



**The 31<sup>st</sup>**  
Annual General Meeting of  
Shareholders

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of Shareholders**

# **Presentation on Business Report**

March 2022



# 2021 Major Achievements

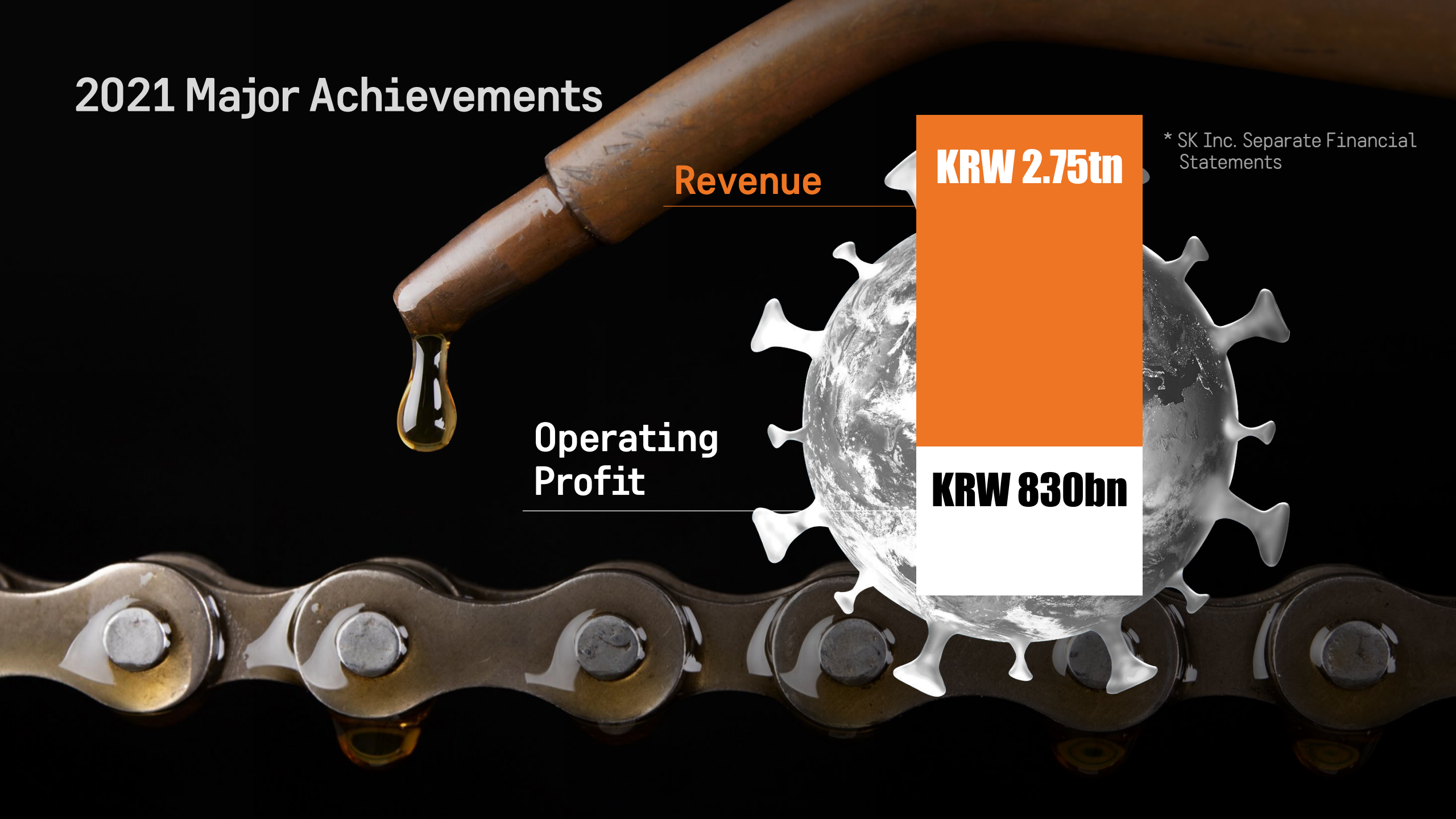
Revenue

**KRW 2.75tn**

\* SK Inc. Separate Financial Statements

Operating Profit

**KRW 830bn**



# 2022 Investment Strategy



**Portfolio**



**Strategy & Tool**



**Professional  
Capabilities**



**Mgmt. System**



# 2022 Direction

Built on Strengths





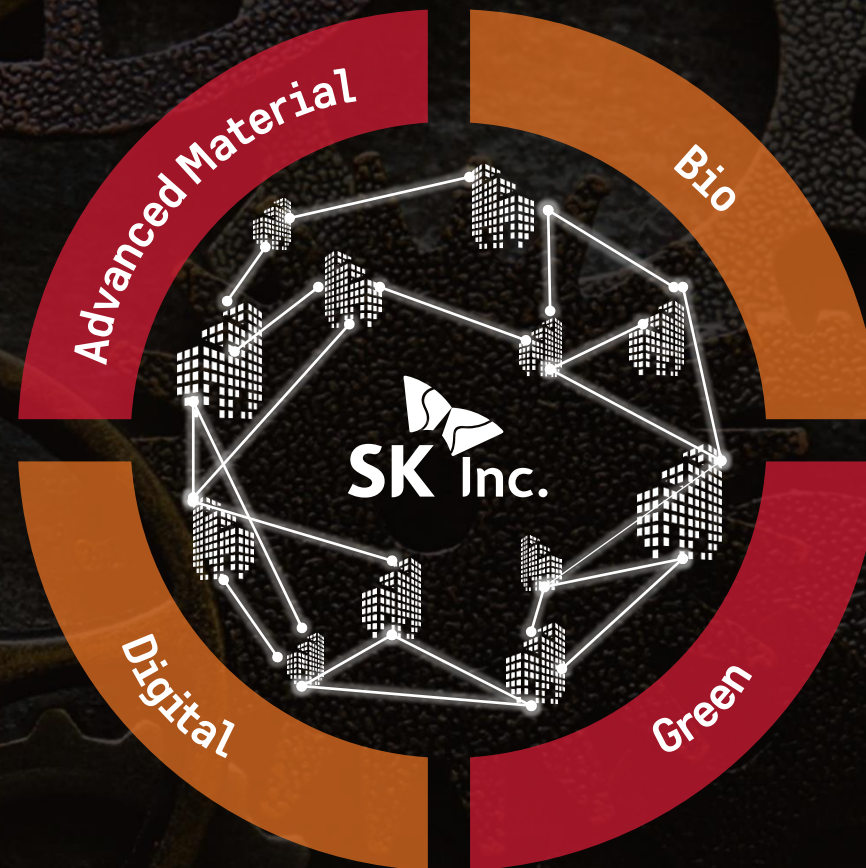
**Beauty of Combination**



Connecting investment  
**portfolios**



**Maximizing Value**



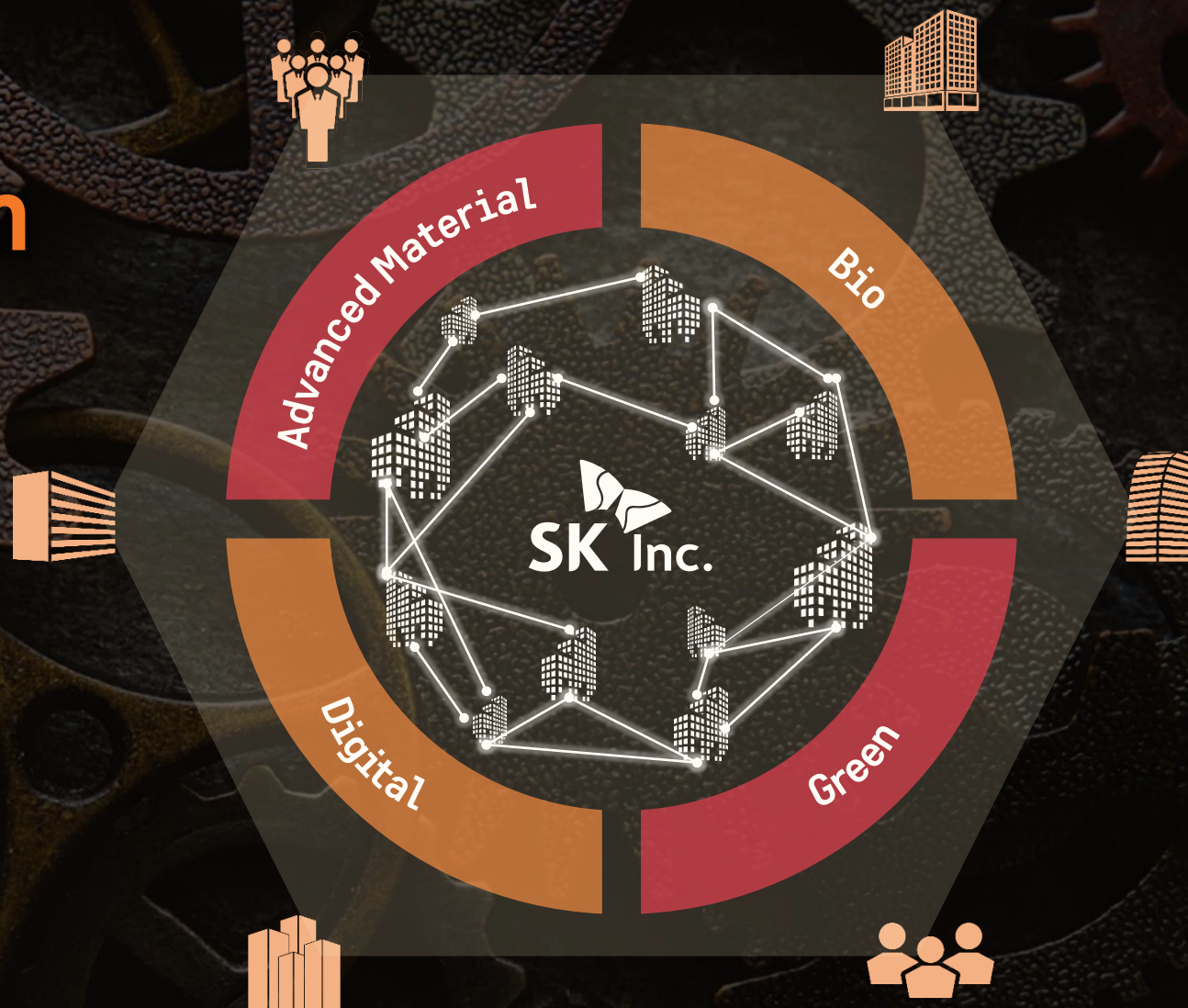


# Global Ecosystem

Formation



# Collaborative Synergy





among **stakeholders**



definite **Gain Sharing**





**Proven Value**



Harvest, Allocation



**Profit Realization  
and Return**



Reorganize organizational and  
financial structures



**Streamline Assets**



**‘Market’** ensures



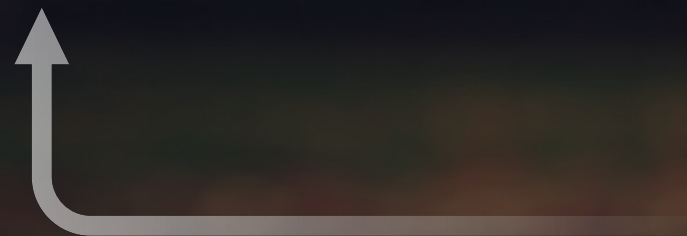
