



SK Inc. and its subsidiaries

Condensed Consolidated Interim Financial Statements
March 31, 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 March 31, 2023, and the related condensed consolidated interim statement of comprehensive income, changes in equity and cash flows for the three-month period ended March 31, 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". The Company's management is also responsible for the internal controls determined necessary to prepare condensed consolidated interim financial statements free of material misstatements due to error or fraud.

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 statements 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 do not present 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, changes in equity and cash flows for the three-month period ended March 31, 2022, presented for comparative purposes, were reviewed by another auditor whose report dated May 16, 2022, stated that nothing has come to their attention that causes them to believe that the condensed consolidated interim financial statements do not present fairly, 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, who expressed an unmodified opinion of those statements on March 14, 2023. The accompanying consolidated statement of financial position as of December 31, 2022, presented for comparative purposes, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



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 March 31, 2023, for the three-month periods ended March 31, 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. 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
May 15, 2023

This review report is effective as of May 15, 2023, the independent review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditor's review report date to the time this review report is used. Such events and circumstances could significantly affect the accompanying condensed consolidated interim financial statements and may result in modification to this review report.

SK Inc. and its subsidiaries
Condensed consolidated interim statements of financial position
as of March 31, 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)	
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Assets					
Current assets:					
Cash and cash equivalents	5	₩ 22,011,493	₩ 21,393,853	\$ 16,882,569	\$ 16,408,846
Short-term financial instruments	5, 32	2,993,677	3,727,273	2,296,117	2,858,777
Trade receivables, net	5, 6, 27, 32, 34	14,013,159	14,334,532	10,747,936	10,994,426
Other receivables, net	5, 27, 31, 34	3,161,972	3,559,791	2,425,197	2,730,320
Inventories, net	7, 32	15,577,884	15,552,284	11,948,063	11,928,428
Short-term investment securities	5, 8, 32, 34	221,465	240,621	169,861	184,554
Other current assets	5, 6, 18, 19, 32, 34	5,937,604	5,589,702	4,554,076	4,287,239
Assets held for sale	29	3,901,954	595,523	2,992,755	456,759
Total current assets		67,819,208	64,993,579	52,016,574	49,849,349
Non-current assets:					
Long-term financial instruments	5, 32	108,717	112,484	83,385	86,274
Long-term trade receivables, net	5, 6, 27, 34	517,501	517,701	396,917	397,071
Long-term other receivables, net	5, 27, 31, 34	369,492	380,964	283,396	292,195
Long-term investment securities	5, 8, 32, 34	8,484,028	7,950,497	6,507,154	6,097,942
Investments in associates and joint ventures	9, 32	27,503,915	27,457,005	21,095,195	21,059,215
Property, plant and equipment, net	10, 32	62,269,432	59,921,872	47,759,957	45,959,405
Right-of-use assets, net	11	5,252,832	5,437,414	4,028,863	4,170,436
Investment properties, net	12, 32	1,922,502	1,866,106	1,474,538	1,431,282
Goodwill	13	6,380,512	7,475,558	4,893,781	5,733,669
Intangible assets, net	14	11,546,732	12,709,019	8,856,214	9,747,675
Defined benefit assets	17	494,182	660,282	379,032	506,429
Deferred tax assets		1,190,112	1,166,846	912,803	894,958
Other non-current assets	5, 6, 18, 19, 27, 34	3,933,488	3,856,533	3,016,941	2,957,918
Total non-current assets		129,973,445	129,512,281	99,688,176	99,334,469
Total assets		₩ 197,792,653	₩ 194,505,860	\$ 151,704,750	\$ 149,183,818
Liabilities and equity					
Liabilities					
Current liabilities:					
Short-term borrowings	5, 15, 31, 32, 34	₩ 17,195,212	₩ 17,457,297	\$ 13,188,535	\$ 13,389,551
Trade payables	5, 27, 34	13,234,679	14,024,892	10,150,851	10,756,935
Other payables	5, 27, 34	6,765,165	7,204,577	5,188,806	5,525,830
Provisions	16	583,042	640,198	447,187	491,025
Current portion of long-term debt	5, 11, 15, 31, 32, 34	14,253,942	11,373,120	10,932,614	8,723,056
Other current liabilities	5, 6, 18, 19	11,988,989	12,285,360	9,195,420	9,422,734
Liabilities held for sale	29	2,944,909	67,760	2,258,712	51,971
Total current liabilities		66,965,938	63,053,204	51,362,125	48,361,102
Non-current liabilities:					
Bonds and long-term borrowings	5, 15, 31, 32, 34	43,936,588	45,641,745	33,698,871	35,006,707
Long-term other payables	5, 34	1,152,477	1,513,207	883,937	1,160,613
Defined benefit liabilities	17	78,802	170,368	60,440	130,670
Provisions	16	954,452	866,826	732,054	664,846
Deferred tax liabilities		4,054,937	4,435,594	3,110,091	3,402,051
Other non-current liabilities	5, 6, 11, 18, 19, 27, 34	6,840,077	7,016,126	5,246,262	5,381,290
Total non-current liabilities		57,017,333	59,643,866	43,731,655	45,746,177
Total liabilities		123,983,271	122,697,070	95,093,780	94,107,279
Equity					
Equity attributable to owners of the parent:					
Share capital	1, 20	16,143	16,143	12,382	12,382
Other paid-in capital	20	6,426,271	6,401,912	4,928,878	4,910,195
Retained earnings	20	14,815,032	14,918,613	11,362,964	11,442,409
Other components of equity	20	845,859	258,878	648,764	198,557
Equity attributable to owners of the Parent Company		22,103,305	21,595,546	16,952,988	16,563,543
Non-controlling interests	1	51,706,077	50,213,244	39,657,982	38,512,996
Total equity		73,809,382	71,808,790	56,610,970	55,076,539
Total liabilities and equity		₩ 197,792,653	₩ 194,505,860	\$ 151,704,750	\$ 149,183,818

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 periods ended March 31, 2023 and 2022

(Korean won in millions and U.S. dollar in thousands, except for earnings per share)

	Notes	For the three-month period ended March 31			
		Korean won		Translation into U.S. dollar (Note 2)	
		2023	2022	2023	2022
Sales	4, 27	₩ 32,702,586	₩ 30,031,464	\$ 25,082,517	\$ 23,033,797
Cost of sales	24, 27	<u>29,681,690</u>	<u>25,465,252</u>	<u>22,765,524</u>	<u>19,531,563</u>
Gross profit		3,020,896	4,566,212	2,316,993	3,502,234
Selling and administrative expenses	21, 24, 27	<u>1,890,481</u>	<u>1,573,324</u>	<u>1,449,978</u>	<u>1,206,722</u>
Operating profit	4	1,130,415	2,992,888	867,015	2,295,512
Finance income	22	2,171,362	1,996,297	1,665,410	1,531,137
Finance costs	22	2,826,844	2,864,733	2,168,158	2,197,218
Share of profit of equity-accounted investees, net	9	(545,407)	411,592	(418,321)	315,686
Other non-operating income	23	236,500	824,030	181,393	632,022
Other non-operating expenses	23	<u>151,262</u>	<u>101,714</u>	<u>116,015</u>	<u>78,013</u>
Profit from continuing operations before income tax expense	4	14,764	3,258,360	11,324	2,499,126
Income tax expense from continuing operations	25	<u>76,335</u>	<u>993,312</u>	<u>58,548</u>	<u>761,859</u>
Profit (loss) for the period from continuing operations	4	(61,571)	2,265,048	(47,224)	1,737,267
Gain from discontinued operations	28	<u>54,966</u>	<u>736,156</u>	<u>42,158</u>	<u>564,623</u>
Profit for the period		<u>₩ (6,605)</u>	<u>₩ 3,001,204</u>	<u>\$ (5,066)</u>	<u>\$ 2,301,890</u>
attributable to:					
Owners of the Parent Company		122,577	1,222,729	94,015	937,819
Non-controlling interests		(129,182)	1,778,475	(99,081)	1,364,071
Other comprehensive income (loss):					
Items that will not be reclassified subsequently to profit or loss (net of tax):					
Remeasurements of the net defined benefit plans		(70,260)	17,363	(53,889)	13,317
Net gain (loss) on valuation of financial assets measured at FVOCI		95,162	(396,123)	72,988	(303,822)
Items that are or may be reclassified subsequently to profit or loss (net of tax):					
Equity adjustment arising from investments in equity-accounted investees		186,131	161,227	142,760	123,659
Net loss on valuation of derivative instruments		(12,641)	(48,038)	(9,696)	(36,845)
Foreign currency translation differences for foreign operations		<u>1,070,606</u>	<u>387,206</u>	<u>821,142</u>	<u>296,983</u>
		<u>1,268,998</u>	<u>121,635</u>	<u>973,305</u>	<u>93,292</u>
Total comprehensive income for the period		<u>₩ 1,262,393</u>	<u>₩ 3,122,839</u>	<u>\$ 968,239</u>	<u>\$ 2,395,182</u>
attributable to:					
Owners of the Parent Company		673,206	1,345,202	516,339	1,031,754
Non-controlling interests		589,187	1,777,637	451,900	1,363,428
Earnings per share (Korean won and U.S. dollar):	26				
Basic earnings per share		₩ 2,212	₩ 21,779	\$ 1.70	\$ 16.70
Diluted earnings per share		2,209	21,729	1.69	16.67
Basic earnings per share from continuing operations		1,949	16,153	1.49	12.39
Diluted earnings per share from continuing operations		1,946	16,116	1.49	12.36

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 three-month periods ended March 31, 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
	₩ 16,143	₩ 6,445,296	₩ 14,057,406	₩ 721,262	₩ 21,240,107	₩ 44,302,628	₩ 65,542,735
As of January 1, 2022							
Total comprehensive income:							
Profit for the period	-	-	1,222,729	-	1,222,729	1,778,475	3,001,204
Remeasurements of the net defined benefit plans	-	-	8,684	-	8,684	8,679	17,363
Net loss on valuation of financial assets measured at FVOCI	-	-	(232)	(76,322)	(76,554)	(319,569)	(396,123)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	57,918	57,918	103,309	161,227
Net gain (loss) on valuation of derivative instruments	-	-	-	(98,785)	(98,785)	50,747	(48,038)
Foreign currency translation differences for foreign operations	-	-	-	231,210	231,210	155,996	387,206
Transactions with owners:							
Dividends	-	-	(368,286)	-	(368,286)	(797,829)	(1,166,115)
Equity transactions within consolidated entities	-	29,147	-	-	29,147	289,438	318,585
Changes in the scope of consolidation	-	-	-	-	-	544,688	544,688
Others	-	(24,020)	3,587	-	(20,433)	2,452	(17,981)
As of March 31, 2022	₩ 16,143	₩ 6,450,423	₩ 14,923,888	₩ 835,283	₩ 22,225,737	₩ 46,119,014	₩ 68,344,751
As of January 1, 2023							
Total comprehensive income:							
Profit (loss) for the period	-	-	122,577	-	122,577	(129,182)	(6,605)
Remeasurements of the net defined benefit plans	-	-	(36,218)	-	(36,218)	(34,042)	(70,260)
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	(134)	15,003	14,869	80,293	95,162
Equity adjustment arising from investments in equity-accounted investees	-	-	-	62,785	62,785	123,346	186,131
Net gain (loss) on valuation of derivative instruments	-	-	-	1,158	1,158	(13,799)	(12,641)
Foreign currency translation differences for foreign operations	-	-	-	508,035	508,035	562,571	1,070,606
Transactions with owners:							
Dividends	-	-	(195,114)	-	(195,114)	(800,601)	(995,715)
Stock-based payment	-	954	-	-	954	4,416	5,370
Equity transactions within consolidated entities	-	23,690	-	-	23,690	1,693,911	1,717,601
Others	-	(285)	5,308	-	5,023	5,920	10,943
As of March 31, 2023	₩ 16,143	₩ 6,426,271	₩ 14,815,032	₩ 845,859	₩ 22,103,305	₩ 51,706,077	₩ 73,809,382

SK Inc. and its subsidiaries
Condensed consolidated interim statements of changes in equity
for the three-month periods ended March 31, 2023 and 2022 (cont'd)
(U.S. dollar in thousands)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
As of January 1, 2022	\$ 12,382	\$ 4,943,470	\$ 10,781,873	\$ 553,200	\$ 16,290,925	\$ 33,979,620	\$ 50,270,545
Total comprehensive income:							
Profit for the period	-	-	937,819	-	937,819	1,364,071	2,301,890
Remeasurements of the net defined benefit plans	-	-	6,661	-	6,661	6,656	13,317
Net loss on valuation of financial assets measured at FVOCI	-	-	(178)	(58,538)	(58,716)	(245,106)	(303,822)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	44,422	44,422	79,237	123,659
Net gain (loss) on valuation of derivative instruments	-	-	-	(75,767)	(75,767)	38,922	(36,845)
Foreign currency translation differences for foreign operations	-	-	-	177,335	177,335	119,648	296,983
Transactions with owners:							
Dividends	-	-	(282,471)	-	(282,471)	(611,926)	(894,397)
Equity transactions within consolidated entities	-	22,355	-	-	22,355	221,996	244,351
Changes in the scope of consolidation	-	-	-	-	-	417,770	417,770
Others	-	(18,423)	2,751	-	(15,672)	1,881	(13,791)
As of March 31, 2022	\$ 12,382	\$ 4,947,402	\$ 11,446,455	\$ 640,652	\$ 17,046,891	\$ 35,372,769	\$ 52,419,660
As of January 1, 2023	\$ 12,382	\$ 4,910,195	\$ 11,442,409	\$ 198,557	\$ 16,563,543	\$ 38,512,996	\$ 55,076,539
Total comprehensive loss:							
Profit (loss) for the period	-	-	94,015	-	94,015	(99,081)	(5,066)
Remeasurements of the net defined benefit plans	-	-	(27,779)	-	(27,779)	(26,110)	(53,889)
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	(103)	11,507	11,404	61,584	72,988
Equity adjustment arising from investments in equity-accounted investees	-	-	-	48,155	48,155	94,605	142,760
Net gain (loss) on valuation of derivative instruments	-	-	-	888	888	(10,584)	(9,696)
Foreign currency translation differences for foreign operations	-	-	-	389,657	389,657	431,485	821,142
Transactions with owners:							
Dividends	-	-	(149,650)	-	(149,650)	(614,052)	(763,702)
Stock-based payment	-	732	-	-	732	3,387	4,119
Equity transactions within consolidated entities	-	18,170	-	-	18,170	1,299,211	1,317,381
Others	-	(219)	4,072	-	3,853	4,541	8,394
As of March 31, 2023	\$ 12,382	\$ 4,928,878	\$ 11,362,964	\$ 648,764	\$ 16,952,988	\$ 39,657,982	\$ 56,610,970

SK Inc. and its subsidiaries
Condensed consolidated interim statements of cash flows
for the three-month periods ended March 31, 2023 and 2022
(Korean won in millions and U.S. dollar in thousands)

