 2023, SK E&S Co., Ltd., one of the subsidiaries, is responsible for performance guarantee in case of LNG Americas, Inc.'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.



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

15) As of June 30, 2023, 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 ~ 2026.12
	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 International Corporation (formerly, 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
	Direct power transaction contract	SK Specialty Co., Ltd. and others	20 years from the time of supply
	Power supply contract	Dangjin Haengbok Solar Co., Ltd. and others	20 years from the time of supply
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.	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
Yeoju Energy Service Co., Ltd.	Integrated Environmental Management Licensing Service	SK ecoengineering Co., Ltd.	2019.1 ~ 2023.10
	Contract for LTSA	Siemens Gas & Power GmbH	2019.12 ~ 2047.12 (estimated)
	Contract for the use plumbing system	Siemens Energy Ltd.	2022.11 ~ 2042.10
	Contract for the use manufacturing facilities	Korea Gas Corporation	2022.11 ~ 2042.10
LNG Americas, Inc.	Contract for the liquefaction and storage of natural gas	FLNG Liquefaction 3, LLC	20 years from 2020
	Contract for the use pipeline of natural gas	Kinder Morgan, Inc.	20 years from 2020
Prism Energy International Pte., Ltd.	Contract of supply for natural gas	SHELL EASTERN TRADING PTE LTD and others	2019.6 ~ 2041.6
	Time charter contract	SK Shipping Co., Ltd.	20 years from ship delivery date
	Contract of supply for LNG	Generadora San Felipe Limited Partnership	10 years from commencement date
SK E&S Australia Pty. Ltd.	Contract for FPSO	BW Offshore Singapore Pte. Ltd. (Australia Branch)	15 years from service date
	Contract for the liquefaction service of natural gas	Darwin LNG Pty. Ltd. and others	2020.12 (contract)
Prism Energy International Zhoushan Limited	Contract for the storage and vaporization service of natural gas	ENN (Zhoushan) LNG Co., Ltd.	15 years from service date 2020.7 ~ 2030.7
I GE Co., Ltd.	Contract for liquefied hydrogen facility management	Korea Gas Technology Corporation	2023.3 ~ 5 years from the commencement of commercial operation
	Contract for by-product hydrogen sales	SK Incheon Petrochem Co., Ltd.	20 years from from the commencement of commercial operation

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

**SK Inc. and its subsidiaries**  
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**31. Commitments and contingencies (cont'd)**

- 16) As of June 30, 2023, 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.	Dreamline Co., Ltd and others	2022.04 ~ 2024.06	₩ 10,088
Yeoju natural gas power Plant EPC contract (*1)	Yeoju Energy Service Co., Ltd.	SK ecoengineering Co., Ltd.	2019.12 ~ 2023.08	₩ 664,091
By-product hydrogen liquefaction Plant EPC contract (*1)	IGE Co., Ltd.	SK ecoengineering Co., Ltd.	2021.07 ~ 2023.08 (scheduled)	₩ 444,950

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

- 17) As of June 30, 2023, 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%

- 18) SK E&S Co., Ltd., a subsidiary of the Group, has agreed to invest a total of ₩10 billion in the Tcha Partners Asset Management Co., Ltd. for hydrogen business cooperation, and has completed 69.22% of the total investment agreement.
- 19) SK Energy Co., Ltd., SK Geo Centric Co., Ltd., SK Incheon Petrochem Co., Ltd. and SK On Co., Ltd. subsidiaries of the Group, pay electricity bills and tariffs through B2B corporate 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, 2023, the related payables and others are ₩2,248,791 million, which are classified as current liabilities.
- 20) 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 (*1)	Call option (*1)	Call option
Purpose of Contract	Acquisition of equity		
Option rights holder	Tae-jin Jung, Byung-wook Oh and others	SK Energy Co., Ltd.	SK Energy Co., Ltd.
Option obligor	SK Energy Co., Ltd.	Tae-jin Jung, Byung-wook Oh and others	Hanyu Energy Co., Ltd. and others
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.

- (\*1) As of June 30, 2023 and December 31, 2022, the group recognized other payables related to the option contracts amounting to ₩33,562 million and ₩33,168 million.

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

21) SK Innovation Co., Ltd., a subsidiary of the Group, sold its holdings (40%) of SK Enmove Co., Ltd., a subsidiary of the Group to Eco Solution Holdings Co., Ltd. (the "investor") on July 30, 2021. The shareholder agreement between the Investor and SK Innovation Co., Ltd., the largest shareholder of SK Enmove 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).