**Proven Value**





A close-up photograph of two hands clasped together in a supportive grip. The hands are positioned in the center-right of the frame, with fingers interlaced. The skin tone is light. The background is a soft-focus field of autumn leaves in shades of green, yellow, and brown, suggesting a park or garden setting. The lighting is natural and slightly diffused.

**Reliable Companion**



- Add value to investment business
- Realize investment gains
- Streamline Asset
- Expand global market



**‘Exemplary  
Corporation’**





**ESG**

**Executing tasks and  
generating profits  
for investment**



**Securing**

**Mgmt. Transparency  
/Fairness**

# Periodic Communication



**Agile response to change**





Deep Change

ESG

Financial Story

Big Reap





Please keep an eye on a **genuine pioneer**  
who will reveal an overwhelming presence in a  
challenging market environment.



**Thank you**

The background is a dark, semi-transparent overlay on a photograph of hands holding a laptop. A circular graphic with radiating lines and a red-to-orange gradient arc is positioned at the top center.

# Governance Story & Policy Direction on Shareholder Return

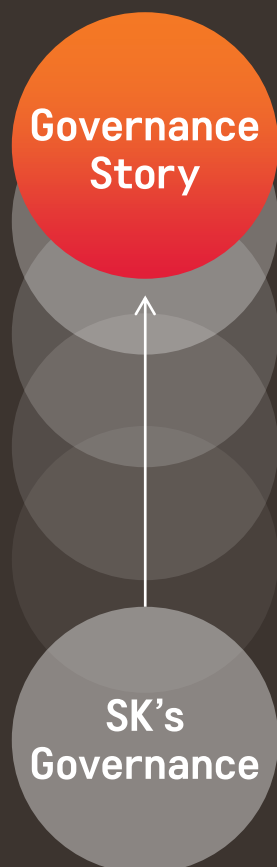
**Finance Division**



**Aiming to enhance shareholder value and social value while achieving sustainable growth as investment specialist**



## Declared the 2021 Governance Story and established a foundation for evaluation and support from the market and stakeholders



Strengthened the momentum to implement ESG management principles by defining SK's unique Governance Story

- ▷ Overhauled the corporate structure charter
- ▷ Newly established HR Committee and ESG Committee to reinforce independence and professionalism
- ▷ Appointed a member in charge to facilitate communication with shareholders and stakeholders

Took initiative to strengthen SK Group's governance under BOD-centered responsible management



Secured **objective evaluation/support** from the market and stakeholders

To enhance connectivity between management activities and shareholder value by advancing the BOD-centered management in the future