	Notes	For the three-month period ended March 31			
		Korean won		Translation into U.S. dollar (Note 2)	
		2023	2022	2023	2022
Cash flows from operating activities:					
Profit for the period		₩ (6,605)	₩ 3,001,204	\$ (5,066)	\$ 2,301,890
Non-cash adjustments	30	3,123,610	2,910,595	2,395,774	2,232,394
Working capital adjustments	30	(420,788)	(4,167,686)	(322,740)	(3,196,568)
Interest received		174,723	66,778	134,011	51,218
Interest paid		(751,300)	(430,400)	(576,239)	(330,112)
Dividends received		57,904	9,881	44,412	7,579
Income taxes paid		(350,863)	(354,072)	(269,108)	(271,569)
Net cash provided by operating activities		1,826,681	1,036,300	1,401,044	794,832
Cash flows from investing activities:					
Decrease (increase) in short-term and long-term financial instruments, net		760,673	1,097,449	583,428	841,731
Decrease (increase) in short-term and long-term loans, net		(170,335)	11,992	(130,645)	9,198
Decrease (increase) in short-term investment securities, net		4,561	(384)	3,498	(295)
Proceeds from disposal of long-term investment securities		186,534	464,895	143,069	356,569
Proceeds from disposal of investments in associates and joint ventures		55,365	6,880	42,464	5,277
Proceeds from disposal of property, plant and equipment		19,661	97,092	15,080	74,468
Proceeds from disposal of intangible assets		8,209	10,872	6,296	8,339
Proceeds from disposal of assets held for sale		930	448,067	713	343,662
Acquisition of long-term investment securities		(483,456)	(273,292)	(370,805)	(209,612)
Acquisition of investments in associates and joint ventures		(241,496)	(707,112)	(185,225)	(542,347)
Acquisition of property, plant and equipment		(4,583,792)	(2,192,113)	(3,515,717)	(1,681,326)
Acquisition of intangible assets		(94,467)	(132,429)	(72,455)	(101,572)
Decrease in cash from changes in the scope of consolidation, net		(542)	(349,625)	(416)	(268,158)
Others, net		104,188	(156,314)	79,911	(119,891)
Net cash used in investing activities		(4,433,967)	(1,674,022)	(3,400,804)	(1,283,957)
Cash flows from financing activities:					
Increase (decrease) in short-term borrowings, net		(408,257)	3,150,082	(313,129)	2,416,078
Increase in bonds and borrowings		4,083,332	2,312,680	3,131,870	1,773,800
Decrease in bonds and borrowings		(1,505,735)	(2,566,758)	(1,154,882)	(1,968,675)
Decrease in long-term other payables		(408,594)	(400,245)	(313,387)	(306,983)
Decrease in lease liabilities		(262,093)	(246,664)	(201,022)	(189,189)
Payment of dividends		(132,281)	(157,696)	(101,458)	(120,951)
Cash inflows from consolidated capital transaction		1,818,123	74,643	1,394,480	57,250
Others, net		(33,226)	(38,173)	(25,484)	(29,278)
Net cash provided by financing activities		3,151,269	2,127,869	2,416,988	1,632,052
Net increase in cash and cash equivalents		543,983	1,490,147	417,228	1,142,927
Net foreign exchange effects		204,378	101,393	156,757	77,767
Cash and cash equivalents included in assets held for sale		(130,721)	(85,261)	(100,262)	(65,394)
Cash and cash equivalents at the beginning of the period		21,393,853	12,317,555	16,408,846	9,447,427
Cash and cash equivalents at the end of the period		₩ 22,011,493	₩ 13,823,834	\$ 16,882,569	\$ 10,602,727

See accompanying notes to the condensed consolidated interim financial statements.

SK Inc. and its subsidiaries
Notes to the condensed consolidated interim financial statements
March 31, 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 March 31, 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 17.50%, 7.21% and 6.50% respectively, as of March 31, 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 March 31, 2023 are as follows:

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SK Innovation Co., Ltd. (*2)	Korea	Resource development	SK Inc.	33.77%
SK Energy Co., Ltd.	Korea	Crude oil refining and sales	SK Innovation Co., Ltd.	100.00%
Netruck Co., Ltd.	Korea	Gas station operation	SK Energy Co., Ltd.	100.00%
Jeju United FC Corporation	Korea	Sports association sponsoring	SK Energy Co., Ltd.	100.00%
Happy Didim Co., Ltd.	Korea	Service	SK Energy Co., Ltd.	100.00%
Green & Co. Asia Ltd.	Myanmar	Manufacturing	SK Energy Co., Ltd.	80.00%
SK Energy Hong Kong Co., Ltd.	Hong Kong	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Road Investment Co., Ltd.	Cayman	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Road Investment (HK) Co., Ltd.	Hong Kong	Investment	SK Energy Road Investment Co., Ltd.	100.00%
SK Asphalt (Shanghai) Co., Ltd.	China	The sale of asphalt	SK Energy Road Investment (HK) Co., Ltd.	100.00%
goodsFLOW Co., Ltd. (*2)	Korea	The information and communication and transportation industry	Person	41.00%
goodsCORE Co., Ltd.	Korea	Business support services	goodsFLOW Co., Ltd.	100.00%
goodsPOST Co., Ltd.	Korea	Transportation industry	goodsFLOW Co., Ltd.	100.00%
SK Geo Centric Co., Ltd.	Korea	Chemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%
SK Geo Centric (Beijing) Holding Co., Ltd.	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 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%

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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.	95.24%
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 manufacturing	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.	Netherlands	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%
11street Co., Ltd. (*3)	Korea	E-commerce	SK Square Co., Ltd.	98.10%
SK Shieldus Co., Ltd.	Korea	Information security service and automatic security	SK Square Co., Ltd.	63.13%
CAPSTEC Co., Ltd. (*4)	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%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity Ownership (%)
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%
Infra Communications Co., Ltd.	Korea	Service operation business	Incross Co., Ltd.	100.00%
Mindknoock 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%
SK Networks Co., Ltd. (*2)	Korea	Distribution and trading business	SK Inc.	39.14%
SK Networks Service Co., Ltd.	Korea	Equipment repair service	SK Networks Co., Ltd.	86.50%
SK Magic Co., Ltd.	Korea	Household appliances manufacturing, sales and rent	SK Networks Co., Ltd.	100.00%
SK Magic Service Co., Ltd.	Korea	House appliances repair and others	SK Magic Co., Ltd.	100.00%
SK Magic Vietnam Company Limited	Vietnam	Household appliances sales and rent	SK Magic Co., Ltd.	100.00%
SK Magic Retails 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%
Solmics Taiwan Co., Ltd.	Taiwan	Sales of semiconductor parts, materials and others	SK enpulse Co., Ltd.	100.00%
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%
SK Telesys Corp.	USA	Manufacturing	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.(*2, 6)	Netherlands	SPC	SK Nexilis Co., Ltd.	100.00%
SK BLMGEOSTONE Co., Ltd.	Korea	Manufacturing of biodegradable LIMEX	SKC Co., Ltd.	51.00%
Allnewone Co., Ltd.	Korea	Research and development of waste recycling	SKC Co., Ltd.	100.00%
Ecovance Co., Ltd.	Korea	Manufacturing of biodegradable plastic materials and others	SKC Co., Ltd.	73.19%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (%)
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.	80.58%
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%
Shinaneungdo 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., Pusan City Gas Co., Ltd.	100.00%
SK E&S Australia Pty. Ltd.	Australia	Resource development	SK E&S Co., Ltd.	100.00%
SK E&S Americas, Inc.	USA	Holding company	SK E&S Co., Ltd.	100.00%
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.	91.37%
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	98.15%
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 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 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 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%
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 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%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
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 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 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 D/B/A KCE TX 23, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Market Operations, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE PF Holdings 2022, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
Grid Solution II, LLC	USA	Energy solution	Rnes Holdings, LLC	100.00%
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 haengboknanum solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	70.00%
NEW RENEWABLE ENERGY NO.1 Joint Stock Company	Vietnam	New regeneration business	SK E&S Co., Ltd.	99.99%
SK Ecoplant Co., Ltd. (*2)	Korea	Construction	SK Inc.	44.48%
Seosuwon Development Company (*2)	Korea	Real estate development	SK Ecoplant Co., Ltd.	19.90%
SKEC Nanjing Co., Ltd.	China	Construction	SK Ecoplant Co., Ltd.	100.00%
Changzhou SKY New Energy Co., Ltd.	China	Construction	SKEC Nanjing Co., Ltd.	100.00%
SKEC (Thai), Ltd.	Thailand	Construction	SK Ecoplant Co., Ltd.	100.00%
Thai Woo Ree Engineering Co., Ltd.	Thailand	Construction	SKEC (Thai), Ltd.	99.77%
SKEC Anadolu, 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 Equador, 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 Mulgij Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Dalseong Maleunmulgij Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Goksung Environment Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Chungcheong Environment Energy Co., Ltd.	Korea	Waste incineration 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%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
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.	96.38%
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.	66.90%
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-Envirocorp 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.	68.13%
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 Jianguo 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 Renewtech Co., Ltd.	Korea	Manufacturing industrial gas	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%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
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%
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 (Zhuhai 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%
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 management	SK Investment Management Co., Ltd.	100.00%
Gemini Partners Pte. Ltd.	Singapore	Consulting	SK Inc., SK Innovation Co., Ltd., SK Telecom Co., Ltd., and SK E&S Co., Ltd.	80.00%
Solaris Partners Pte. Ltd.	Singapore	Consulting	Gemini Partners Pte. Ltd.	100.00%
Solaris GEIF Investment	USA	Investment	Solaris Partners Pte. Ltd.	100.00%
SK GI Management	Cayman	Investment	SK Inc.	100.00%
Plutus Capital NY, Inc.	USA	Investment	SK Inc.	100.00%
Hudson Energy NY, LLC	USA	Investment	Plutus Capital NY, Inc.	50.13%
Hudson Energy NY II, LLC	USA	Investment	Plutus Capital NY, Inc.	50.01%
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%
SK BIOTEK USA, Inc.	USA	Medicine and life science	SK Pharmteco Inc.	100.00%
Crest Acquisition LLC	USA	Investment	SK Pharmteco Inc.	100.00%
Yposkesi, SAS	France	Medicine manufacturing	Crest Acquisition LLC	70.07%
Abrasax Investment Inc.	USA	Investment	SK Pharmteco Inc.	100.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
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	SK Inc.	100.00%
Tellus Investment Partners, Inc.	USA	Investment	I Cube Capital Inc.	100.00%
Primer Protein LLC	USA	Investment	SK Inc.	100.00%
Terra LLC	USA	Investment	Tellus Investment Partners, Inc.	67.55%
Terra Investment Partners II, LLC	USA	Investment	Tellus Investment Partners, Inc.	100.00%
Castanea Bioscience Inc.	USA	Investment	Tellus Investment Partners, Inc.	100.00%
SK Forest Co., Ltd.	Korea	Landscaping and planting business	SK Inc.	100.00%
Hweechan Co., Ltd.	Korea	Condo, resort operation	SK Inc.	100.00%
SK Pinx Co., Ltd.	Korea	Golf club operating	Hweechan Co., Ltd.	100.00%
SK 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%
SK Japan Investment Inc.	Japan	Investment	SK Inc.	100.00%
SK Signet Inc. (formerly, Signet EV 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%
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%

- (*1) The equity ownership is based on ordinary shares and includes indirect investments held by the consolidated subsidiaries.
- (*2) SK Innovation Co., Ltd. and 13 other companies are included in the consolidated financial statements as the Group is able to exercise de facto control. The remaining voting rights of SK Innovation Co., Ltd. and 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 52.14%
- (*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 69.95%.

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1.3 Changes in consolidated subsidiaries

Changes in the consolidated subsidiaries for the three-month period ended March 31, 2023 are as follows:

December 31, 2022	Inclusion	Exclusion	March 31, 2023
572	23	5	590

For the three-month period ended March 31, 2023, subsidiaries newly included in consolidation are as follows:

Subsidiaries	Reasons for changes
SK innovation outpost Corporation	Establishment (23 companies)
SK Shieldus Hungary Kft	
KCE NY 30, LLC	
KCE NY 31, LLC	
KCE NY 34, LLC	
KCE NY 35, LLC	
KCE NY 36, LLC	
KCE NE 1, LLC	
KCE NE 2, LLC	
KCE CA 1, LLC	
KCE CA 2, LLC	
KCE CA 3, LLC	
KCE NV 1, LLC	
KCE NV 2, LLC	
KCE TX 30, LLC	
KCE TX 31, LLC	
KCE CT 11, LLC	
TES Netherlands B.V.	
Shanghai Tes-Amm Xin New Materials Co., Ltd	
Econovation, LLC	
Essencore Pte. Ltd.	
Chamaedorea, Inc.	
Areca, Inc	

For the three-month period ended March 31, 2023, subsidiaries excluded from consolidation are as follows:

Subsidiaries	Reasons for changes
SK Telesys. Co., Ltd.	Consolidated entities (1 company)
TES-AMM Korea Inc.	
KCE TX 20, LLC	Disposal (1 company)
Tes-Amm Middle East Fze	Liquidation (3 companies)
Lotus Fund, L.P.	