SK Innovation Co., Ltd., the Company's subsidiary, has signed a shareholders' agreement with investors related to shares newly issued through the paid-in capital increase of its subsidiary, SK ON Co., Ltd. The agreement between the largest shareholder, SK Innovation Co., Ltd., and investors includes the following key terms:

- Investor's tag-along right
- Investor's drag-along right and largest shareholder's call option responding to drag-along right exercised by investors
- Investor's put option
- Restriction on disposal of shares of the largest shareholder under certain conditions.

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

Details of rights granted to investor are as follows:

Description	Conditions	Rights
Tag-along right	In the case of transferring all or part of the shares held by the largest shareholder	Investors may sell their own shares on the same conditions as the largest shareholder.
Drag-along right	When a qualified listing requiring certain conditions, such as 7.5% or higher IRR, is not completed within 4 years of agreement period (which can be extended twice by one year, respectively).	Investors may request the largest shareholder to sell its shares along with shares held by investors.
Put option	In the event of a serious violation of a specific obligation clause agreed with investors for a deliberate and malicious purpose	Investors may sell their own shares to the largest shareholder at the exercise price of the put option for the investment principal (₩2,809,351 million).

SK Innovation Co., Ltd., a subsidiary, recognized ₩427,787 million of derivative liabilities for rights included in the shareholders' agreement above, such as the investor's drag-along rights and the largest shareholder's call option.

SK Battery America Inc., a subsidiary, has signed a project agreement with Jackson County Industrial Development Authority hereinafter referred to as "state agency" 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 K-IFRS No. 1032, and the amount of bonds and financial liabilities set off as of June 30, 2023 is USD 2,784 million, and the book value after offset is ₩0.

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

- 22) 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 which is recorded as other receivables and long-term other receivables as of June 30, 2023 and December 31, 2022 is ₩254,438 million and ₩357,467 million, respectively.
- 23) SK Telecom Co., Ltd., a subsidiary, decided to purchase and sell shares to strengthen strategic cooperation with Hana Financial Group at its board of directors meeting on July 22, 2022. According to the resolution, on July 27, 2022, SK Telecom Co., Ltd. sold all of Hana Card Co., Ltd.'s common shares (39,902,323 shares) and Finng Inc.'s common shares (6,370,000 shares) to Hana Financial Group Inc. for ₩330,032 million and ₩5,733 million, respectively. By the agreement with Hana Financial Group Inc., SK Telecom Co., Ltd. is obligated to purchase Hana Financial Group Inc.'s common shares from July 27, 2022 to January 31, 2024, after depositing ₩330,032 million in a specific money trust and has completed the purchase during the year ended December 31, 2022. As part of the above transaction, SK Telecom Co., Ltd. sold all of its common shares (767,011 shares) in SK Square to Hana Card Co., Ltd. for ₩31,563 million on July 27, 2022, and Hana Card Co., Ltd. is obligated to purchase SK Telecom Co., Ltd.'s common shares from July 27, 2022 to January 31, 2024 after depositing ₩68,437 million in a specific money trust. The shares acquired by SK Telecom Co., Ltd., Hana Financial Group Inc. and Hana Card Co., Ltd. cannot be sold until the end of March 2025.
- 24) SK Ecoplant Co., Ltd., a subsidiary, settles the trade payables arising from main business activities by the arrangement for corporate purchase only card entered into with some financial institutions, and the payment is made to the credit card company at the end of the credit offering period. As of June 30, 2023, the related outstanding amount is ₩134,737 million.
- 25) SK Ecoplant Co., Ltd., a subsidiary, holds call options for shares held by non-controlling shareholders of its subsidiary, Eco Frontier PTE. LTD., and has signed a shareholders' agreement prescribing that when SK Ecoplant Co., Ltd. does not exercise the call option and non-controlling shareholders sell their shares to the third party, the difference between the exercise price of call option and sale price of non-controlling shareholders' share shall be preserved.
- 26) SK Ecoplant Co., Ltd., a subsidiary, has signed an agreement with Eco Energy Holdings, the buyer of SK ecoengineering Co., Ltd. redeemable convertible preferred shares, which was sold during the previous period. If certain conditions are met in the future under the agreement, EcoEnergy Holdings may exercise its Drag-along right to redeem its convertible preferred shares.