To specify the procedure  
for the board of directors to  
evaluate the CEO



To achieve Governance Risk Zero  
for all SK members, including the  
company

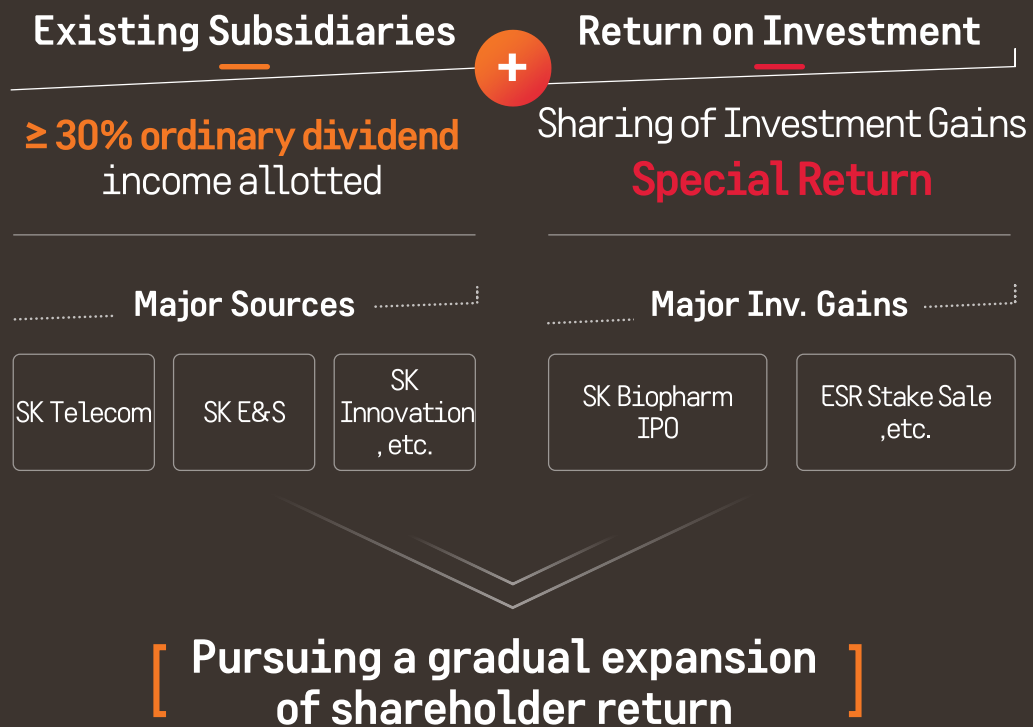


To establish objective evaluation  
**standards** for the company's  
business activities in the market

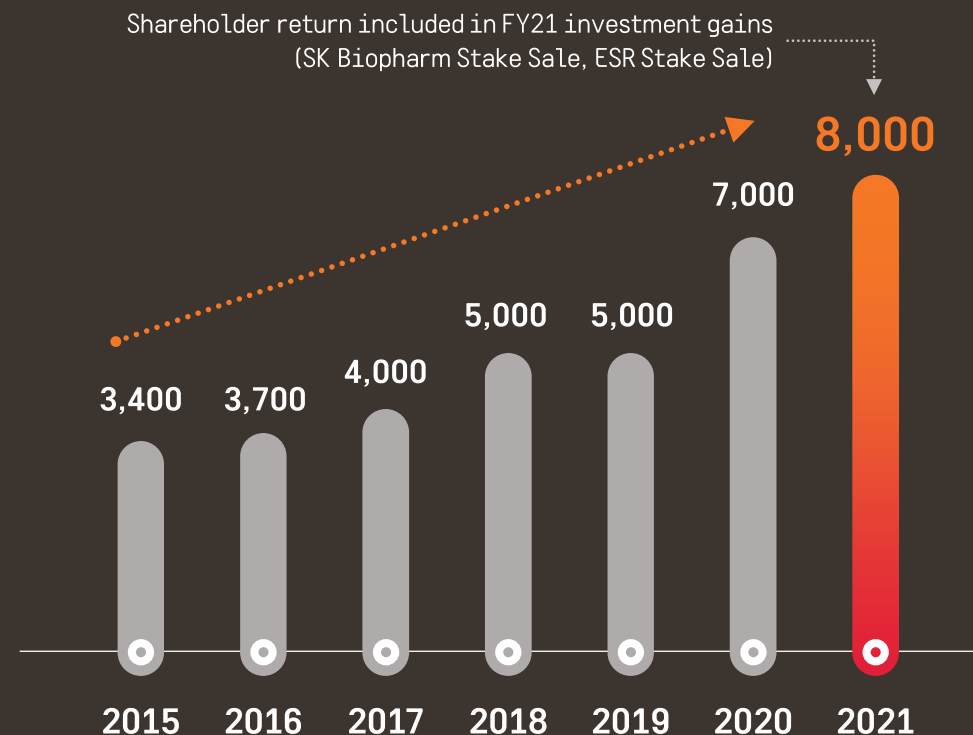
“ **To maximize shareholder value**  
by aligning the interests of governance,  
management, and general shareholders ”

## Expanded DPS by leveraging $\geq 30\%$ ordinary dividend from subsidiaries and some investment gains as dividend sources

### Shareholder Return Policy (Present)



### Dividend History



\* Interim dividends have been paid since 2018

\*\* KRW 0.9 tr of treasury stock was purchased in 2019



Utilize share buyback as a means to strengthen shareholder return, also to achieve the company value target for 2025 and to share investment gains with shareholders



Achieve company value target for 2025



As an investment company,  
**Share investment gains**  
with shareholders

Ordinary  
Dividend

+

Annual share buyback  
of 1% or more  
(up to 2025)