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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 three-month period ended March 31, 2023 are as follows (Korean won in millions):

Subsidiaries	Total assets	Total liabilities	Sales	Net income (loss)
SK Innovation Co., Ltd.	₩20,783,336	₩ 4,395,494	₩ 760,182	₩ 402,514
SK Energy Co., Ltd.	18,581,123	13,235,969	10,903,722	(12,086)
SK Geo Centric Co., Ltd.	6,964,794	3,905,085	2,819,356	32,180
SK Geo Centric International Trading (Shanghai) Co., Ltd.	208,872	164,254	373,475	(1,444)
SK Incheon Petrochem Co., Ltd.	6,014,593	4,551,947	2,076,896	(102,022)
SK Trading International Co., Ltd.	2,854,973	1,684,718	4,555,333	141,273
SK Energy International Pte. Ltd.	4,201,066	3,372,251	9,067,705	14,328
SK Energy Europe, Ltd.	307,761	214,957	1,110,676	639
SK Energy America, Inc.	327,016	229,505	1,192,264	1,925
SK Enmove Co., Ltd.	3,898,326	2,888,358	1,370,926	169,389
SK Enmove Americas, Inc. (formerly, SK Lubricants Americas, Inc.)	597,764	496,902	364,431	14,416
SK Enmove Europe B.V. (formerly, SK Lubricants Europe B.V.)	403,338	376,197	355,099	6,472
Iberian Lube Base Pils Company, S.A.	695,036	286,434	321,218	9,940
SK ie technology Co., Ltd.	2,455,256	423,228	68,538	(21,116)
SK On Co., Ltd.	12,535,523	5,860,212	2,501,224	(70,560)
SK On Hungary Kft.	5,030,806	3,176,328	470,897	(2,835)
SK On(Jiangsu) Co., Ltd.	2,817,858	1,736,445	895,358	20,710
SK Battery America, Inc.	6,901,513	4,378,609	313,287	(260,437)
BlueOval SK, LLC	4,125,001	808,181	-	(980)
SK Battery Manufacturing Kft.	2,207,249	1,853,313	309,142	(107,910)
SK Telecom Co., Ltd.	25,589,604	14,900,516	3,117,255	422,153
SK Broadband Co., Ltd.	6,406,836	3,452,565	1,062,604	50,210
PS&Marketing Corp.	451,774	223,075	337,649	3,278
SK Square Co., Ltd.	7,559,869	124,176	45,751	64,254
SK Networks Co., Ltd.	4,849,812	2,889,289	1,648,274	3,057
SK Magic Co., Ltd.	1,427,357	999,136	248,992	4,772
SK Rent-a-Car Co., Ltd.	3,416,971	2,898,785	351,209	8,048
SKC Co., Ltd.	2,917,127	1,074,264	74,740	37,436
SK PIC Global Co., Ltd.	646,577	370,979	266,967	(18,708)
SK E&S Co., Ltd.	10,021,026	4,565,027	261,106	204,786
Yeongnam Energy Service Co., Ltd.	526,163	306,054	359,689	13,336
Ko-one Energy Service Co., Ltd.	896,482	546,110	627,596	22,688
Narae Energy Service Co., Ltd.	1,470,669	898,614	365,328	20,569
Pusan City Gas Co., Ltd.	1,086,805	559,718	514,222	19,652
Chungcheong Energy Service Co., Ltd.	440,915	301,770	335,934	15,446
Paju Energy Service Co., Ltd.	1,950,747	1,206,506	486,680	6,677
SK E&S Americas, Inc.	3,824,097	5,638	-	(2,014)
Passkey, Inc.	2,626,788	65,753	-	(9,230)
Prism Energy International Pte. Ltd.	1,988,638	1,216,817	499,439	38,707
SK Ecoplant Co., Ltd.	8,968,109	6,619,327	1,023,261	975
SK Specialty Co., Ltd. (*1)	1,288,878	911,812	170,077	20,393
SK Siltron Co., Ltd. (*1)	4,767,557	2,960,429	579,874	75,807
SK China Company, Ltd.	3,198,183	49,015	-	12,476
SK South East Asia Investment Pte. Ltd.	3,279,611	510,490	25,982	(9,953)
SK REIT Co., Ltd. (*1)	3,112,703	2,152,496	30,552	3,663

(*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 three-month period ended March 31, 2023 are as follows (Korean won in millions):

	March 31, 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	63.47%	69.94%	69.99%	55.14%	54.71%	10.00%	57.10%
Current assets	₩ 33,911,454	₩ 7,011,470	₩ 5,509,352	₩ 2,679,699	₩ 1,958,016	₩ 4,779,710	₩ 5,183,176
Non-Current assets	38,010,101	23,528,223	15,971,317	6,775,009	4,080,259	13,477,942	8,195,845
Current liabilities	30,177,274	7,202,942	3,955,169	3,507,800	1,473,706	4,911,164	5,863,701
Non-current liabilities	17,232,026	11,020,016	776,573	3,522,017	2,333,498	6,684,961	3,434,621
Net assets	24,512,255	12,316,735	16,748,927	2,424,891	2,231,071	6,661,527	4,080,699
Book value of the non-controlling interests	15,947,438	7,591,549	11,766,523	1,401,176	1,485,202	4,543,484	3,314,710
Sales	19,142,879	4,372,227	11,178	2,449,687	669,113	3,344,559	1,475,375
Net income	(51,954)	302,501	(523,737)	5,365	(92,072)	144,593	55,371
Total comprehensive income	468,163	379,202	(418,661)	11,838	(36,314)	289,539	154,904
Net income of the non-controlling interests	(1,858)	196,480	(372,551)	3,196	(55,451)	54,856	41,463
Total comprehensive income of the non-controlling interests	329,268	226,643	(298,846)	6,128	(24,675)	73,964	101,646
Net cash flows from operating activities	806,728	1,024,808	25,133	(124,660)	(203,592)	86,011	(312,764)
Net cash flows from investing activities	(2,032,513)	(783,048)	5,574	(57,916)	(218,487)	(475,668)	(554,080)
Net cash flows from financing activities before dividends paid to the non-controlling interests	2,917,235	(426,902)	(13,249)	194,368	(73,242)	191,683	664,457
Dividends paid to the non-controlling interests	(6,289)	(3,692)	-	-	(19,600)	(61,006)	-
Net increase (decrease) in cash and cash equivalents	1,685,161	(188,834)	17,458	11,792	(514,921)	(258,980)	(202,387)

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 ₩1,303.8 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 three-month period ended March 31, 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 three-month period ended March 31, 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 K-IFRS 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 three-month period ended March 31, 2022, 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.	Civil engineering, housing, plant and others
Others	IT services, special gas manufacturing and sale, medicine and life science and others

(2) Details of financial information for each operating segment as of and for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in billions):

	As of and for the year ended March 31, 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 (*1)	Total
Total sales	₩ 19,143	₩ 4,372	₩ 11	₩ 2,450	₩ 669	₩ 3,345	₩ 1,475	₩ 3,232	₩ (1,994)	₩ 32,703
Internal sales	(185)	(75)	363	(310)	(72)	(134)	(3)	(1,578)	1,994	-
Net sales	18,958	4,297	374	2,140	597	3,211	1,472	1,654	-	32,703
Profit (loss) from continuing operations before income tax expense	156	421	(619)	12	(70)	216	57	997	(1,155)	15
Profit (loss) for the year from continuing operations	(52)	303	(592)	11	(84)	145	55	928	(776)	(62)
Total assets	71,866	30,466	21,455	9,455	5,950	18,230	13,342	59,976	(32,947)	197,793
Total liabilities	47,354	18,149	4,706	7,030	3,719	11,569	9,261	23,031	(836)	123,983
Depreciation	423	715	40	144	33	97	27	178	81	1,738
Amortization	48	7	17	9	8	6	21	34	286	436

	As of and for the year ended March 31, 2022									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments (*1)	Total
Total sales	₩ 16,262	₩ 4,277	₩ 924	₩ 2,501	₩ 785	₩ 3,564	₩ 1,271	₩ 2,687	₩ (2,240)	₩ 30,031
Internal sales	(162)	(33)	(589)	(301)	(98)	(107)	(3)	(947)	2,240	-
Net sales	16,100	4,244	335	2,200	687	3,457	1,268	1,740	-	30,031
Profit (loss) from continuing operations before income tax expense	1,376	327	407	43	85	693	60	937	(670)	3,258
Profit (loss) for the year from continuing operations	863	220	383	31	67	532	45	826	(702)	2,265
Total assets	54,540	30,575	22,649	9,364	6,945	16,273	8,948	56,709	(32,553)	173,450
Total liabilities	33,946	18,305	5,453	6,962	4,203	9,943	7,013	20,747	(1,467)	105,105
Depreciation	380	724	68	210	53	112	21	174	(27)	1,715
Amortization	39	223	24	7	10	2	14	32	81	432

(*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 three-month periods ended March 31, 2023 and 2022 (Korean won in billions):

	As of and for the three-month period ended March 31, 2023							Total
	Korea	Asia	Europe	North America	Others	Consolidation adjustments		
	₩	₩	₩	₩	₩	₩		
Total sales	41,785	11,971	2,907	2,259	19	(26,238)	32,703	
Operating profit (loss)	2,996	121	(68)	(258)	3	(1,664)	1,130	
Profit (loss) from continuing operations before income tax expense	2,864	127	(76)	(381)	4	(2,523)	15	
Profit (loss) for the period	2,460	95	(86)	(384)	3	(2,150)	(62)	
Total assets	213,872	25,645	12,172	34,967	2,301	(91,164)	197,793	
Total liabilities	109,627	10,705	7,252	9,031	706	(13,338)	123,983	

	As of and for the three-month period ended March 31, 2022							Total
	Korea	Asia	Europe	North America	Others	Consolidation adjustments		
	₩	₩	₩	₩	₩	₩		
Total sales	37,180	9,738	2,932	2,970	179	(22,968)	30,031	
Operating profit (loss)	4,227	82	(95)	(45)	145	(1,321)	2,993	
Profit (loss) from continuing operations before income tax expense	4,485	157	(178)	(127)	141	(1,220)	3,258	
Profit (loss) for the period	3,353	125	(165)	(143)	131	(1,036)	2,265	
Total assets	194,322	20,516	7,016	26,810	1,751	(76,965)	173,450	
Total liabilities	97,232	7,601	3,563	6,380	471	(10,142)	105,105	

(4) Details of financial information by revenue from contracts with customers for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in billions):

	For the year ended March 31, 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. Total sales	₩ 19,143	₩ 4,372	₩ 11	₩ 2,450	₩ 669	₩ 3,345	₩ 1,475	₩ 3,232	₩ (1,994)	₩ 32,703
2. Revenue from contracts with customers	19,135	4,372	583	2,441	669	3,343	1,464	2,067	(1,428)	32,646
Categories:										
Service sales	82	4,122	504	374	-	-	1,208	649	(568)	6,371
Finished goods sales	17,632	-	11	250	616	1,194	226	1,161	(375)	20,715
Merchandise sales	1,006	247	17	1,812	50	2,106	18	226	(461)	5,021
Other sales	415	3	51	5	3	43	12	31	(24)	539
	19,135	4,372	583	2,441	669	3,343	1,464	2,067	(1,428)	32,646
Timing of revenue recognition:										
Recognition at a point in time	19,053	383	248	2,078	669	129	229	1,132	2,354	26,275
Recognition over a period of time	82	3,989	335	363	-	3,214	1,235	935	(3,782)	6,371
	19,135	4,372	583	2,441	669	3,343	1,464	2,067	(1,428)	32,646
3. Revenue from other sources	8	-	(572)	9	-	2	11	1,165	(566)	57

	For the year ended March 31, 2022									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments	Total
1. Total sales	₩ 16,262	₩ 4,277	₩ 924	₩ 2,501	₩ 785	₩ 3,564	₩ 1,271	₩ 2,687	₩ (2,240)	₩ 30,031
2. Revenue from contracts with customers	16,252	4,277	525	2,037	785	3,562	1,269	2,078	(1,235)	29,550
Categories:										
Service sales	60	3,913	419	94	-	-	1,250	600	(482)	5,854
Finished goods sales	15,181	-	8	102	702	1,478	-	1,225	(334)	18,362
Merchandise sales	448	260	36	1,840	80	2,062	13	252	(392)	4,599
Other sales	563	104	62	1	3	22	6	1	(27)	735
	16,252	4,277	525	2,037	785	3,562	1,269	2,078	(1,235)	29,550
Timing of revenue recognition:										
Recognition at a point in time	16,192	364	106	1,943	785	439	19	1,478	(753)	20,573
Recognition over a period of time	60	3,913	419	94	-	3,123	1,250	600	(482)	8,977
	16,252	4,277	525	2,037	785	3,562	1,269	2,078	(1,235)	29,550
3. Revenue from other sources	10	-	399	464	-	2	2	609	(1,005)	481

SK Inc. and its subsidiaries
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5. Financial instruments

5.1 Financial assets

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

	March 31, 2023				Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	
Current assets					
Cash and cash equivalents	₩ 6,233,009	₩ -	₩ 15,778,484	₩ -	₩ 22,011,493
Short-term financial instruments	1,012,702	-	1,980,975	-	2,993,677
Trade receivables (*1)	93,679	-	12,707,464	-	12,801,143
Other receivables	145,939	-	3,016,033	-	3,161,972
Short-term investment securities	221,420	-	45	-	221,465
Short-term loans	-	-	185,156	-	185,156
Accrued income	-	-	113,620	-	113,620
Guarantee deposits	-	-	555,304	-	555,304
Derivative financial assets	215,023	-	-	271,364	486,387
Lease receivables	-	-	28,932	-	28,932
	<u>7,921,772</u>	<u>-</u>	<u>34,366,013</u>	<u>271,364</u>	<u>42,559,149</u>
Non-current assets					
Long-term financial instruments	15,432	-	93,285	-	108,717
Long-term trade receivables	-	-	517,501	-	517,501
Long-term other receivables	147,118	-	222,374	-	369,492
Long-term investment securities	2,379,677	6,103,412	939	-	8,484,028
Long-term loans	-	-	503,959	-	503,959
Guarantee deposits	-	-	668,943	-	668,943
Derivative financial assets	892,977	-	-	346,243	1,239,220
Long-term lease receivables	-	-	51,989	-	51,989
	<u>3,435,204</u>	<u>6,103,412</u>	<u>2,058,990</u>	<u>346,243</u>	<u>11,943,849</u>
	<u>₩ 11,356,976</u>	<u>₩ 6,103,412</u>	<u>₩ 36,425,003</u>	<u>₩ 617,607</u>	<u>₩ 54,502,998</u>

(*1) Contract assets (unbilled receivables) amounting to ₩1,212,016 million as of March 31, 2023 are not included in the financial assets.

SK Inc. and its subsidiaries
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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
Current assets					
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 loans	-	-	132,368	-	132,368
Accrued income	-	-	117,013	-	117,013
Short-term investment securities	230,576	-	10,045	-	240,621
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>
Non-current assets					
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 loans	-	-	408,954	-	408,954
Long-term investment securities	1,976,650	5,972,901	946	-	7,950,497
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.

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5. Financial instruments (cont'd)

5.2 Financial liabilities

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

	March 31, 2023			Total
	Financial liabilities measured at FVTPL	Other financial liabilities	Financial liabilities designated as hedging instruments	
Current liabilities:				
Short-term borrowings	₩ -	₩ 17,195,212	₩ -	₩ 17,195,212
Trade payables	-	13,234,679	-	13,234,679
Other payables	79,511	6,685,654	-	6,765,165
Current portion of long-term debt	-	14,253,942	-	14,253,942
Accrued expenses	-	3,745,015	-	3,745,015
Dividends payable	-	795,310	-	795,310
Leasehold deposits received	-	170,707	-	170,707
Derivative financial liabilities	139,586	-	14,673	154,259
Lease liabilities	-	1,261,059	-	1,261,059
Finance guarantee liabilities	-	7,596	-	7,596
Financial liabilities at fair value through profit or loss	60,909	-	-	60,909
	<u>280,006</u>	<u>57,349,174</u>	<u>14,673</u>	<u>57,643,853</u>
Non-current liabilities:				
Bonds and long-term borrowings	-	43,936,588	-	43,936,588
Long-term other payables	161,550	990,927	-	1,152,477
Long-term accrued expenses	44,117	17,660	-	61,777
Leasehold deposits received	-	359,349	-	359,349
Derivative financial liabilities	844,142	-	7,546	851,688
Lease liabilities	-	4,076,257	-	4,076,257
Financial guarantee liabilities	-	16,191	-	16,191
Financial liabilities at fair value through profit or loss	90,959	-	-	90,959
	<u>1,140,768</u>	<u>49,396,972</u>	<u>7,546</u>	<u>50,545,286</u>
	<u>₩ 1,420,774</u>	<u>₩ 106,746,146</u>	<u>₩ 22,219</u>	<u>₩ 108,189,139</u>

SK Inc. and its subsidiaries
Notes to the condensed consolidated interim financial statements
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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
Current liabilities:				
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	<u>57,218</u>	-	-	<u>57,218</u>
	<u>302,139</u>	<u>56,258,142</u>	<u>42,577</u>	<u>56,602,858</u>
Non-current liabilities:				
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	<u>91,355</u>	-	-	<u>91,355</u>
	<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>

5. Financial instruments (cont'd)

5.3 Fair values of financial instruments by hierarchy level

1) Fair values and book values of financial instruments as of March 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	March 31, 2023		December 31, 2022	
	Book value	Fair value	Book value	Fair value
Bonds	₩ 37,875,558	₩ 37,395,642	₩ 35,862,966	₩ 34,930,988
Borrowings	37,510,184	37,089,363	38,609,196	38,086,905

The fair value of bonds and borrowings was measured as the present value of the contractually determined stream of future cash flows discounted at the market interest rate (3.67% ~ 5.83%) regarding residual market risks. As the book values of other financial assets and other financial liabilities are reasonable approximations to fair values, the fair values have not been disclosed.