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

27) The technology transfer contract status of SK Biopharmaceuticals Co., Ltd., a subsidiary, is as follows (Foreign currencies in thousands)

<u>The other party of a contract</u>	<u>Contract Date</u>	<u>Transferred technology</u>	<u>Region</u>	<u>Contract amount (*1)</u>	
Arvelle Therapeutics International GmbH	2019.02	Cenobamate	Europe	USD	530,000
Ono Pharmaceutical Co., Ltd.	2020.10	Cenobamate	Japan	JPY	53,100,000
Ignis Therapeutics	2021.11	Cenobamate and 5 new medicine	China Hong Kong and Macao	USD	185,000
Endo Ventures Limited	2021.12	Cenobamate	Canada	USD	20,000
				CAD	21,000
DEXCEL LTD.	2022.05	Cenobamate	Israel, Palestine	USD	3,000
Eurofarma Laboratorios S.A	2022.07	Cenobamate	Latin America (*2)	USD	62,000

(\*1) Upfront and Milestone amounts

(\*2) There are 17 Latin American countries, including Brazil and Mexico.

28) SK Biopharmaceuticals Co., Ltd., a subsidiary, is a limited partner in the LifeSci Venture Partners Fund in the United States. As of June 30, 2023, investments in the fund amount to USD 9,362,718.20 (investments in money: USD 8,217,818.20, revenue distributions reinvested: USD 1,144,900), and the investment period agreed between the parties has ended, but additional investments can be made up to USD 1,363,636.35 for subsequent investments in existing investments.

29) SK Nexilis Co., Ltd., a subsidiary, has entered into an inter-shareholder agreement with non-controlling shareholders, a financial investor holding convertible preferred shares, in connection with convertible preferred shares issued by Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V.. Financial investors may sell common shares of Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V. at any time, but if sold during a specified contractual period, they must settle the difference between the sale price and the initial investment price of the financial investor. A financial investor may claim settlement from SK Nexilis Co., Ltd., for convertible preferred or common shares issued by Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V. in the event of a specific reason, even during the specified period in the contract. Financial investors may not transfer or dispose of convertible redeemable preferred shares to a third party without the prior consent of SK Nexilis Co., Ltd. except in the event of a specific reason.

In addition, SK Nexilis Co., Ltd. pays a certain percentage of the issuance of convertible preferred shares of Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V. to financial investors every three months from the date of initial payment. If the convertible preferred stock is not repaid or 'settled', the financial investor shall return the amount received by that time to SK Nexilis Co., Ltd.

Meanwhile, in connection with the above transactions, SK Nexilis Co., Ltd. has signed a fund supplement agreement to cover the shortfall in the event of a lack of funds for repayment or early repayment of convertible preferred stocks of Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V.

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

(5) Hybrid bonds

Details of hybrid bonds as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

Issue segment	Description	Issue date	Maturity date (*1)	Interest rate (%) (*2)	For the periods ended	
					June 30, 2023	December 31, 2022
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 (*3)	2-1 private equity bond type	2018.06.07	2078.06.07	3.70	-	300,000
	2-2 private equity bond type	2018.06.07	2078.06.07	3.65	-	100,000
	3rd public equity bond type	2023.06.05	2083.06.05	4.95	400,000	-
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.

(\*3) It changed due to early repayment and new issuance during the period ended June 30, 2023.

(6) Others

As of June 30, 2023, 40 notes (including 38 blank notes) and 88 checks (including 87 blank checks) are provided to financial institutions as collateral for borrowings.

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**32. Pledged assets**

The following assets were pledged as collateral for the Group's borrowings and others as of June 30, 2023 (Korean won in millions and foreign currencies in thousands):