≥ 30%  
ordinary dividend  
income allotted

Allot  
investment gains  
from IPOs, etc

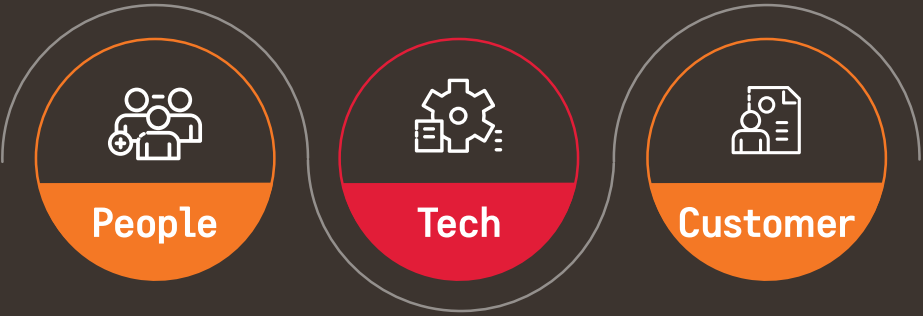
**Maximize** Total Shareholder Return



# 2021 Business Achievements & 2022 Strategic Direction

Advanced Materials Investment Center




## IDENTITY of Adv. Materials Investment Center



“ Investment expert  
specializing in  
innovative technology ”

Connect people-technology-customers  
based on insight into future technology and  
synergy within the group

## Core Investment Areas

 Semi. Materials	 Battery Materials	 EV SCM
Specialty Gas	Copper Foil	SiC Wafer
Industrial Gas	SiC anode material	SiC Chip Design
Photo Resist	Single-crystal anode material	Ultra-fast EV Charger

- |   |   |   |
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# 2021 Major Financial Gains