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

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable inputs for the asset or liability.

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

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 424,796	₩ 7,554,200	₩ 2,269,980	₩ 10,248,976
Financial assets measured at FVOCI	3,014,512	-	3,088,900	6,103,412
Derivative financial assets	1,417	968,390	755,800	1,725,607
	<u>₩ 3,440,725</u>	<u>₩ 8,522,590</u>	<u>₩ 6,114,680</u>	<u>₩ 18,077,995</u>
Financial liabilities:				
Financial liabilities measured at FVTPL	₩ -	₩ -	₩ 437,046	₩ 437,046
Derivative financial liabilities	-	109,533	896,414	1,005,947
	<u>₩ -</u>	<u>₩ 109,533</u>	<u>₩ 1,333,460</u>	<u>₩ 1,442,993</u>
	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 430,499	₩ 6,380,535	₩ 1,822,096	₩ 8,633,130
Financial assets measured at FVOCI	2,853,745	-	3,119,156	5,972,901
Derivative financial assets	861	878,318	747,606	1,626,785
	<u>₩ 3,285,105</u>	<u>₩ 7,258,853</u>	<u>₩ 5,688,858</u>	<u>₩ 16,232,816</u>
Financial liabilities:				
Financial liabilities measured at FVTPL	₩ -	₩ -	₩ 432,497	₩ 432,497
Derivative financial liabilities	-	228,490	798,123	1,026,613
	<u>₩ -</u>	<u>₩ 228,490</u>	<u>₩ 1,230,620</u>	<u>₩ 1,459,110</u>

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6. Trade receivables

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

	March 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Trade receivables:				
Trade receivables (*1)	₩ 13,574,535	₩ 552,231	₩ 13,948,905	₩ 548,695
Contract assets (unbilled receivables)	1,212,016	-	1,151,145	-
Loss allowance:				
Trade receivables	(773,392)	(34,730)	(765,518)	(30,994)
	<u>₩ 14,013,159</u>	<u>₩ 517,501</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 March 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	March 31, 2023	December 31, 2022
Contract assets: (*1)		
Construction business	₩ 1,064,603	₩ 988,901
Telecommunication business	128,065	132,221
Others	160,545	241,677
	<u>₩ 1,353,213</u>	<u>₩ 1,362,799</u>
Contract liabilities: (*2)		
Construction business	₩ 1,399,322	₩ 1,201,904
Telecommunication business	222,756	233,922
Others	1,333,013	1,370,875
	<u>₩ 2,955,091</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 March 31, 2023 are as follows (Korean won in millions):

	March 31, 2023				
	Change in estimated construction revenue	Change in estimated cost	Impact on current period loss	Impact on future period profit	Change in unbilled (overbilled) receivables
SK Ecoplant Co., Ltd. and its subsidiaries	₩ 79,078	₩ 19,366	₩ 17,978	₩ 41,734	₩ 17,978
Others	2,393	3,340	(851)	(96)	(851)
	<u>₩ 81,471</u>	<u>₩ 22,706</u>	<u>₩ 17,127</u>	<u>₩ 41,638</u>	<u>₩ 17,127</u>

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

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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 March 31, 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 high fire power construction	2014.07	2022.01	99.45	₩ 77,974	₩ -	₩ -	₩ -

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

	March 31, 2023			December 31, 2022		
	Cost	Valuation allowance	Book value	Cost	Valuation allowance	Book value
Merchandise	₩ 1,493,979	₩ (34,824)	₩ 1,459,155	₩ 1,472,655	₩ (41,180)	₩ 1,431,475
Finished goods	4,143,175	(294,058)	3,849,117	4,669,223	(421,219)	4,248,004
Semifinished goods and work in progress	2,278,946	(199,901)	2,079,045	2,156,940	(337,549)	1,819,391
Raw materials and sub-materials	3,615,171	(78,112)	3,537,059	3,809,625	(232,547)	3,577,078
Materials in transit	3,910,158	-	3,910,158	3,791,181	-	3,791,181
Supplies	727,548	(4,044)	723,504	668,966	(3,343)	665,623
Uncompleted contracts	17,475	-	17,475	16,765	-	16,765
Others	3,541	(1,170)	2,371	3,920	(1,153)	2,767
	<u>₩ 16,189,993</u>	<u>₩ (612,109)</u>	<u>₩ 15,577,884</u>	<u>₩ 16,589,275</u>	<u>₩ (1,036,991)</u>	<u>₩ 15,552,284</u>

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8. Investment securities

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

	March 31, 2023			Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI (*1)	Financial assets measured at amortized cost	
Equity instruments:				
Marketable equity instruments	₩ 424,796	₩ 3,014,512	₩ -	₩ 3,439,308
Non-marketable equity instruments	134,132	3,088,237	-	3,222,369
	<u>558,928</u>	<u>6,102,749</u>	<u>-</u>	<u>6,661,677</u>
Bond instruments:				
Beneficiary securities and others	1,744,445	663	-	1,745,108
Debt securities	297,724	-	984	298,708
	<u>2,042,169</u>	<u>663</u>	<u>984</u>	<u>2,043,816</u>
	<u>₩ 2,601,097</u>	<u>₩ 6,103,412</u>	<u>₩ 984</u>	<u>₩ 8,705,493</u>
Current investment securities	₩ 221,420	₩ -	₩ 45	₩ 221,465
Non-current investment securities	2,379,677	6,103,412	939	8,484,028
	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.

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9. Investments in associates and joint ventures

(1) Investments in associates and joint ventures

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

Company	Domicile	Equity ownership (*1)	March 31, 2023		December 31, 2022
			Acquisition cost	Book value	Book value
Associates:					
SK Hynix Inc.	Korea	20.1%	₩ 5,420,310	₩ 13,370,224	₩ 13,876,478
Vingroup Joint Stock Company (*2)	Vietnam	6.1%	957,882	687,996	668,735
Eureka Midstream Holdings	USA	40.0%	465,582	557,871	558,039
VCM Services And Trading Development Joint Stock Company (*2)	Vietnam	15.8%	465,019	509,640	495,372
Masan Group Corporation (*2)	Vietnam	9.3%	457,718	393,564	382,546
SK ecoengineering Co., Ltd.	Korea	49.9%	487,863	518,000	508,121
Darwin LNG Pty Ltd.	Australia	25.0%	419,675	469,693	458,916
Center For Breakthrough Medicines Holdings, LLC	USA	44.0%	409,059	378,258	387,739
Shenzhen Londian Wason Holdings Group. Co., Ltd.	China	29.5%	383,369	489,749	468,993
The CrownX Corporation (*2)	Vietnam	4.9%	348,648	402,216	390,667
FR BR Aggregator	USA	39.0%	350,718	255,117	286,327
Huizhou EVE United Energy Co., Ltd.	China	49.0%	344,465	481,063	430,301
Peru LNG Company, LLC	USA	20.0%	319,287	295,945	291,151
Daehan Oil Pipeline Corporation	Korea	41.0%	311,372	315,135	325,794
NHIP II Bison Holdings, LLC	USA	24.4%	297,511	310,581	301,753
Yemen LNG Company Ltd. (*2,3)	Yemen	6.9%	252,813	-	-
Canakkale Highway And Bridge	Turkey	25.0%	290,269	383,553	339,811
Korea IT Fund (*4)	Korea	63.3%	242,170	322,796	324,860
ProteoVant Sciences, Inc.	USA	40.0%	222,370	206,666	205,760
Joyvio (*2)	China	14.0%	213,793	201,691	219,137
Content Wavve Corp	Korea	39.3%	197,401	124,786	139,931
Best Oil Company Ltd.	Myanmar	35.0%	153,024	149,429	135,364
TBM Co., Ltd. (*2)	Japan	13.5%	141,971	126,361	124,336
ENN (Zhoushan) LNG Co., Ltd. (*2)	China	10.0%	133,234	142,774	136,268
8 Rivers Capital LLC	USA	36.2%	281,122	290,630	124,296
Others				<u>3,025,379</u>	<u>2,880,597</u>
				<u>24,409,117</u>	<u>24,461,292</u>
Joint ventures (*5):					
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	China	35.0%	676,332	1,008,724	965,874
Beijing BESK Technology Co., Ltd.	China	49.0%	247,428	264,656	251,247
Lunar Energy, Inc.	USA	43.7%	181,620	125,088	129,964
ZETA CAYMAN Limited	Cayman	50.0%	179,756	126,360	140,229
Ignis Therapeutics	Cayman	41.0%	177,525	113,387	90,858
Eurasia Tunnel	Turkey	50.0%	174,215	432,281	409,162
Parkingcloud Corp.	Korea	44.6%	160,038	156,139	157,625
Boryeong LNG Terminal Co., Ltd.	Korea	50.0%	133,323	160,438	164,059
SABIC SK Nexlene Company Pte. Ltd.	Singapore	50.0%	112,670	191,712	189,585
Others				<u>516,013</u>	<u>497,110</u>
				<u>3,094,798</u>	<u>2,995,713</u>
				<u>₩ 27,503,915</u>	<u>₩ 27,457,005</u>

(*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) Impairment losses on investments in associates were fully recognized as there was an indication of impairment prior to the current period.

(*4) 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.

(*5) 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.

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

(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 three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

		For the three-month period ended March 31, 2023							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other comprehensive income	Dividends received	Others (*1)	Ending balance
Associates	₩	24,461,292	₩ 280,562	₩ (19,165)	₩ (557,255)	₩ 155,889	₩ (84,357)	₩ 172,151	₩ 24,409,117
Joint ventures		2,995,713	27,547	(7,775)	11,847	54,556	(10,000)	22,910	3,094,798
	₩	<u>27,457,005</u>	<u>₩ 308,109</u>	<u>₩ (26,940)</u>	<u>₩ (545,408)</u>	<u>₩ 210,445</u>	<u>₩ (94,357)</u>	<u>₩ 195,061</u>	<u>₩ 27,503,915</u>

		For the three-month period ended March 31, 2022							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other comprehensive income	Dividends received	Others (*1)	Ending balance
Associates	₩	23,039,047	₩ 599,385	₩ (5,930)	₩ 449,139	₩ 112,477	₩ (248,982)	₩ 295,937	₩ 24,241,073
Joint ventures		3,011,398	211,771	-	(37,371)	30,647	(1,828)	(184,065)	3,030,552
	₩	<u>26,050,445</u>	<u>₩ 811,156</u>	<u>₩ (5,930)</u>	<u>₩ 411,768</u>	<u>₩ 143,124</u>	<u>₩ (250,810)</u>	<u>₩ 111,872</u>	<u>₩ 27,271,625</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 March 31, 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	5,519	98,338

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

(4) Condensed financial information of significant investments in associates and joint ventures as of March 31, 2023 are as follows (Korean won in millions):

	As of and for the year ended March 31, 2023						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income (loss)	Total comprehensive income (loss)
Associates:							
SK Hynix Inc.	₩ 28,834,020	₩ 75,550,587	₩ 17,276,137	₩ 26,099,937	₩ 5,088,111	₩ (2,585,491)	₩ (2,115,981)
Vingroup Joint Stock Company	15,108,350	16,793,454	16,458,616	7,916,662	2,227,181	22,198	22,198
Eureka Midstream Holdings	52,217	1,124,051	16,039	395,342	32,192	16,511	16,511
VCM Services And Trading Development Joint Stock Company	812,128	259,893	497,731	299,363	402,133	146,468	146,468
Masan Group Corporation	2,645,942	5,198,585	3,625,309	2,185,879	1,110,700	43,472	43,472
SK ecoengineering Co., Ltd.	943,673	192,987	878,400	21,957	606,624	26,440	26,440
Darwin LNG Pty Ltd.	161,239	76,070	101,588	-	227,534	(11,699)	(11,699)
Center For Breakthrough Medicines Holdings, LLC	125,680	222,273	81,682	54,037	6,387	(53,737)	(53,737)
Shenzhen Londian Wason Holdings Group Co., Ltd.	1,938,282	1,302,926	2,232,847	315,941	332,446	17,322	17,322
The CrownX Corporation	1,947,891	1,043,304	1,088,699	557,407	838,319	98,861	98,861
Huizhou EVE United Energy Co., Ltd.	1,157,277	632,564	663,680	89,164	521,312	38,648	38,648
Peru LNG Company, LLC	887,267	2,438,366	624,520	1,219,053	768,032	29,374	29,374
Daehan Oil Pipeline Corporation	168,913	900,240	79,457	257,271	48,831	11,281	11,281
Canakkale Highway And Bridge	825,903	4,085,853	273,653	3,088,514	7,490	100,054	110,309
Korea IT Fund	104,173	408,923	3,418	-	-	160	160
ProteoVant Sciences, Inc.	146,783	14,281	25,397	13,998	2,163	(12,642)	(12,642)
Joyvio	2,204,696	2,343,039	1,887,513	1,415,976	984,779	(266,066)	(280,222)
Content Wavve Corp	111,313	229,553	85,445	217,371	81,184	(35,097)	(34,861)
Best Oil Company Limited	548,753	182,401	444,871	12,736	485,686	26,662	26,662
TBM Co., Ltd.	92,718	57,062	8,884	46,094	7,278	(9,457)	(9,457)
ENN (Zhoushan) LNG Co., Ltd.	124,607	1,057,324	130,197	402,469	69,552	16,683	16,683
8 Rivers Capital LLC	109,707	164,181	-	-	-	(134)	(134)
Joint ventures:							
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	1,037,732	4,545,578	1,173,267	1,751,676	2,602,013	2,266	2,266
Beijing BESK Technology Co., Ltd.	569,718	451,688	450,620	23,523	192,363	(5,865)	(5,865)
ZETA CAYMAN Limited	1,750	251,948	978	-	-	(481)	(35,040)
Ignis Therapeutics	184,264	204,640	797	247	-	(4,035)	(3,613)
Eurasia Tunnel	142,261	1,634,477	181,217	857,606	3,067	13,461	17,947
Parkingcloud Corp	118,031	80,505	24,584	41,100	16,656	(2,700)	(2,700)
Boryeong LNG Terminal Co., Ltd.	170,334	1,519,765	157,937	1,235,314	70,237	12,756	12,756
SABIC SK Nexlene Company Pte. Ltd.	386,065	490,681	117,850	307,039	138,621	4,015	(11,975)