<u>Company</u>	<u>Asset</u>	<u>Currency</u>	<u>Collateralized amount (*1)</u>	<u>Provided to</u>	<u>Description</u>
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	1,430	Shinhan Bank and others	Collateral for borrowing
ONEPOL Co., Ltd.	Property, plant and equipment	KRW	3,360	Shinhan Bank	Collateral for borrowing
SK Broadband Co., Ltd.	Property, plant and equipment	KRW	1,228	Industrial Bank of Korea and others	Restricted real rights for office lease
Panasia Semiconductor Materials, LLC	Investment securities	KRW	26,620	Hana Securities Co., Ltd. and others	Collateral for borrowing
Incross Co., Ltd.	Financial instruction	KRW	20,850	Naver Co., Ltd. and others	Performance guarantees for contract
One store Co., Ltd.	Investment property	KRW	510	Shinhan Bank	Collateral for borrowing
SK Networks Co., Ltd.	Property, plant and equipment	KRW	390,921	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 Magic Co., Ltd.	Property, plant and equipment	KRW	272,621	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
SK Enpulse Co., Ltd.	Property, plant and equipment	KRW	51,500	Korea Development Bank	Collateral for borrowing
SK pucore Co., Ltd.	Property, plant and equipment	KRW	73,880	Korea Development Bank and others	Collateral for borrowing
SKCFTH Co., Ltd.	Investments in subsidiaries	KRW	828,000	Korea Development Bank and others	Collateral for stock
SK Nexilis Co., Ltd.	Property, plant and equipment	KRW	474,768	Korea Development Bank and others	Collateral for borrowing
	Investments in subsidiaries	KRW	369,282	Korea Development Bank and others	Collateral for stock
SK PIC Global Co., Ltd.	Property, plant and equipment	KRW	33,600	Korea Development Bank	Collateral for borrowing
SKC Co., Ltd.	Financial instruction	KRW	165,868	KEB Hana Bank	Collateral for pledging and others
SK E&S Co., Ltd.	Investments in subsidiaries	KRW	470,000	Korea Development Bank and others	Collateral for PF
		VND	1,059,600,000	Joint Stock Commercial Bank For Foreign Trade of Vietnam	Collateral for PF
	Investments in joint ventures	KRW	181,260	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
New Renewable Energy No.1 JSC	Investments in the application of equity method	VND	1,042,074,648	Joint Stock Commercial Bank For Foreign Trade of Vietnam	Collateral for PF
Busan City Gas Co., Ltd.	Investments in associates	KRW	3,484	Shinhan Bank and others	Collateral for PF
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 and others	KRW	493,800	Korea Development Bank	Collateral for borrowing
SK Ecoplant Co., Ltd.	Debt instrument	KRW	27,791	CAPE Investment & Securities Co., Ltd. and others	Collateral for borrowing and others
	Investments in the application of equity method	KRW	1,352,938	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.	Others	KRW	71,640	KB Securities	A pledge of insurance and others
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	9,600	Korea Development Bank	Collateral for borrowing
JA Green Co., Ltd.	Property, plant and equipment	KRW	14,400	Kyongnam Bank	Collateral for borrowing
DY Indus Co., Ltd.	Property, plant and equipment	KRW	6,222	Industrial Bank of Korea	Collateral for borrowing
DY Polymer Co., Ltd.	Property, plant and equipment	KRW	3,800	Industrial Bank of Korea	Collateral for borrowing
SK Oceanplant Co., Ltd.	Property, plant and equipment	KRW	246,580	Industrial Bank of Korea and others	Collateral for borrowing and others
	Financial instruction	KRW	5,000	Industrial Bank of Korea and others	Collateral for borrowing and others
	Debt instrument	KRW	9,058	Korea Defense Guarantee Cooperative and others	Collateral for guarantee and others
	Others	USD	555	KEB Hana Bank	Collateral for guarantee
	Others	KRW	57,666	Seoul Guarantee Insurance and others	A pledge of Insurance and others



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

Company	Asset	Currency	Collateralized amount (*1)	Provided to	Description
Environment Management Corporation Co., Ltd.	Property, plant and equipment	KRW	33,973	KEB Hana Bank and others	Collateral for borrowing and others
	Investments in associates and others	KRW	529,311	KEB Hana Bank and others	Collateral for borrowing and others
	Investment securities	KRW	9,440	Korea Development Bank and others	Collateral for borrowing and others
	Others	KRW	1,516,344	KEB Hana Bank and others	Collateral for pledging and others
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 9th Securitization Specialty Co., Ltd.	Collateral for borrowing
		KRW	75	Kodit 2022 the 10th Securitization Specialty Co., Ltd.	Collateral for borrowing
SK Specialty Japan Co., Ltd.	Property, plant and equipment	KRW	165	Kodit Global 2022-1 Co., Ltd.	Collateral for borrowing
SK Materials Airplus Inc.	Property, plant and equipment	JPY	315,000	MUFG Bank	Collateral for borrowing
SK Tri Chem Co., Ltd.	Property, plant and equipment	KRW	208,200	Kyungnam Bank and others	Collateral for borrowing
		KRW	3,692	Sejong City	Local investment promotion subsidy support collateral
SK Resonac Corporation	Property, plant and equipment	KRW	30,000	Korea Development Bank	Collateral for borrowing
SK Siltron Co., Ltd.	Property, plant and equipment and others	KRW	467,424	Korea Development Bank and others	Collateral for borrowing
SK Biotek Co., Ltd.	Property, plant and equipment	KRW	120,000	Korea Development 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 China Company, Ltd.	Financial instruction	USD	2,600	Kookmin Bank (Beijing)	Collateral for
					Subsidiary stake sale
SK South East Asia Investment Pte. Ltd.	Financial instruction	VND	3,000,000	ADB and Vietcombank	Collateral for borrowing and others
Total Value 1 REIT Co., Ltd.	Investment property	KRW	315,601	The lender and the lessor	Collateral for borrowing
Gangdong Green Complex Co., Ltd.	Property, plant and equipment	KRW	3,840	Suwon-Hwaseong-Osan livestock industry cooperatives	Collateral for borrowing
Topsun Co., Ltd.	Property, plant and equipment	KRW	3,526	KEB Hana Bank	Collateral for borrowing
		KRW	314	Industrial Bank of Korea, Woori Bank	Collateral for borrowing
	Others	KRW	3,500	Korea Development Bank, Shinhan Bank	Collateral for pledging
	Debt instrument	KRW	850	Electric Contractor's Financial Cooperative	Collateral for pledging
Evertch Enterprise Co., Ltd.	Property, plant and equipment	KRW	4,800	Industrial Bank of Korea	Collateral for pledging