Finance

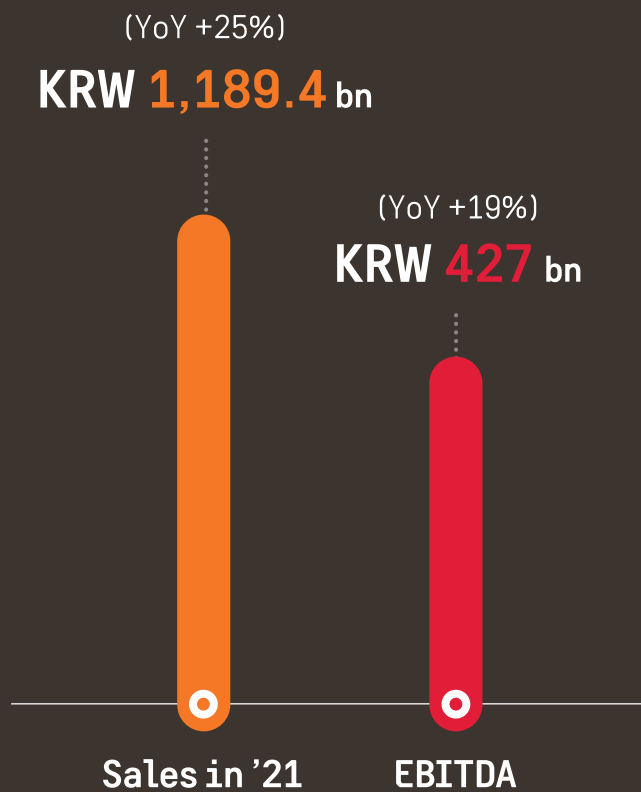
Adv. Materials

Green

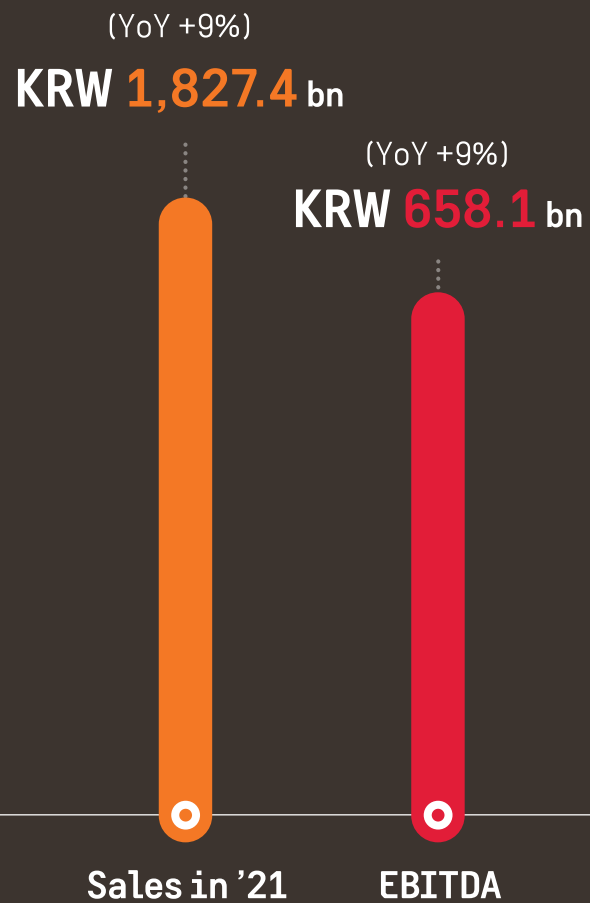
Bio



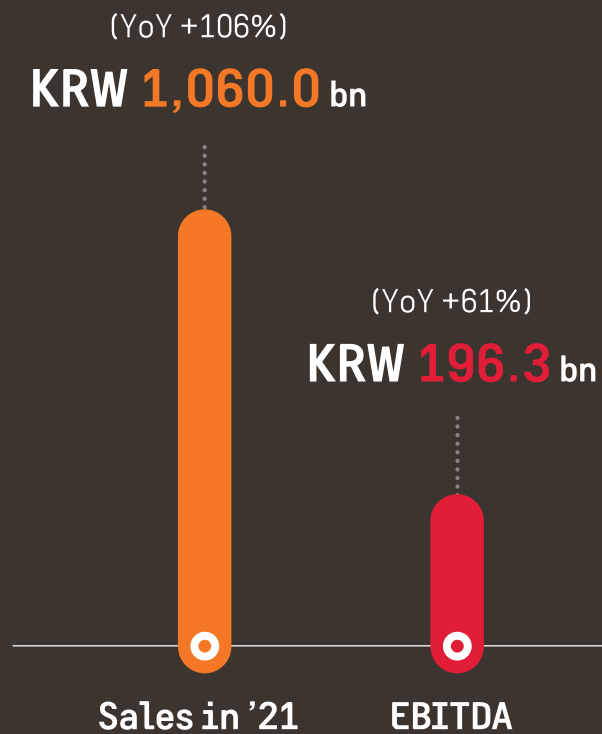
## [ SK Inc. Materials CIC ]



## [ SK Siltron ]



## [ Wason (China, Copper foil) ]





# 2021 Major Investment Gains

Finance

Adv. Materials

Green

Bio



## Solid Energy

- Next-generation Li Metal battery producer (SK secured 11.4% stake)
- Additional investment in April '21 / NYSE listing in Feb 2022



## YPTX

- SiC power semiconductor design/mass production company  
Invested 33.6% stake of Yes Powertechnix



## Signet EV

- Acquired Signet EV, North America's No. 1 ultra-fast EV fast charger manufacturer (Secured 51% stake)



## Merger with SK Materials

- Integrated the investment and engineering capabilities of both companies
- Accelerated portfolios of new products

## Strengthening Generic Competitiveness

- ▶ Improving product supply and demand as strong upstream demand
- ▶ Promoting expansion of new 300 mm Si Wafer plant based on customer LTA

## Optimizing Portfolio

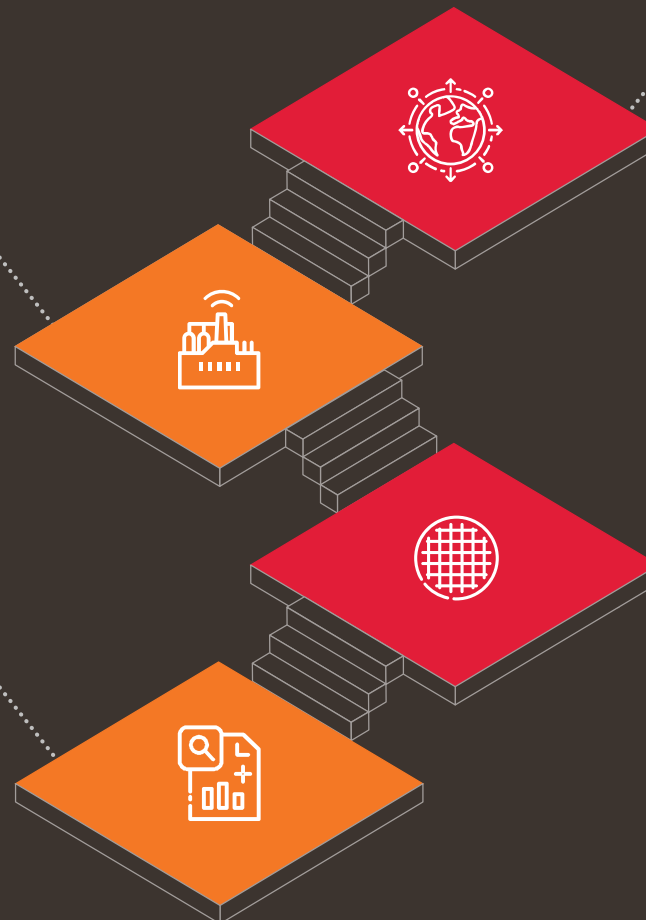
- ▶ Maximizing synergies between the existing business portfolios
- ▶ Building an Asset-Light business structure to maximize value of SK Inc.