(5) Details of joint operation as of March 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	Ownership equity		Principal place of business	Date of financial statements in use	Nature of Joint Agreement Activities and others
	March 31 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 March 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Acquisition cost	₩ 88,657,706	₩ 85,931,206
Accumulated depreciation and accumulated impairment loss	<u>(26,388,274)</u>	<u>(26,009,334)</u>
	<u>₩ 62,269,432</u>	<u>₩ 59,921,872</u>

(2) Changes in property, plant and equipment for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2023						Ending balance
	Beginning balance	Acquisitions	Disposals	Depreciation	Others(*1)		
Land	₩ 9,316,944	₩ 1,498	₩ (342)	₩ -	₩ 20,953	₩ 9,339,053	
Buildings	6,609,655	1,720	(298)	(67,643)	1,327,699	7,871,133	
Structures	1,906,675	843	(175)	(34,666)	38,167	1,910,844	
Machinery and equipment	20,873,162	105,554	(10,119)	(1,035,573)	748,222	20,681,246	
Vehicles	177,588	4,300	(679)	(7,517)	2,803	176,495	
Operating lease asset	2,387,593	283,668	(4,892)	(124,958)	(56,127)	2,485,284	
Others	5,280,841	313,939	(1,043)	(187,786)	(138,274)	5,267,677	
Construction-in-progress	13,369,414	3,303,483	(5,640)	-	(2,129,557)	14,537,700	
	<u>₩ 59,921,872</u>	<u>₩ 4,015,005</u>	<u>₩ (23,188)</u>	<u>₩ (1,458,143)</u>	<u>₩ (186,114)</u>	<u>₩ 62,269,432</u>	

	For the three-month period ended March 31, 2022						Ending balance
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	
Land	₩ 9,294,248	₩ 1,856	₩ 4,931	₩ (35,191)	₩ -	₩ 20,713	₩ 9,286,557
Buildings	6,003,660	26,060	5,035	(3,209)	(63,118)	598,140	6,566,568
Structures	1,986,791	4,869	830	(427)	(35,123)	24,091	1,981,031
Machinery and equipment	20,825,354	59,887	75,197	(10,853)	(1,023,355)	946,951	20,873,181
Vehicles	180,594	316	2,110	(322)	(8,317)	(766)	173,615
Operating lease asset	1,942,319	-	164,264	(6,651)	(110,493)	(50,493)	1,938,946
Others	4,447,473	9,324	307,631	(1,467)	(194,665)	22,876	4,591,172
Construction-in-progress	6,703,386	4,932	1,498,127	(2,015)	-	(1,442,337)	6,762,093
	<u>₩ 51,383,825</u>	<u>₩ 107,244</u>	<u>₩ 2,058,125</u>	<u>₩ (60,135)</u>	<u>₩ (1,435,071)</u>	<u>₩ 119,175</u>	<u>₩ 52,173,163</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 March 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Acquisition cost	₩ 8,011,752	₩ 8,112,183
Accumulated depreciation and accumulated impairment losses	<u>(2,758,920)</u>	<u>(2,674,769)</u>
	<u>₩ 5,252,832</u>	<u>₩ 5,437,414</u>

(2) Changes in right-of-use assets for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2023					
	Beginning balance	Acquisitions	Disposals	Depreciation	Others(*1)	Ending balance
Land and buildings	₩ 2,519,406	₩ 177,146	₩ (36,354)	₩ (149,580)	₩ (3,664)	₩ 2,506,954
Tank	156,403	5,592	(174)	(16,292)	539	146,068
Ships and vessels	1,435,547	1,630	-	(34,489)	16,992	1,419,680
Vehicles	946,903	34,981	(89,376)	(51,714)	(12,941)	827,853
Others	379,155	6,724	(8,368)	(21,839)	(3,395)	352,277
	<u>₩ 5,437,414</u>	<u>₩ 226,073</u>	<u>₩ (134,272)</u>	<u>₩ (273,914)</u>	<u>₩ (2,469)</u>	<u>₩ 5,252,832</u>

	For the three-month period ended March 31, 2022						
	Beginning balance	Business combination	Increase	Decrease	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 2,200,309	₩ 9,515	₩ 251,351	₩ (26,202)	₩ (141,989)	₩ 15,866	₩ 2,308,850
Tank	172,618	-	993	(36)	(15,115)	455	158,915
Ships and vessels	1,234,191	-	-	-	(27,054)	18,415	1,225,552
Vehicles	1,167,310	172	109,985	(68,344)	(70,768)	(1,211)	1,137,144
Others	259,888	-	45,273	(13,009)	(21,197)	(3,731)	267,224
	<u>₩ 5,034,316</u>	<u>₩ 9,687</u>	<u>₩ 407,602</u>	<u>₩ (107,591)</u>	<u>₩ (276,123)</u>	<u>₩ 29,794</u>	<u>₩ 5,097,685</u>

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

(3) Changes in lease liabilities for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2023						
	Beginning balance	Increase	Interest expenses	Decrease	Transfer	Others (*1)	Ending balance
Lease liabilities	₩ 5,506,447	₩ 207,821	₩ 50,002	₩ (312,095)	₩ (36,369)	₩ (78,490)	₩ 5,337,316

	For the three-month period ended March 31, 2022							
	Beginning balance	Business combination	Increase	Interest expenses	Decrease	Transfer	Others (*1)	Ending balance
Lease liabilities	₩ 5,054,890	₩ 10,176	₩ 407,929	₩ 22,202	₩ (268,866)	₩ (23,175)	₩ (43,236)	₩ 5,159,920

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

The Group recognized lease payments of ₩55,869 million and ₩54,860 million in relation to short-term lease, ₩2,759 million and ₩3,734 million in relation to leases of low-value assets and ₩36,794 million and ₩42,592 million in relation to variable lease payments in cost of sales and selling and administrative expenses during the three-month periods ended March 31, 2023 and 2022. The total cash outflow of leases during the period ended is ₩407,517 million and ₩370,052 million during the three-month periods ended March 31, 2023 and 2022.

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12. Investment properties

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Acquisition cost	₩ 2,124,343	₩ 2,046,637
Accumulated depreciation and accumulated impairment loss	<u>(201,841)</u>	<u>(180,531)</u>
	<u>₩ 1,922,502</u>	<u>₩ 1,866,106</u>

(2) Changes in investment properties for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

<u>For the three-month period ended March 31, 2023</u>						
	<u>Beginning balance</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Depreciation</u>	<u>Others (*1)</u>	<u>Ending balance</u>
Land	₩ 1,121,125	₩ 447	₩ (1,119)	₩ -	₩ 20,349	₩ 1,140,802
Buildings	739,922	2,434	(504)	(5,640)	39,874	776,086
Structures	5,059	560	-	(31)	26	5,614
	<u>₩ 1,866,106</u>	<u>₩ 3,441</u>	<u>₩ (1,623)</u>	<u>₩ (5,671)</u>	<u>₩ 60,249</u>	<u>₩ 1,922,502</u>
<u>For the three-month period ended March 31, 2022</u>						
	<u>Beginning balance</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Depreciation</u>	<u>Others (*1)</u>	<u>Ending balance</u>
Land	₩ 544,584	₩ 75	₩ (385)	₩ -	₩ 26,748	₩ 571,022
Buildings	417,545	2,379	(1,463)	(4,217)	(1,074)	413,170
Structures	4,999	5	-	(38)	377	5,343
	<u>₩ 967,128</u>	<u>₩ 2,459</u>	<u>₩ (1,848)</u>	<u>₩ (4,255)</u>	<u>₩ 26,051</u>	<u>₩ 989,535</u>

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

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13. Goodwill

Changes in goodwill for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Beginning balance	₩ 7,475,558	₩ 5,618,511
Business combination	-	530,884
Transfer (*1)	(1,181,716)	-
Others (*2)	86,670	122,205
Ending balance	₩ 6,380,512	₩ 6,271,600

(*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.

14. Intangible assets

Details of intangible assets for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2023					
	Beginning balance	Acquisitions	Disposals	Amortization	Others (*3)	Ending balance
Development costs	₩ 252,314	₩ 8,043	₩ (179)	₩ (18,764)	₩ 9,044	₩ 250,458
Facility usage rights	33,351	755	-	(1,438)	431	33,099
Industrial property rights	194,812	6,409	(4)	(2,357)	2,679	201,539
Frequency usage rights	2,082,434	-	-	(120,625)	(2)	1,961,807
Customer-related assets	2,985,910	185	(159)	(72,334)	(489,190)	2,424,412
Membership (*1)	353,156	18,772	(6,884)	-	(4,634)	360,410
Development costs for petroleum resource	1,300,661	21,277	-	(19,700)	3,200	1,305,438
Brand-related assets (*1)	2,681,683	-	-	-	(371,503)	2,310,180
Developed technology	876,564	-	-	(44,343)	8,720	840,941
Others (*2)	1,948,134	29,458	2,190	(156,893)	35,559	1,858,448
	₩ 12,709,019	₩ 84,899	₩ (5,036)	₩ (436,454)	₩ (805,696)	₩ 11,546,732

	For the three-month period ended March 31, 2022						
	Beginning balance	Business combination	Acquisitions	Disposals	Amortization	Others (*3)	Ending balance
Development costs	₩ 292,091	₩ 1,487	₩ 8,456	₩ -	₩ (18,646)	₩ 2,531	₩ 285,919
Facility usage rights	51,727	-	204	(1)	(1,886)	331	50,375
Industrial property rights	122,489	2,723	2,491	(18)	(3,467)	1,152	125,370
Frequency usage rights	2,559,690	-	-	-	(119,195)	-	2,440,495
Customer-related assets	2,915,524	-	297	(94)	(67,641)	19,693	2,867,779
Membership (*1)	308,690	1,171	19,065	(7,402)	-	511	322,035
Development costs for petroleum resource	1,134,207	-	47,143	-	(18,674)	4,314	1,166,990
Brand-related assets (*1)	2,634,144	-	-	-	-	307	2,634,451
Developed technology	870,417	-	-	-	(39,468)	4,387	835,336
Others (*2)	1,792,911	108,743	24,322	(1,469)	(162,542)	49,491	1,811,456
	₩ 12,681,890	₩ 114,124	₩ 101,978	₩ (8,984)	₩ (431,519)	₩ 82,717	₩ 12,540,206

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

	March 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Short-term borrowings (*1)	₩ 17,195,212	₩ -	₩ 17,457,297	₩ -
Bonds and long-term borrowings:				
Bonds	10,295,848	27,579,710	8,119,008	27,743,958
Long-term borrowings (*1)	<u>3,958,094</u>	<u>16,356,878</u>	<u>3,254,112</u>	<u>17,897,787</u>
	<u>14,253,942</u>	<u>43,936,588</u>	<u>11,373,120</u>	<u>45,641,745</u>
	<u>₩ 31,449,154</u>	<u>₩ 43,936,588</u>	<u>₩ 28,830,417</u>	<u>₩ 45,641,745</u>

(*1) It includes borrowings collateralized for trade receivables of ₩124,693 million and ₩98,947 million as of March 31, 2023 and December 31, 2022, respectively, which were transferred but not derecognized.

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

	March 31, 2023	December 31, 2022
SK Inc.	₩ 6,935,000	₩ 6,915,000
SK Innovation Co., Ltd.	1,311,900	1,293,650
SK Energy Co., Ltd.	3,810,000	3,310,000
SK Geo Centric Co., Ltd.	2,110,000	1,810,000
SK Incheon Petrochem Co., Ltd.	2,337,000	2,037,000
SK Enmove Co., Ltd.	920,000	920,000
SK Battery America, Inc.	1,303,800	1,267,300
SK On Co., Ltd.	700,000	700,000
SK Earthon Co., Ltd.	150,000	150,000
SK Telecom Co., Ltd.	7,079,560	7,005,760
SK Broadband Co., Ltd.	1,551,140	1,380,190
SAPEON Korea Inc.	7,823	-
SK Shieldus Co., Ltd.	-	297,823
SK Networks Co., Ltd.	1,110,000	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.	1,786,000	1,550,000
SK Oceanplant Co., Ltd.	50,000	55,000
SK Specialty Co., Ltd.	430,000	460,000
SK Materials Airplus Incorporated.	100,000	100,000
SK Siltron Co., Ltd.	741,000	741,000
Teraon Co., Ltd.	10	10
SK Signet Inc.	-	500
SK REIT Co., Ltd.	<u>452,100</u>	<u>429,000</u>
	<u>37,891,833</u>	<u>35,872,633</u>
Less: discount on bonds payable	(16,275)	(9,667)
Less: current portion	<u>(10,295,848)</u>	<u>(8,119,008)</u>
	<u>₩ 27,579,710</u>	<u>₩ 27,743,958</u>

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15. Bonds and borrowings (cont'd)

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

Financial institution	Description	Interest rate (%)	March 31, 2023	December 31, 2022
Korea Development Bank and others	General	1.45 ~ 7.51	₩ 7,034,502	₩ 8,256,466
Korea Development Bank and others	Fund for facility	1.50 ~ 7.50	5,576,214	5,811,463
Standard Chartered Bank and others	Foreign borrowings	1.32 ~ 8.00	6,029,793	5,429,201
Korea Energy Agency (*1)	Fund for mine exploration	0.00 ~ 8.80	75,447	75,416
Korea Development Bank and others	Fund for operation	5.40	-	19,520
Korea Development Bank and others	Takeover	LIBOR(3M) + 1.60	182,532	177,422
Mizuho Bank and others	Takeover	EURIBOR(3M) + 0.70	228,866	217,543
Kentucky Economic Development Finance Authority (*2)	Redeemable loan	-	293,355	285,143
MD Prime 1 st Co., Ltd. and others	Others	3MCD + 1.80, 4.95	1,007,818	1,007,818
			<u>20,428,527</u>	<u>21,279,992</u>
Addition (less): premium (discount)			(113,555)	(128,093)
Less: current portion			(3,958,094)	(3,254,112)
			<u>₩ 16,356,878</u>	<u>₩ 17,897,787</u>

(*1) As of March 31, 2023 and December 31, 2022, the group holds a loan amounting to ₩53,059 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.