(\*1) The carrying amount of 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.

Tmap 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, 2023 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	1,220,000	Guarantee of debt
	SK On Hungary Kft.	USD	220,000	Guarantee of debt
	BlueOval SK, LLC	USD	125,000	Guarantee of debt
	SK Battery Manufacturing Kft.	USD	500,000	Guarantee of debt
	BlueOval SK, LLC and others	HUF	34,194,000	Guarantee of local factory construction
		USD	4,994,000	Performance guarantees for invest
		USD	7,000,000	Performance guarantee for contract
SK Innovation Co., Ltd. and SK On Co., Ltd.	SK Earth On Co., Ltd.	USD	34,000	Guarantee of mandatory work load
SK On Co., Ltd.	SK On Hungary Kft.	HUF	9,810,000	Guarantee of local factory construction
	SK Battery America, Inc.	USD	2,440,000	Loan-related payment guarantee
	SK On Hungary Kft.	USD	2,420,000	Loan-related payment guarantee
	SK Battery Manufacturing Kft.	USD	1,050,000	Loan-related payment guarantee
	SK On Yancheng	CNY	4,300,000	Loan-related payment guarantee
SK ie technology Co., Ltd.	SK Hi-Tech Battery Materials(Jiang Su) Co., Ltd.	CNY	1,180,000	Guarantee of debt
	SK hi-tech battery materials Poland sp. z o.o.	USD	719,200	Guarantee of debt
SK Geo Centric Co., Ltd.	SK GC Americas, Inc.	USD	160,000	Loan-related payment guarantee
	SK Functional Polymer, S.A.S	EUR	161,000	Loan-related payment guarantee
SK Networks Co., Ltd.	SK Networks Hong Kong Ltd.	USD	90,600	Standing surety for investee
	SK Networks (Shanghai) Co., Ltd.	USD	12,000	Standing surety for investee
	SK Networks (Xiamen) Steel Processing Center Co., Ltd.	CNY	54,000	Standing surety for investee
		CNY	68,000	Standing surety for investee
SKC Co., Ltd.	SK Enpulse Co., Ltd.	KRW	10,000	Guarantee of corporate bond
	SKC (Nantong) PU Specialty Co., Ltd.	CNY	106,700	Guarantee of payment
		USD	7,000	Guarantee of payment
	SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	USD	3,640	Guarantee of payment
SK E&S Co., Ltd.	LNG Americas, Inc.	USD	354,000	Guarantee for derivative hedge and others
	Paju Energy Service Co., Ltd.	KRW	350,000	Guarantee of debt
	Narae Energy Service Co., Ltd.	KRW	270,000	Guarantee of debt
	Yeoju Energy Service Co., Ltd.	KRW	200,000	Guarantee of debt
	Prism Energy International Pte, Ltd.	USD	641,000	Guarantee for derivative hedge and others
	IGE Co., Ltd.	KRW	130,000	Guarantee of debt
	BU12 Australia Pty, Ltd.,	USD	318,476	Guarantee for BU gas field recovery cost
	BU13 Australia Pty, Ltd.	USD		
	NEW RENEWABLE ENERGY NO.1 JOINT STOCK COMPANY	USD	20,000	Guarantee of debt
	Grid Solution, LLC	USD	39,600	Guarantee of L/C
SK E&S Americas, Inc.	LNG Americas, Inc.	USD	54,342	Performance guarantee for contract and others
	Grid Solution II, LLC	USD	100,000	Performance guarantee for contract
	PassKey, Inc.	USD	52,313	Performance guarantee for contract
SK Ecoplant Co., Ltd.	SKEC Anadolu, LLC	EUR	30,666	Performance guarantee 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	124,000	Guarantee of financial obligation
	Environment Management Corporation Co., Ltd.	KRW	42,552	Fund supplement agreement for loan agreement
	Samwon ENT Co., Ltd.	KRW	75,700	Conditional debt acquisition
	Eco Frontier (Singapore) Pte. Ltd.	USD	420,000	Guarantee of payment and others
	SK ecoengineering Co., Ltd.	KRW	343,632	Joint and Common Liability Debt
Environment Management Corporation Co., Ltd.	Gyeongsan Clear Mulgil Co., Ltd.	KRW	8,200	Fund supplement agreement for loan agreement
Topsun Co., Ltd.	Honam Environment Energy Co., Ltd.	KRW	4,920	Guarantee of debt
SK Specialty Co., Ltd.	TS Energy 10Ho Co., Ltd.	KRW	6	Joint surety and others
	SK Specialty Jiangsu Co., Ltd.	USD	7,000	Guarantee of debt
		CNY	32,400	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 for overseas subsidiary
		EUR	10,000	Performance guarantees for overseas subsidiary
SK Siltron Co., Ltd.	SK Siltron CSS, LLC	USD	173,000	Guarantee of debt