## Reinforcing Global Top Technological Competitiveness

- ▶ Equity investment in companies with global core technologies / Enhancing cooperation with joint ventures
  - To complete JV plant to produce G14 next-gen Si-C anode materials
  - To establish JV to produce single-crystal cathode materials in collaboration with Beijing Easpring

## Nurturing New Future Businesses

- ▶ Commercializing new products with high difficulty (EUV photo materials, etc.)
- ▶ SiC Wafer: Preemptive promotion of capacity expansion (500K/yr, ~'25)





# 2021 Business Achievements & 2022 Strategic Direction

Green Investment Center



## Establishing an investment story in decarbonization area and deriving 4 focus areas

### Pre-Green Domain | Root Cause Resolution



#### New Energy | Alternative Energy

Hydrogen·  
Fuel cell

Energy  
Solution

Renewable  
Energy



#### Sustainable Food | Sustainable Food

Alternative Protein

Vertical Farming

### Post-Green Domain | Resolution of existing issues



#### Clean Solution | Env./Tech.

Pollution·Waste  
Treatment

Waste-to-X

Re·up-  
cycling



#### Carbon Mgmt. | CO<sub>2</sub> Treatment

Capture

Transport

Storage

Utilization

## Securing a base for foothold investment/commercialization of globally promising assets within the decarbonization domain

### New Energy | Alternative Energy

Invested in companies with promising technologies in the New Energy domain and **secured the right to negotiate regarding domestic/Asian business**



- Equity investment in an American hydrogen fuel cell development/production company
- Secured the position of the largest shareholder



- Invested in U.S. Turquoise hydrogen/carbonless solid carbon producer
- Secured exclusive rights of negotiation in Korea/China/Vietnam



- Equity investment in an American hydrogen fuel cell development/production company
- Secured exclusive rights of negotiation in Korea

### Sustainable Food | Sustainable Food

Invested in leading companies by product in the sustainable food domain and **secured the right to negotiate regarding domestic/Asian business**



- Made an additional investment in the #1 fermentation-based alternative milk protein producer in the US
- Secured exclusive rights of negotiation in Korea and Vietnam



- Invested in a leading EU-based plant-based meat producer
- Secured exclusive rights of negotiation in Asia (13 countries)



- Invested in U.S. microbe-based alternative protein producers



- Co-investment to secure a portfolio of alternative foods in the Chinese market
- SK, Joyvio, Chinese PE/VC and local government involved

## To secure the foundation for global anchor business and expedite domestic/Asia business and based on existing investment assets

### Promoting the commercialization of investment assets

- ▶ Monolith: To launch Turquoise hydrogen/carbonless solid carbon-related domestic biz in earnest via JVA
- ▶ Fulcrum Bioenergy: To gain IPO value after domestic commercialization and additional equity inv.
- ▶ Perfect Day: To establish a foundation in the Asian market through JVs in Korea, China, Vietnam, and Asia
- ▶ Meatless Farm: To verify potential and promote Asian JV establishment as Anchor Biz

### Acquiring Anchor Assets/BM in the CCUS area

- ▶ To identify and secure anchor assets/BMs in the Global CCUS value-chain



### Preoccupied the asset of future carbon-free energy sources

- ▶ To generate revenue by investing in promising technologies and companies in the renewable energy, hydrogen, and biofuel
- ▶ To enhance the value of SK Inc.'s stake by supporting member companies to achieve carbon neutrality/RE100 and expanding related industries

### Revisiting ways to gradually liquidate existing assets related to fossil fuels.

- ▶ To review/execute measures to increase equity value by adjusting the existing fossil fuel-based portfolios



The background features a dark, textured surface. On the right side, a DNA double helix structure is visible, rendered in a light gray color. In the upper center, there is a circular graphic consisting of many thin, radiating lines, with a small segment highlighted in orange and red.

# **2021 Business Achievements & 2022 Strategic Direction**

**Bio Investment Center**

# CMO - 2021 Major Business Achievements

Finance

Adv. Materials

Green

Bio



SK Pharmteco recorded about 19% YoY growth in sales in 2021 and successfully expanded its business into the high-growth Cell & Gene Therapy CMO, obtaining additional future growth engines