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16. Provisions

Changes in the provisions for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2023					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for sale warranties	₩ 215,191	₩ 48,706	₩ (5,190)	₩ 258,707	₩ 48,123	₩ 210,584
Provision for service / construction warranties	95,848	5,876	(6,610)	95,114	95,114	-
Provision for restoration	705,171	36,262	(3,648)	737,785	140,470	597,315
Provision for onerous contracts	282,239	3,219	(26,374)	259,084	214,730	44,354
Other provisions	208,575	80,009	(101,780)	186,804	84,605	102,199
	<u>₩ 1,507,024</u>	<u>₩ 174,072</u>	<u>₩ (143,602)</u>	<u>₩ 1,537,494</u>	<u>₩ 583,042</u>	<u>₩ 954,452</u>

	For the three-month period ended March 31, 2022					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for sale warranties	₩ 131,417	₩ 17,701	₩ (2,086)	₩ 147,032	₩ 5,110	₩ 141,922
Provision for service / construction warranties	99,366	3,860	(4,622)	98,604	98,604	-
Provision for restoration	581,157	9,886	(19,223)	571,820	74,438	497,382
Provision for onerous contracts	256,190	3,497	(27,513)	232,174	207,686	24,488
Other provisions	168,371	88,282	(81,271)	175,382	133,837	41,545
	<u>₩ 1,236,501</u>	<u>₩ 123,226</u>	<u>₩ (134,715)</u>	<u>₩ 1,225,012</u>	<u>₩ 519,675</u>	<u>₩ 705,337</u>

17. Defined benefit liabilities(assets)

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

	March 31, 2023	December 31, 2022
Present value of defined benefit obligation	₩ 3,399,404	₩ 3,418,566
Fair value of plan assets	(3,814,784)	(3,908,480)
Defined benefit liability	78,802	170,368
Defined benefit asset (*1)	(494,182)	(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.

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18. Other assets and liabilities

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

	March 31, 2023	December 31, 2022
Current assets:		
Short-term loans	₩ 185,156	₩ 132,368
Accrued income	113,620	117,013
Advanced payments	1,515,846	1,295,693
Prepaid expenses	2,822,772	2,788,339
Guarantee deposits	555,304	469,258
Derivative financial assets	486,387	440,126
Lease receivables	28,932	27,745
Other contract assets	99,660	150,887
Others	129,927	168,273
	<u>₩ 5,937,604</u>	<u>₩ 5,589,702</u>
Non-current assets:		
Long-term prepaid expenses	₩ 1,210,494	₩ 1,228,124
Long-term loans	503,959	408,954
Long-term guarantee deposits	668,943	692,386
Derivative financial assets	1,239,220	1,186,659
Long-term lease receivables	51,989	59,316
Other long-term contract assets	44,497	62,654
Others	214,386	218,440
	<u>₩ 3,933,488</u>	<u>₩ 3,856,533</u>

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

	March 31, 2023	December 31, 2022
Current liabilities:		
Accrued expenses	₩ 3,745,015	₩ 4,821,371
Dividends payable	795,310	935
Advances received	2,018,923	2,107,997
Unearned revenue	134,896	139,865
Withholdings	2,168,119	1,859,463
Leasehold deposits received	170,707	167,538
Income tax payable	1,120,502	1,239,007
Derivative financial liabilities	154,259	208,194
Lease liabilities	1,261,059	1,286,208
Finance guarantee liabilities	7,596	1,508
Financial liabilities at fair value through profit or loss	60,909	57,218
Other contract liabilities	249,989	269,543
Others	101,705	126,513
	<u>₩ 11,988,989</u>	<u>₩ 12,285,360</u>
Non-current liabilities:		
Long-term accrued expenses	₩ 61,777	₩ 60,537
Long-term unearned revenue	839,149	839,648
Leasehold deposits received	359,349	432,615
Derivative financial liabilities	851,688	818,419
Long-term lease liabilities	4,076,257	4,220,239
Financial guarantee liabilities	16,191	23,400
Financial liabilities at fair value through profit or loss	90,959	91,355
Other long-term contract liabilities	68,577	75,875
Others (*1)	476,130	454,038
	<u>₩ 6,840,077</u>	<u>₩ 7,016,126</u>

(*1) Includes long-term employee benefit liabilities amounting to ₩127,833 million and ₩137,793 million as of March 31, 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 March 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	March 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Firm contracts	₩ 5,566	₩ (51,320)	₩ (17,832)	₩ (85,378)
Swap contracts	388,165	(171,455)	326,765	(187,723)
Forward contracts	(70,859)	51,480	(66,554)	39,790
Futures contracts	20,953	-	4,827	-
Options contracts	(11,697)	558,827	(15,274)	601,551
	<u>₩ 332,128</u>	<u>₩ 387,532</u>	<u>₩ 231,932</u>	<u>₩ 368,240</u>
Derivative financial assets	₩ 486,387	₩ 1,239,220	₩ 440,126	₩ 1,186,659
Derivative financial liabilities	(154,259)	(851,688)	(208,194)	(818,419)

20. Equity

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

	March 31, 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	74,149,329	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 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 March 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	March 31, 2023	December 31, 2022
Additional paid-in capital (*1)	₩ 6,609,167	₩ 6,609,167
Treasury shares (*2)	(2,006,179)	(2,009,083)
Others	1,823,283	1,801,828
	<u>₩ 6,426,271</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 March 31, 2023, treasury shares consist of those acquired to increase the enterprise value and to stabilize share price (7,924,149 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.

20. Equity (cont'd)

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Legal reserve (*1)	₩ 8,072	₩ 8,072
Voluntary reserve	62,897	62,897
Unappropriated retained earnings	<u>14,744,063</u>	<u>14,847,644</u>
	<u>₩ 14,815,032</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 March 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Net loss on valuation of financial assets measured at FVOCI	₩ (933,951)	₩ (948,954)
Equity adjustments arising from investments in equity-accounted investees	164,765	101,980
Net gain on valuation of derivative instruments	62,532	61,374
Foreign currency translation differences for foreign operations	<u>1,552,513</u>	<u>1,044,478</u>
	<u>₩ 845,859</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 three-month period ended March 31, 2023

(*2) All were exercised during the three-month period ended March 31, 2023

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

The Group reversed ₩2,304 million of share-option-compensation cost upon the grant of share options above for the three-month period ended March 31, 2023 (accumulated compensation costs for share options: ₩(-)9,675 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 March 31, 2023, the amount of liabilities recognized in relation to cash-settled share options is ₩15,232 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		3.26%		3.30%		3.30%
Option life		7 years		7 years		7 years
Expected price (Closing price on the preceding day in Korean won)	₩	172,500	₩	172,500	₩	172,500
Expected volatility		27.80%		27.80%		27.80%
Rate of returns		2.90%		2.90%		2.90%
Exercise price (Korean won)	₩	263,950	₩	153,450	₩	153,450
Fair value per share	₩	1,537	₩	42,374	₩	42,374
		<u>2</u>		<u>1</u>		<u>2</u>
Risk-free interest rate		3.26%		3.30%		3.30%
Option life		6 years		7 years		7 years
Expected price (Closing price on the preceding day in Korean won)	₩	172,500	₩	172,500	₩	172,500
Expected volatility		27.80%		27.80%		27.80%
Rate of returns		2.90%		2.90%		2.90%
Exercise price (Korean won)	₩	108,959	₩	89,204	₩	89,204
Fair value per share	₩	63,727	₩	83,763	₩	83,763

Changes in stock option granted by the Company for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won and in shares):

	March 31, 2023		March 31, 2022	
	Quantities	Weighted average exercise price	Quantities	Weighted average exercise price
Beginning balance	392,762	₩ 160,508	434,191	₩ 166,785
Granted	-	-	-	-
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 March 31, 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.	₩ (523)	₩ 7,010	₩ 694	₩ 7,704
Group of SK Telecom Co., Ltd.	726	156,305	3,335	159,640
Group of SK Square Co., Ltd.	4,930	50,717	36,723	87,440
Group of SK Networks Co., Ltd.	(469)	2,437	-	2,437
Group of SKC Co., Ltd.	1,094	5,911	4,549	10,460
Group of SK Ecoplant Co., Ltd.	833	3,443	4,186	7,629
Others	587	6,175	8,053	14,228
	<u>₩ 7,178</u>	<u>₩ 231,998</u>	<u>₩ 57,540</u>	<u>₩ 289,538</u>

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21. Selling and administrative expenses

Details of selling and administrative expenses for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Salaries	₩ 537,770	₩ 403,217
Provision for pension benefits	26,355	39,296
Employee welfare benefits	141,236	107,761
Travel	28,681	14,911
Bad debt expenses	17,928	17,573
Communications	3,096	1,830
Utilities	20,041	14,415
Taxes and dues	46,478	34,253
Supplies	14,442	13,009
Rents	48,662	38,842
Depreciation	132,649	135,129
Amortization	95,648	82,260
Repairs	8,167	5,126
Insurance	18,635	13,920
Advertising	129,516	145,716
Research and development	184,996	130,128
Education and examination	22,567	17,111
Outsourcing technology services	207,733	189,556
Transport	85,324	112,840
Others	120,557	56,431
	<u>₩ 1,890,481</u>	<u>₩ 1,573,324</u>

22. Finance income and costs

Details of finance income and costs for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Finance income:		
Interest income	₩ 197,477	₩ 72,122
Gain on foreign currency transactions	929,989	300,896
Gain on foreign currency translation	298,203	145,756
Gain on transactions of derivatives	413,230	1,156,569
Gain on valuation of derivatives	271,046	272,401
Others	61,417	48,553
	<u>₩ 2,171,362</u>	<u>₩ 1,996,297</u>

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Finance costs:		
Interest expenses	₩ 738,603	₩ 378,656
Loss on foreign currency transactions	975,604	358,573
Loss on foreign currency translation	457,816	219,017
Loss on transactions of derivatives	389,547	1,037,040
Loss on valuation of derivatives	176,628	532,144
Others	88,646	339,303
	<u>₩ 2,826,844</u>	<u>₩ 2,864,733</u>

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23. Other non-operating income and expenses

Details of other non-operating income for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Other non-operation income:		
Dividend income	₩ 36,616	₩ 6,582
Rental income	644	320
Gain on disposal of trade receivables	-	1,043
Gain on disposal of investments in associates and joint ventures	12,133	470,243
Gain on disposal of property, plant and equipment	5,734	10,696
Gain on disposal of intangible assets	583	79,213
Others	180,790	255,933
	<u>₩ 236,500</u>	<u>₩ 824,030</u>

Details of other non-operating expenses for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Other non-operation expenses:		
Loss on disposal of trade receivables	₩ 35,029	₩ 6,164
Loss on impairment of investments in associates and joint ventures	1,333	-
Loss on disposal of property, plant and equipment	4,306	7,123
Loss on impairment of property, plant and equipment	13,622	1,028
Loss on disposal of intangible assets	369	752
Loss on impairment of intangible assets	1,112	-
Donations	18,082	11,517
Others	77,409	75,130
	<u>₩ 151,262</u>	<u>₩ 101,714</u>

24. The Classification of expenses by nature

Details of the classification of expenses by nature for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Employee benefits	₩ 2,245,826	₩ 1,990,442
Depreciation and amortization	2,168,511	2,074,076
Network connection	178,743	221,780
Transport	288,977	293,602
Advertising	130,098	150,178
Lease payments and rents	134,560	131,597
Others	5,314,141	4,741,638
Use of raw materials and purchase of finished goods and merchandise	21,072,799	18,740,434
Changes in finished goods and semi-finished goods	38,516	(1,305,171)
	<u>₩ 31,572,171</u>	<u>₩ 27,038,576</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 three-month periods ended March 31, 2023 and 2022 are 119.05% and 28.07% respectively.

26. Earnings per share

(1) Basic and diluted earnings per share

Basic earnings per share for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Profit for the period attributable to owners of the Parent Company	₩ 122,577	₩ 1,222,729
Less: preferred share dividends	(501)	(924)
Profit for the period attributable to ordinary share owners of the Parent Company	₩ 122,076	₩ 1,221,805
Weighted-average number of ordinary shares outstanding (*1)	55,184,587	56,101,125
Basic earnings (losses) per ordinary share (Korean won)	₩ 2,212	₩ 21,779

(*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 weighted-average number of ordinary shares for the three-month periods ended March 31, 2023 and 2022 is as follows:

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Weighted-average number of issued shares outstanding	74,149,329	74,149,329
Weighted-average number of treasury shares	(18,964,742)	(18,048,204)
Weighted-average number of ordinary shares outstanding	55,184,587	56,101,125

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26. Earnings per share (cont'd)

Diluted earnings per share for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Diluted profits	₩ 122,076	₩ 1,221,805
Weighted-average number of diluted ordinary share outstanding	55,266,781	56,229,206
Diluted earnings per share	₩ 2,209	₩ 21,729

The basis of calculating weighted-average number of diluted ordinary shares for the three-month periods ended March 31, 2023 and 2022 is as follows:

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Weighted-average number of ordinary shares outstanding	55,184,587	56,101,125
Effect of the exercise of stock option	82,194	128,081
Weighted-average number of diluted ordinary shares outstanding	55,266,781	56,229,206

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

Basic earnings per share from continuing operations for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions, except basic earnings per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Profit for the period attributable to owners of the Parent Company	₩ 122,076	₩ 1,221,805
Less: profit from discontinued operations	(14,532)	(315,627)
Profit for the period from continuing operations attributable to ordinary share owners of the Parent Company	₩ 107,544	₩ 906,178
Weighted-average number of ordinary shares outstanding	55,184,587	56,101,125
Basic earnings per share from continuing operations (Korean won)	₩ 1,949	₩ 16,153

Diluted earnings per share from continuing operations for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Profit for the period from continuing operations attributable to ordinary share owners of the Parent Company	₩ 107,544	₩ 906,178
Weighted-average number of diluted ordinary shares outstanding	55,266,781	56,229,206
Diluted earnings per share from continuing operations (Korean won)	₩ 1,946	₩ 16,116

(3) Basic and diluted earnings per share from discontinued operations

Basic and earnings per share from discontinued operations for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions, except basic earnings (losses) per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Profit for the period from discontinued operations attributable to share owners of the Parent Company	₩ 14,532	₩ 315,627
Weighted-average number of ordinary shares outstanding	55,184,587	56,101,125
Basic earnings per share from discontinued operations (Korean won)	₩ 263	₩ 5,626

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26. Earnings per share (cont'd)

Diluted and earnings per share from discontinued operations for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions, except basic earnings per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Profit for the period from discontinued operations attributable to share owners of the Parent Company	₩ 14,532	₩ 315,627
Weighted-average number of ordinary shares outstanding	55,266,781	56,229,206
Diluted earnings per share from discontinued operations (Korean won)	₩ 263	₩ 5,613

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 three-month periods ended March 31, 2023 and 2022.