### **34. 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 condensed consolidated interim 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, 2023 and December 31, 2022 is as follows (Korean won in millions):

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Financial assets measured at FVTPL	₩ 11,812,189	₩ 9,121,159
Financial assets measured at FVOCI	53,703	663
Financial assets measured at amortized cost	33,090,193	38,367,580
Derivatives designated as hedging instruments	509,004	563,170
	<u>₩ 45,465,089</u>	<u>₩ 48,052,572</u>

On the other hand, 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. Risk management (cont'd)**

**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 ₩22,101 million as of June 30, 2023. 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, 2023 and December 31, 2022 (Korean won in millions).

	June 30, 2023	December 31, 2022
SK Innovation Co., Ltd.	₩ 4	₩ 321
SK Ecoplant Co., Ltd.	22,101	23,772
SKC Co., Ltd.	87	563
SK Biotek Co., Ltd.	238	237
SK Resonac Corporation	11	15
	<u>₩ 22,441</u>	<u>₩ 24,908</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, 2023 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
Borrowings	₩ 37,592,909	₩ 40,569,635	₩ 7,843,450	₩ 12,728,435	₩ 15,970,626	₩ 4,027,124
Bonds	38,574,590	42,183,491	2,768,624	6,931,532	26,413,461	6,069,874
Derivative financial liabilities	468,847	468,847	57,567	94,497	316,783	-
Trade payables	12,316,382	12,316,382	11,993,452	322,930	-	-
Lease liabilities	5,226,721	7,135,347	247,346	1,115,168	3,449,111	2,323,722
Other liabilities	12,642,072	13,039,761	7,650,271	3,619,333	1,593,517	176,640
	<u>₩ 106,821,521</u>	<u>₩ 115,713,463</u>	<u>₩ 30,560,710</u>	<u>₩ 24,811,895</u>	<u>₩ 47,743,498</u>	<u>₩ 12,597,360</u>

In addition to the above financial liabilities, the consolidated entity is exposed to liquidity risks under the financial guarantee contract, and the maximum amount of related liquidity risks is ₩ 3,498,353 million.

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**34. Risk management (cont'd)**

**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.

**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 and liabilities as of June 30, 2023 and December 31, 2022 are as follows (Korean won in millions and foreign currencies in thousands):

	Currency	June 30, 2023		December 31, 2022	
		Foreign currencies	Korean won equivalent	Foreign currencies	Korean won equivalent
Assets	USD	9,615,243	₩ 12,622,891	7,542,986	₩ 8,942,210
	JPY	11,669,272	105,837	16,318,984	168,125
	CNY	3,072,107	556,205	2,468,361	459,757
	EUR	547,915	781,629	400,449	537,539
	Others		621,080		912,134
			<u>₩ 14,687,642</u>		<u>₩ 11,019,765</u>
Liabilities	USD	16,059,589	₩ 21,083,028	11,908,339	₩ 14,117,336
	JPY	9,856,364	89,394	10,970,493	113,022
	CNY	6,493,222	1,175,598	1,024,139	190,756
	EUR	312,967	446,463	167,922	225,408
	Others		324,746		531,211
			<u>₩ 23,119,229</u>		<u>₩ 15,177,733</u>

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, 2023		December 31, 2022	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ (846,014)	₩ 846,014	₩ (517,513)	₩ 517,513
JPY	1,644	(1,644)	5,510	(5,510)
CNY	(61,939)	61,939	26,900	(26,900)
EUR	33,517	(33,517)	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. Risk management (cont'd)

#### 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 164.0% as of June 30, 2023. 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, 2023 and December 31, 2022 is as follows (Korean won in millions):

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Total liabilities	₩ 123,851,358	₩ 122,697,070
Total equity	75,508,916	71,808,790
Debt ratio	164.0%	170.9%

### 35. Business combination

As of June 30, 2023, details of business combination are as follows.