Financial  
Achievement

SK Pharmteco recorded 19% YoY growth in sales in 2021

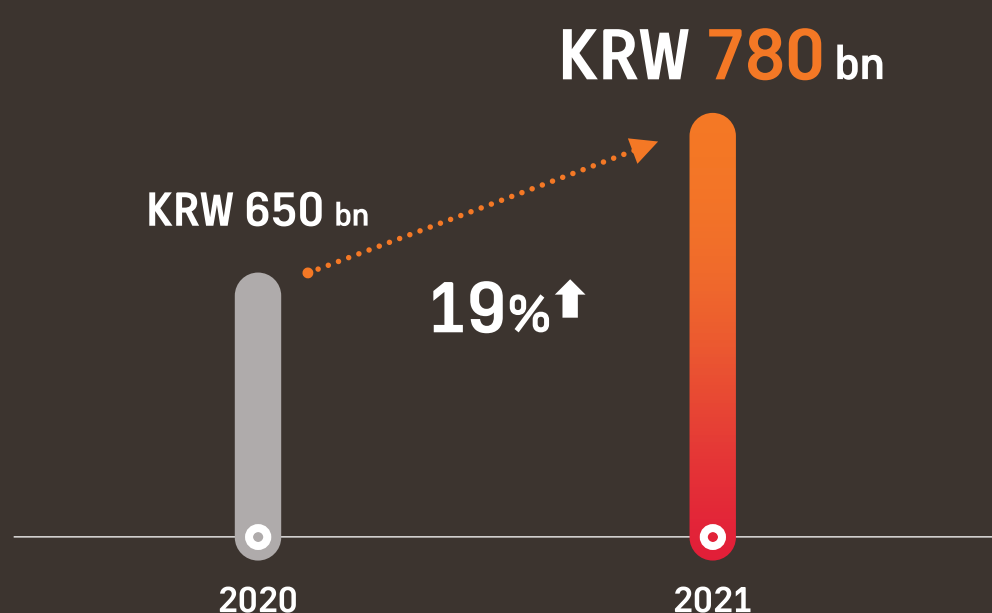
(based on 2021 total earnings)



Business  
Achievement

Acquired French company Yposkesi in March 2021  
Invested in US company CBM in December

\* CBM (The Center for Breakthrough Medicines)



To advance into a global top-tier CMO by pursuing stable and high growth of the existing core business, synthetic drug business, and adding value to the new business, Cell & Gene Therapy, at an early stage

## Synthetic drugs



Synthetic drug pipelines and **long-term contracts are continuously increasing**



To increase the capacity of each US/European/Korean site to a proper level **to handle rising volumes in a stable manner**

## Cell & Gene Therapy



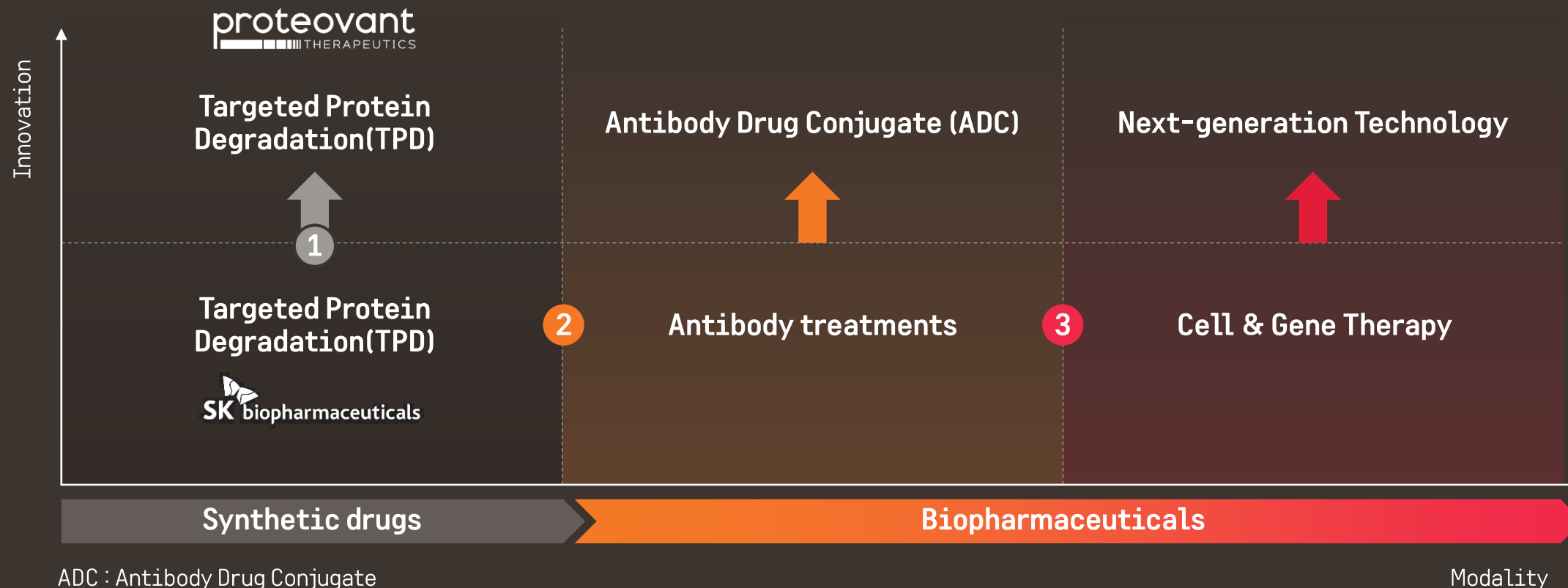
To make **additional investments in the Cell & Gene Therapy** by attracting investment for growth funds



**Driving the expansion of commercial facilities of Yposkesi and CBM** targeting mass production in 2023



To develop the second SK Biopharm to deliver miracles to patients and their families around the world by advancing into high-growth biopharmaceuticals beyond synthetic drugs



**THANK YOU**