(1) Details of significant transactions with the related parties for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	Company name	For the three-month period ended				
		Sales and others		Expenses and others		
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Other related parties	Daehan Oil Pipeline Corporation	₩ 15,592	₩ 9,873	₩ 17,527	₩ 17,686	
	SABIC SK Nexlene Company Pte. Ltd.	174	136	67,508	73,266	
	Korea Nexlene Company	54,212	59,543	68	66	
	Best Oil Company Limited	429,153	310,008	-	31	
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	309	291	165,916	222,484	
	Baic Electronics SK(Jiangsu) Technology Co., Ltd.	11,334	14,270	181,590	80,616	
	ChangZhou BTR New Material Technology Co., Ltd.	168,590	-	211,153	-	
	Xinglu (HongKong) Ltd.	48,053	48,617	-	-	
	Huizhou EVE United Energy Co., Ltd.	18,967	28,519	479,265	144,062	
	Peru LNG Company LLC	128,346	189,804	-	-	
	Asia Bitumen Trading Pte. Ltd.	-	7,504	13,891	5,125	
	Ignis Therapeutics	-	2,505	-	-	
	F&U Credit Information Co., Ltd.	811	980	12,766	12,602	
	SK Hynix Inc.	655,899	1,004,685	10,194	12,472	
	SK Hynix Semiconductor (China) Ltd.	64,473	97,943	222	332	
	SK Hynix Semiconductor (Chongqing) Ltd.	5,740	9,127	-	-	
	SK Hynix Semiconductor HK Ltd.	2	1	132,212	181,782	
	SK Hynix System IC Co., Ltd.	1,184	5,399	-	-	
	Happynarae Co., Ltd.	2,600	3,098	67,294	62,878	
	SKC Evonik Peroxide Korea Co., Ltd.	1,102	1,108	216	16,942	
	Boryeong LNG Terminal Co., Ltd.	10,000	50,310	35,414	66,788	
	Darwin LNG Pty Ltd.	26,352	91,940	-	-	
	Eurasia Tunnel	868	750	-	-	
	Xe-Pian Xe-Namnoy Power Company	528	436	-	-	
	SK ecoengineering Co., Ltd.	1,754	121	458,885	123,553	
	DAEWON GREEN ENERGY CO.,LTD.	-	2,102	-	-	
	Bloom SK Fuel Cell, LLC	205	-	1,069	6,121	
	Yongin Ilban Industry Danji Co., Ltd.	28,131	1,822	-	-	
	Others	233,260	177,716	89,872	50,677	
	Others (*1)	SK D&D Co., Ltd.	1,308	994	467	278
		Ulsan Aromatics Co., Ltd.	27,167	21,199	33,316	27,704
		SK Chemicals Co., Ltd.	12,525	23,988	3,333	3,605
		SK Gas Co., Ltd.	45,167	50,301	146,012	135,397
Ubins Co., Ltd.		141	136	11,622	15,497	
Others		17,558	36,810	47,261	30,779	
		₩ 2,011,505	₩ 2,252,036	₩ 2,187,073	₩ 1,290,743	

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

	Company name	March 31, 2023		December 31, 2022	
		Receivables		Receivables	
		(*1)	Payables	(*1)	Payables
Other	Daehan Oil Pipeline Corporation	₩ 15,420	₩ 2,893	₩ 110	₩ 10,029
related	SABIC SK Nexlene Company Pte. Ltd.	324	57,372	348	46,818
parties	Korea Nexlene Company	21,540	193	26,361	268
	Best Oil Company Limited	190,549	3,702	204,549	49,856
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	-	13,943	-	8,042
	Baic Electronics SK(Jiangsu) Technology Co., Ltd.	15,199	186,107	18,858	146,986
	ChangZhou BTR New Material Technology Co., Ltd.	128,087	157,909	86,563	229,826
	Yemen LNG Company Ltd.	80,889	386	71,883	-
	Xinglu (HongKong) Ltd.	49,063	-	38,162	-
	Huizhou EVE United Energy Co., Ltd.	40,216	488,514	36,111	408,582
	Korea Consortium Kazakh B.V. (*2)	122,648	-	119,215	-
	F&U Credit Information Co., Ltd.	26	3,444	81	5,682
	Wave City Development Co., Ltd.	2,355	-	2,355	-
	SK Hynix Inc.	1,099,249	86,379	1,781,976	84,075
	SK Hynix Semiconductor (China) Ltd.	29,354	275	44,823	280
	SK Hynix Semiconductor (Chongqing) Ltd.	3,805	80	3,659	30
	SK Hynix Semiconductor HK Ltd.	2	80,269	2	30,587
	SK Hynix System IC Co., Ltd.	446	79	181	13
	Happynarae Co., Ltd.	986	21,206	12,420	61,828
	SKC Evonik Peroxide Korea Co., Ltd.	2	54	2	4,450
	Boryeong LNG Terminal Co., Ltd.	10,000	-	4,139	15
	Darwin LNG Pty Ltd.	1,468	2,339	42,802	-
	Eurasia Tunnel	29,632	-	28,786	-
	Xe-Pian Xe-Namnoy Power Company	96,968	-	95,889	-
	Yongin Ilban Industry Danji Co., Ltd.	1,100	172,343	1,100	188,573
	Bloom SK Fuel Cell, LLC	74	-	-	5,317
	SK ecoengineering Co., Ltd.	16,013	300,986	32,658	305,026
	SK E&C JURONG Investment Singapore Pte. Ltd.	74,375	-	74,375	-
	Godeok Clean Energy Co., Ltd.	-	34,769	-	62,136
	Chuncheon Green Energy Inc.	2	-	2	-
	Others	141,283	130,915	126,344	144,795
Others (*3)	Ulsan Aromatics Co., Ltd.	-	11,831	-	13,435
	SK Chemicals Co., Ltd.	6,822	400	5,066	872
	SK Gas Co., Ltd.	43,373	195,451	7,986	244,960
	Ubins Co., Ltd.	51	6,722	26	21,190
	Others	9,679	22,119	16,266	20,640
		<u>₩ 2,231,000</u>	<u>₩ 1,980,680</u>	<u>₩ 2,883,098</u>	<u>₩ 2,094,311</u>

(*1) The Group recognized bad debt expense amounting to ₩858 million for the three-month period ended March 31, 2023 and and reversal of bad debt amounting to ₩ (-)2,500 million for the three-month period ended March 31, 2022. The Group recognized the allowance for doubtful accounts amounting to ₩262,175 million and ₩261,317 million as of March 31, 2023 and December 31, 2022, respectively.

(*2) As of March 31, 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 three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

Company	Currency	March 31, 2023		March 31, 2022	
		Loans	Collection	Loans	Collection
Yemen LNG Company Ltd.	KRW	6,840	-	671	-
Xe-Pian Xe-Namnoy Power Company	KRW	-	-	10,502	-
Gray Whale Offshore Wind Power No.1 Co., Ltd.	KRW	360	-	-	-
Gray Whale Offshore Wind Power No.2 Co., Ltd.	KRW	192	-	-	-
Gray Whale Offshore Wind Power No.3 Co., Ltd.	KRW	1,095	-	-	-

(4) There were additional capital contribution transactions for investments in associates and joint ventures for the three-month periods ended March 31, 2023 and 2022 (see Note 9 'Investments in associates and joint ventures').

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

Key management personnel consists of registered executives who are responsible for the planning, operation and control of the Company's business activities. Details of compensation for them for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Salaries	₩ 4,292	₩ 4,169
Provision for pension benefits	1,082	7,700
Share-based payment expenses	(2,029)	533
	<u>₩ 3,345</u>	<u>₩ 12,402</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 three-month period ended March 31, 2023.

(2) Gain and loss from the discontinued operation for the three-month period ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended March 31, 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	₩ 1,297	₩ -	₩ 426,259	₩ 427,556
Expenses	7,388	7,738	392,520	407,646
Profit (loss) before income tax expense	(6,091)	(7,738)	33,739	19,910
Income tax benefit	(811)	-	(34,245)	(35,056)
Profit (loss) for the period from discontinued operations	₩ (5,280)	₩ (7,738)	₩ 67,984	₩ 54,966
Attributable to:				
Owners of the Parent Company	₩ (2,369)	₩ (3,504)	₩ 20,405	₩ 14,532
Non-controlling interests	(2,911)	(4,234)	47,579	40,434

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28. Discontinued operations (cont'd)

For the three-month period ended March 31, 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	₩ 8,978	₩ 342,521	₩ 1,061,522	₩ 483,871	₩	1,896,892
Expenses	9,728	319,785	267,726	385,543		982,782
Profit (loss) before Income tax expense	(750)	22,736	793,796	98,328		914,110
Income tax expense (benefit)	488	(266)	161,800	15,932		177,954
Profit (loss) for the period from discontinued operations	₩ (1,238)	₩ 23,002	₩ 631,996	₩ 82,396	₩	736,156
Attributable to:						
Owners of the Parent Company	₩ (550)	₩ 9,868	₩ 281,429	₩ 24,880	₩	315,627
Non-controlling interests	(688)	13,134	350,567	57,516		420,529

(3) Details of cash flows relating to discontinued operations for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

For the three-month period ended March 31, 2023						
	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	₩ 2,916	₩ (121)	₩ 40,481	₩ 43,276	₩	43,276
Cash flows from investing activities	(926)	(7,616)	(77,870)	(86,412)		(86,412)
Cash flows from financing activities	993	-	(7,353)	(6,360)		(6,360)
Foreign exchange effects	-	-	727	727		727

For the three-month period ended March 31, 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	₩ 2,791	₩ (8,833)	₩ (82,652)	₩ 68,227	₩	(20,467)
Cash flows from investing activities	(926)	(10,757)	444,905	(59,114)		374,108
Cash flows from financing activities	993	11,364	(78)	(5,954)		6,325
Foreign exchange effects	-	-	-	132		132

29. Assets and liabilities held for sale

Details of assets and liabilities held for sale as of March 31, 2023 are as follows (Korean won in millions):

		March 31, 2023	
		Assets	Liabilities
Investment securities	ESR Cayman Limited (*1)	₩ 229,211	₩ -
	Digital Content Korea Investment Association, and others	4,386	-
	Turo Inc.	39,237	-
Business segment	China business segment (*2)	77,650	13,749
	Resources business segment (*2)	60,274	30,958
	Security business segment (*3)	3,310,538	2,871,201
Associates	Daekyo Confident Content Korea Investment Association, and others	1,062	-
	NanoEnTek Inc.	46,779	-
	Grab Geo Holdings Pte. Ltd (*4)	30,564	-
Property, plant and equipment	Land and Buildings in Suyeong-gu, Busan (*5)	102,253	29,001
		<u>₩ 3,901,954</u>	<u>₩ 2,944,909</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) Tmap mobility Co., Ltd., a subsidiary, classified the entire stake in Grab Geo Holdings Pte. Ltd., an investment in associate, as an asset held-for-sale upon its decision to sell the stake as a whole and measured the asset at the lower of net fair value (i.e., fair value less costs to sell) and book value. Accordingly, the entire stake in Grab Geo Holdings Pte. Ltd. was classified as an asset held-for-sale. Such investments are scheduled to be disposed in June 2023.

(*5) SK E&S Co., Ltd., a subsidiary, decided to sell 3 parcels of land in Namcheon-dong and house no. 545 in Namcheon-dong, Suyeong-gu on December 20, 2022, therefore related assets and liabilities are classified as held-for-sale. The transaction is expected to be completed by the end of May 2023.

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30. Cash flow information

(1) Details of non-cash adjustments for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Provision for pension benefits	₩ 88,047	₩ 120,101
Depreciation	1,737,728	1,715,449
Amortization	436,454	431,519
Bad debt expenses	19,112	35,801
Reversal of valuation loss on inventories	(424,882)	(5,587)
Interest expenses	755,234	402,223
Loss on foreign currency translation	457,836	220,803
Loss on valuation of derivatives	176,628	532,732
Loss on disposal of trade receivables	35,029	6,207
Loss on impairment of investments in associates and joint ventures	1,333	-
Loss on disposal of property, plant and equipment	8,493	10,922
Loss on impairment of property, plant and equipment	13,622	1,028
Loss on disposal of intangible assets	445	845
Loss on impairment of intangible assets	1,112	-
Income tax expense	41,280	1,171,266
Share of profit of equity-accounted investees, net	545,407	(411,768)
Interest income	(198,442)	(73,008)
Gain on foreign currency translation	(298,454)	(147,351)
Gain on valuation of derivatives	(271,046)	(273,295)
Dividend income	(36,616)	(7,742)
Gain on disposal of trade receivables	-	(1,043)
Gain on disposal of investments in associates and joint ventures	(12,133)	(470,243)
Gain on disposal of property, plant and equipment	(5,746)	(10,741)
Gain on disposal of intangible assets	(620)	(79,213)
Gain on disposal of assets held for sale	-	(785,828)
Others	53,789	527,518
	<u>₩ 3,123,610</u>	<u>₩ 2,910,595</u>

(2) Details of working capital adjustments for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Inventories	₩ 399,282	₩ (2,413,031)
Trade receivables	130,968	(1,506,435)
Other receivables	106,710	(142,380)
Trade payables	230,807	3,063,781
Other payables	(1,711,057)	(2,583,894)
Advances received	(37,301)	74,559
Retirement benefits	(86,874)	(77,787)
Plan assets	87,641	94,210
Others	459,036	(676,709)
	<u>₩ (420,788)</u>	<u>₩ (4,167,686)</u>

(3) Significant non-cash transactions for the three-month periods ended March 31, 2023 and 2022 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2023	March 31, 2022
Decrease in other payables due to acquisition of property, plant and equipment and others	₩ (776,762)	₩ (341,586)

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31. Commitments and contingencies