#### (1) General information

The Group acquired control as its stake became 51.57% through the acquisition of additional shares in 8 Rivers Capital, LLC on April 30, 2023, to strengthen business in the clean energy sector.

SK Ecoplant Co., Ltd., a subsidiary, acquired a 52.65% stake in SK ecoengineering Co., Ltd. on April 1, 2023, to expand and strengthen its business portfolio. In addition, as it became possible to exercise the conversion right of convertible bonds issued by Topsun Co., Ltd., a subsidiary of SK Ecoplant Co., Ltd. during the period ended June 30, 2023, it was judged that it could exercise real control in consideration of potential voting rights.

The above business combinations that occurred during the period ended June 30, 2023 were accounted for by the acquisition method, and the consolidated financial statements include financial performance for the acquiree from the acquisition date to June 30, 2023.

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**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):

	8 Rivers Capital, LLC	SK ecoengineering Co., Ltd.	Topsun Co., Ltd.
<b>Assets:</b>			
Cash and cash equivalents	₩ 92,533	₩ 293,400	₩ 15,285
Trade and other receivables	602	521,000	90,538
Inventories	-	-	23,384
Property, plant and equipment	404	7,227	130,071
Right-of-use assets	359	12,903	36,380
Intangible assets	1,131	1,346	2,521
Other assets	404,172	300,783	30,873
	<u>499,201</u>	<u>1,136,659</u>	<u>329,052</u>
<b>Liabilities:</b>			
Trade and other payables	₩ -	₩ 591,322	₩ 16,697
Borrowing liabilities	5,025	82,624	157,448
Lease liabilities	570	14,838	17,607
Current income tax liabilities	-	-	1,608
Defined benefit liabilities	-	65,229	1,448
Other liabilities	2,599	146,344	61,174
	<u>8,194</u>	<u>900,357</u>	<u>255,982</u>
<b>Fair value of identifiable net assets</b>	<u>₩ 491,007</u>	<u>₩ 236,302</u>	<u>₩ 73,070</u>

As of June 30, 2023, 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):

	8 Rivers Capital, LLC	SK ecoengineering Co., Ltd.	Topsun Co., Ltd.
a. The total consideration transferred (*1)	₩ 373,658	₩ 504,023	₩ 32,091
b. Fair value of proportionate share of acquired net assets:			
Fair value of the net identifiable assets	491,007	236,302	73,070
Non-controlling Interests (*2)	<u>(255,625)</u>	<u>(111,891)</u>	<u>(58,634)</u>
	<u>235,382</u>	<u>124,411</u>	<u>14,436</u>
c. Goodwill (c=a-b)	138,276	379,612	17,655

(\*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**

The Company resolved its interim dividend at its board of directors meeting dated July 26, 2023, and the main contents are as follows.

	Description
Dividends	₩1,500 per share (total amount : ₩83,649 million)
Market dividend rate	1.0% for ordinary stock, 1.2% for preferred stock
Dividend base date	August 10, 2023
Dividend payout date	One month from the date of resolution of the board of directors Based on Article 464-2 (1) of the Commercial Act

#### **36.2 SK Telecom Co., Ltd.'s Dividend Resolution**

SK Telecom Co., Ltd., a subsidiary, decided on a quarterly dividend at its board of directors meeting on July 26, 2023, and the main contents are as follows.

	Description
Dividends	₩830 per share (total amount : ₩181,333 million)
Market dividend rate	1.78%
Dividend base date	June 30, 2023
Dividend payout date	August 14, 2023

#### **36.3 SK Telecom Co., Ltd.'s acquisition and retirement of treasury stock**

SK Telecom Co., Ltd., a subsidiary, decided to acquire and retire treasury stocks at its board of directors meeting on July 26, 2023, and plans to acquire treasury stocks worth ₩300,000 million through a trust contract from July 27, 2023, to January 26, 2024 and will then retire ₩200,000 million of treasury stocks among the stocks acquired through this contract. However, the estimated retirement amount is calculated based on the closing price (₩46,600) on June 30, 2023, and the final retirement stock quantity and incineration amount may vary depending on the stock price.

#### **36.4 SK Square Co., Ltd.'s sold of Korea Security Holdings Co., Ltd.**

SK Square Co., Ltd., a subsidiary, completed the sale of 21,870,273 common shares of Korea Security Holdings Co., Ltd., classified as a subsidiary, to Soteria Bidco SCSp on July 20, 2023, after the end of the reporting period.

#### **36.5 SK Square Co., Ltd.'s stake in NanoEntek Inc. changed to transferee**

SK Square Co., Ltd., a subsidiary, decided to change the transferee of NanoEnTek, Inc.'s stake from J&W Partners Co., Ltd. to A Plus Life Co., Ltd A Plus Asset Tower, and AAI Health Care Co., Ltd., on July 12, 2023, and notified J&W Partners Co., Ltd. of the termination of the contract.

#### **36.6 SKC Co., Ltd Signs Stock Transfer Agreement**

SKC Co., Ltd., a subsidiary, signed a contract on July 7, 2023 to acquire 6,221,758 shares of ISC Co., Ltd. at ₩55,850 per share from Helios No. 1 private equity investment joint venture and two others.

#### **36.7 SKC Co., Ltd.'s participation in paid-in capital increase allocated to third parties**

SKC Co., Ltd., a subsidiary, signed a contract on July 7, 2023 to acquire 3,322,889 new shares of ISC Co., Ltd. at ₩52,665 per share through participation in a third-party allocation paid-in capital increase.



**36. Subsequent events (cont'd)**

**36.8 Acquisition of shares in NEXILIS MANAGEMENT EUROPE B.V**

NEXILIS MANAGEMENT EUROPE B.V., a subsidiary of SK Nexilis Inc., a subsidiary, acquired 11,144,805 shares of SK NEXILIS POLAND SP.ZO.O., a subsidiary of SK Nexilis Inc., for ₩180,841 million as of July 4.

**36.9 Issuance of bonds by SK E&S Co., Ltd.**

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

	<u>Issuance Date</u>	<u>Maturity</u>	<u>Interest rate</u>	<u>Issued amount</u>
19-1	2023-07-11	2026-07-11	4.532%	₩ 220,000
19-2	2023-07-11	2028-07-11	4.695%	130,000
19-3	2023-07-11	2030-07-11	4.778%	50,000
Total				₩ 400,000

**36.10 Issuance of bonds by SK Ecoplant Co., Ltd.**

SK Ecoplant Co., Ltd., a subsidiary, issued ₩68,000 million of the 177-1st unguaranteed bonds and ₩103,000 million of the 177-2nd unguaranteed bonds as of July 28, 2023. The repayment dates for bond issuance are January 27, 2025 and July 28, 2025, respectively.

**36.11 SK Ecoplant Co., Ltd.'s sold of Environment Management Corporation Co., Ltd.'s preferred stock.**

On July 27, 2023, SK Ecoplant Co., Ltd., a subsidiary, sold 356,388 shares of Environmental Facility Management Co., Ltd.'s preferred non-voting shares to outside investors for ₩111,350 million.

**36.12 SK Networks Co., Ltd. acquires EN-CORE Co., Ltd.'s stock**

SK Networks Co., Ltd., a subsidiary, decided to acquire a stake in the related company EN-CORE Co., Ltd. to enter the data management consulting and solution business on July 21, 2023, and will acquire 213,304 shares with an 88.47% stake for ₩88,470 million on September 21, 2023.

**36.13 SK Siltron Co., Ltd. provides security for the transfer of mechanical devices**

SK Siltron Co., Ltd., a subsidiary, provided about ₩195.3 billion in mechanical equipment as transfer security on August 10, 2023 to guarantee the performance of the Wafer long-term supply contract with major customers.

**36.14 SK Energy Co., Ltd.'s call option exercise for goodsFlow Co., Ltd's common stock**

SK Energy Co., Ltd., a subsidiary, exercised call options for common shares of goodsflow Co., Ltd., which were held by Jeong Tae-jin/Oh Byung-wook, shareholders of Goodflow Co., Ltd., and on August 2, 2023, paid ₩34 billion in return for exercising the call options and acquired an additional 1,014,362 common shares (43.83%). After the exercise of the call option, the parent's stake in goodsFlow Co., Ltd. is 84.83%.

**36. Subsequent events (cont'd)**

**36.15 SK Biopharmaceuticals acquires stake in Proteovant Sciences, Inc.**

SK Biopharmaceuticals Inc., a subsidiary, is acquiring a 60% stake in ProteoVant Sciences, Inc., classified as a related company investment as of the end of the reporting period, for USD 47.5 million to secure global-level Targeted Protein Degradation (TPD) technology. The company's operating performance and assets and liabilities will be recognised in the third quarter of 2023, and it is difficult to accurately predict the amount as of the end of June 30, 2023.