(1) Guarantees provided for the Group as of March 31, 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	487,752	Performance guarantees for contract and others
	Seoul Guarantee Insurance	KRW	22,557	Performance guarantees for contract and others
Netruck Co., Ltd.	Seoul Guarantee Insurance	KRW	4,167	Performance insurances for warranties and others
SK Telink Co., Ltd.	Seoul Guarantee Insurance	KRW	699	Performance guarantees for contract
SK Planet Co., Ltd.	Seoul Guarantee Insurance	KRW	21,104	Performance guarantees for contract and others
SK Broadband Co., Ltd.	Seoul Guarantee Insurance	KRW	31,918	Guarantee of warranties-contract
	Korea Content Financial Cooperative	KRW	41,768	Guarantee of warranties-contract
SK Square Co., Ltd.	KEB Hana Bank	USD	499	Guarantee of foreign currencies
Tmap Mobility Co., Ltd.	Seoul Guarantee Insurance	KRW	2,329	Performance guarantees and others
SK Shieldus Co., Ltd.	Korea Software Financial Cooperative	KRW	130,954	Guarantee of bid payment and others
SK M&SERVICE CO.,LTD.	Seoul Guarantee Insurance	KRW	2,649	Performance guarantees and others
	Shinhan Bank	KRW	1,000	Guarantee for payment of Korean won
PS&Marketing Corp.	Seoul Guarantee Insurance	KRW	1,604	Performance guarantees
Dreamus Company Co., Ltd.	Seoul Guarantee Insurance	KRW	1,023	Performance guarantees for contract
One store Co., Ltd.	Seoul Guarantee Insurance	KRW	2,382	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	7,102	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	28,459	Guarantee of deposit on lease and others
FSK L&S Co., Ltd.	Seoul Guarantee Insurance	KRW	13,440	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	9,556	Performance guarantees for contract
	Korea Trade Insurance Corporation	KRW	723	Guarantee of debt
SK Networks Service Co., Ltd.	Seoul Guarantee Insurance	KRW	15,887	Performance guarantees for sales contract
	KEB Hana Bank	KRW	1,200	Performance guarantees for contract
SK Magic Co., Ltd.	Seoul Guarantee Insurance	KRW	19,379	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	11,953	Performance guarantees for contract
SK E&S Co., Ltd.	Seoul Guarantee Insurance	KRW	112,785	Performance guarantees for contract and others
	Kookmin Bank	USD	80,000	Guarantee of debt
	Shinhan Bank	USD	80,000	Guarantee of debt
	BNP Paribas	USD	71,000	PPA Bid Guarantee
Yeongnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,861	Guarantee of warranties and approval
Chonnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	330	Guarantee of warranties and payment
Busan City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	6,473	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	434	Performance guarantees and warranties
Chungcheong Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,090	Performance insurances for warranties and others
Ko-one Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,773	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	4,796	Guarantee of license to use national property and others
Yeosu Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	5,562	Performance guarantees for deposit on approval and others
Dangjin Haengbok Solar Co., Ltd.	Seoul Guarantee Insurance	KRW	3,205	Guarantee of payment of facility restoration and relocation work expenses
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	34,000	Guarantee of Terminal fee
BU12 Australia Pty. Ltd., BU13 Australia Pty. Ltd.	ANZ Bank	USD	306,650	BU gas field restoration costs

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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	385,074	Performance guarantees for overseas construction and others	
		KWD	67,715	Performance guarantees for overseas construction and others	
		QAR	30,938	Performance guarantees for overseas construction and others	
		TRY	26,264	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	573,472,056	Performance guarantees for overseas construction and others	
		HKD	24,921	Performance guarantees for overseas construction and others	
		AED	118,718	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	165,835	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	82,705	Performance guarantees for overseas construction and others
	GBP		18,900	Performance guarantees for overseas construction and others	
	Busan Bank	KRW	5,500	Performance guarantees for overseas construction and others	
		USD	851	Performance guarantees and others	
	Industrial Bank of Korea Shinhan Bank	USD	2,470	Performance guarantees and others	
		KRW	122,396	Performance guarantees for overseas construction and others	
		USD	10,911	Performance guarantees for overseas construction and others	
	Korea Development Bank	EUR	1,658	Performance guarantees for overseas construction and others	
		KRW	3,000	Performance guarantees for overseas construction and others	
	Korea Eximbank	USD	107,317	Performance guarantees for overseas construction and others	
		EUR	12	Performance guarantees for overseas construction and others	
	Korea Housing Guarantee Co., Ltd. Seoul Guarantee Insurance	NOK	136,302	Performance guarantees for overseas construction and others	
		KRW	3,291,663	Housing guarantees and others	
Environment Management Corporation Co., Ltd.	Engineering Financial Cooperative Construction Guarantee Cooperative	KRW	1,043,008	Domestic construction contract	
		KRW	6,022,470	Performance guarantees for domestic construction and others	
	Machinery Financial Cooperative and others	KRW	420,163	Performance guarantees for construction and others	
		KRW	123,861	Insurance of overseas investment and others	
	Construction Guarantee Cooperative	KRW	86,338	Performance guarantees, Performance insurances for warranties and others	
		KRW	116,018	Guarantees for contract, payment, and others	
	Seoul Guarantee Insurance	KRW	157,449	Guarantees for contract, pre-payment, and others	
		KRW	66	Performance insurances for contract and warranties	
	SK Specialty Co., Ltd. SK Materials Performance Co., Ltd.	Korea waste Recycling Association Seoul Guarantee Insurance	KRW	174	Performance guarantees and others
			USD	6,000	Insurance of short-term export
SK Signet Inc. SK Pinx Co., Ltd.	Korea Trade Insurance Corporation. Seoul Guarantee Insurance	KRW	4,661	Performance guarantees and others	
		KRW	359	Performance guarantees for sales contract	
Hweechan Co., Ltd.	Seoul Guarantee Insurance	KRW	116	Performance guarantees for contract for underground water and convenience stores	
SK Tri Chem Co., Ltd.	Seoul Guarantee Insurance	KRW	1,185	Performance guarantees and others	

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31. Commitments and contingencies (cont'd)

(2) Guarantees provided to others as of March 31, 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	185,000	Guarantee of debt
Iberian Lube Base Oils S.A.	Puertos del Estado	EUR	574	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	8	Performance guarantees for insurance and others
SK Communications Co., Ltd.	Purchaser or right holder of electronic payment method	KRW	1,100	Protection of user funds from electronic financiers
Dreamus Company Co., Ltd.	Youngkwang Precision Industry Co., Ltd. and others	KRW	227	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	390,000	Local finance payment guarantee
SK E&S Co., Ltd.	Boryeong LNG Terminal Co., Ltd.	KRW	320,000	Guarantee of debt
Environment Management Corporation Co., Ltd.	Dongbugwon Puleunmul Co., Ltd. and others	KRW	26,142	Guarantee of debt
	Geochang Malgunmool Sarang Co., Ltd. and others	KRW	30,473	Guarantee for loan agreement
	Gyeongsan Pure Water Co., Ltd. and others	KRW	1,273	Performance guarantees for business
SK Ecoplant Co., Ltd.	SBC General Trading & Contracting Co. WLL and others	KWD	4,000	Performance guarantees for contract and others
	Pohang Clean Water Co., Ltd. and others	KRW	939,684	Cash deficiency support agreement
	Gweonseon District 6 redevelopment maintenance business association and others	KRW	191,812	Guarantees for reconstruction project financing
	Customers of Pangyo SK view	KRW	844,382	Guarantee of payment of intermediate payment and moving expenses loan
	Lu 1 City SK leaders view and others	KRW	3,902,831	Guarantee of completion
	Fuel cell power generation project	KRW	181,286	Performance assurance related to long-term maintenance contracts and others
		USD	206,330	Performance assurance related to long-term maintenance contracts and others
	Contractor issuing guarantee for sale	KRW	2,089,107	Joint surety

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31. Commitments and contingencies (cont'd)

(3) Pending litigations

The Group's significant pending litigations as of March 31, 2023, in which the Group is a plaintiff are as follows (Korean won in millions):

Plaintiff	Defendant	Description	Claim	Status
SK Shieldus Co., Ltd.	Tire Bank Co., Ltd. and others	Claim for payment of sales and others	KRW 556	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 8,100	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 6,445	First trial in progress and others
SK Telecom Co., Ltd.	Individual and others	Claim for payment and others	KRW 3,143	First trial in progress and others
PS&Marketing Corp.	Individual and others	Claim for payment and others	KRW 84	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 4,856	First trial in progress and others
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.	The head of Guro Tax office and others	Claim for cancellation of imposition of refusal of request for correction and others	KRW 1,035	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	First trial in progress
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
LNG Americas, Inc.	Chevron U.S.A.Inc	Claim for compensation for loss of natural gas supply	USD 84,531	First trial in progress
SK Incheon Petrochem Co., Ltd.	Dongatanker Co., Ltd. and others	Claim for payment	KRW 10,075	First trial in progress
SK Ecoplant Co., Ltd.	Korea Rail Network Authority	Claim for payment of construction and others	KRW 4,279	Second trial in progress and others
	Korea Specialty Contractor Financial Cooperative	Claim for deposit of construction performance and others	KRW 3,456	First trial in progress
	Plant & Mechanical Contractors Financial Cooperative and others	Claim for deposit of construction performance	KRW 5,403	Third trial in progress
	Korea National Oil Corporation	Claim for payment of construction	KRW 13,294	First trial in progress and others
	Korea Land & Housing Corporation	Claim for payment of construction	KRW 1,090	Second trial in progress
	NSRP	Claim for payment of construction	KRW 242,507	Arbitration in progress
	PNPC	Claim for payment of construction	KRW 197,656	Arbitration in progress
	KB Insurance Co., Ltd.	Claim for payment of insurance	KRW 158,092	First trial in progress
	Seongchang ENC Co., Ltd.	A final and conclusive bond investigation trial of rehabilitation bond	KRW 230,200	First trial in progress and others
	Legal manager of Seobon Construction Co., Ltd.	A final and conclusive bond investigation trial of KNPCCFP	KRW 1,940	First trial in progress
	Goseong Green Power Co., Ltd.	Claim for payment of construction	KRW 178,650	First trial in progress
Environment Management Corporation Co., Ltd.	Siheung City and others	Claim related to settlement of operating and management expenses and others	KRW 55,960	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

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31. Commitments and contingencies (cont'd)

The Group's significant pending litigations as of March 31, 2023, in which the Group is a defendant are as follows (Korean won in millions and foreign currencies in thousands):

Defendant	Plaintiff	Description	Claim	Status
SK Shieldus Co., Ltd.	Individual and others	Claim for damages and others	KRW 2,085	First trial in progress and others
11Street Co., Ltd	Individual and others	Litigation for Claims for Settlement and others	KRW 1,817	Second trial in progress and others
SK Broadband Co., Ltd.	KISTI and others	Claim for damages and others	KRW 10,667	First trial in progress and others
SK Telecom Co., Ltd.	HSF and others	Claim for damages and others	KRW 20,161	Second trial in progress and others
SK Networks Co., Ltd.	Individual and others	Claim for damages and others	KRW 3,725	Second 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 1,109	First trial in progress and others
SK Nexilis Co., Ltd.	Individual and others	Claim for damages and others	KRW 6,439	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	First 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 and others	KRW 7,156	Third trial in progress and others
	Hanwha Engineering & Construction Corp.	Claim for cost share	KRW 5,087	First trial in progress
	Woryeong SK Ocean View residents representative and others	Claim for damages and others	KRW 17,036	Second trial in progress and others
	NSRP	Claim for payment of construction	KRW 114,474	First trial in progress
	PNPC	Claim for payment of construction	KRW 423,735	Arbitration in progress
	IMCO and others	Claim for payment of construction and others	KRW 110,097	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
		Woori Bank	Claim for payment of construction	KRW 12,096
Environment Management Corporation Co., Ltd.	Siheung City and others	Claim for cost share and others	KRW 2,300	First trial in progress and others
SK Oceanplant Co.,Ltd.	JEONJIN OCEAN DEVELOPMENT Co., Ltd. and others	Claim for payment of construction	KRW 6,245	First trial in progress and others
Green Environment	Daesang Co., Ltd.	Claim for payment of construction	KRW 196	First trial in progress

On May 15, 2021, SK Innovation Co., Ltd., a subsidiary of the Group, LG Chem Co., Ltd. and LG Energy Solution Co., Ltd., which split-off from LG Chem Co., Ltd. agreed to withdraw all domestic and foreign disputes, be exempt from all related obligations, prohibit similar or identical disputes for 10 years, and permanent licenses for trade secrets and patents. Accordingly, ₩1 trillion in cash throughout 2021 and 2022 and royalties up to ₩1 trillion corresponding to a certain percentage of sales from 2023 will be paid to LG Energy Solution Ltd. ₩1 trillion out of the total payables 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 March 31, 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. The duration and final outcome thereof are also not estimable at the moment.

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 three-month period ended March 31, 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 March 31, 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 st Fund	Corporate Turnaround 1 st 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 March 31, 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 March 31, 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) The Company have signed a contract between shareholders that allows certain shareholders to sell their shares to us for ₩50,000 per share if certain conditions are met for shares held by certain shareholders of its subsidiary SK Signet Co., Ltd.
- 12) As of March 31, 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.
- 13) 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 March 31, 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)

14) As of March 31, 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. (formerly, Doosan Heavy Industries & Construction Co., Ltd.)	12 years from 2012
	Contract for the operation and Maintenance program	Jeonbuk Group Energy Co., Ltd. and Gimcheon Energy Service Co., Ltd.	2015.1 ~ 2025.1
	Contract for the supply of long-term natural gas	Korea Gas Corporation Co., Ltd.	20 years from 2015.5
	Contract for the REC trading	K Solar E Ho Co., Ltd. and others	20 years from contract
Narae Energy Service Co., Ltd. and Paju Energy Service Co., Ltd.	Contract for the use plumbing system	Korea Gas Corporation Co., Ltd.	20 years from 2017
SK E&S Co., Ltd. and Narae Energy Service Co., Ltd. and Paju Energy Service Co., Ltd.	Contract for the storage and vaporization service of natural gas	Boryeong LNG Terminal Co., Ltd.	20 years from 2017
Yeosu Energy Service Co., Ltd.	Integrated Environmental Management Licensing Service	SK ecoengineering Co., Ltd. (*2)	2019.1 ~ 2023.10 (estimated)
	Contract for LTSA	Siemens Gas & Power GmbH Siemens Energy Ltd.	2019.12 ~ 2047.12 (estimated)
Busan City Gas Co., Ltd.	Rental contract	Megamart Co., Ltd. and others	Until 2022
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 ~ 2033.3
	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

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

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

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31. Commitments and contingencies (cont'd)

- 15) As of March 31, 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 ~ 2023.06	₩ 7,225
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 ~ completion	₩ 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.

- 16) As of March 31, 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%

- 17) 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.
- 18) SK Energy 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 March 31, 2023, the related payables and others are ₩2,217,004 million, which are classified as current liabilities.
- 19) 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 March 31, 2023 and December 31, 2022, the group recognized other payables related to the option contracts amounting to ₩33,363 million and ₩33,168 million.

31. Commitments and contingencies (cont'd)

20) 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. (formerly, SK Lubricants Co., Ltd.), in event of selling the stake, includes the following key terms:

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

Details of rights granted to investor are as follows:

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

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 (₩1,200,019 million).

The Group recognized ₩204,478 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 March 31, 2023 is USD 2,925 million, and the book value after offset is ₩0.

31. Commitments and contingencies (cont'd)

- 21) 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 March 31, 2023 and December 31, 2022 is ₩315,276 million and ₩357,467 million, respectively.
- 22) 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.
- 23) SK Siltron Co., Ltd., a subsidiary, acquired redeemable convertible preferred shares from Korea Credit Guarantee Fund for the current period in connection with the acquisition of shares in Terraon Co., Ltd., a subsidiary investment. Depending on the nature of the financial instrument, the Group has the option to convert 9,740 shares of Terraon Co., Ltd. into common shares, and the duration is 10 years from the date of issuance and can be exercised until November 18, 2030.
- 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 March 31, 2023, there are no related outstanding payables.
- 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) In February 2019, SK Biopharmaceuticals Co., Ltd., a subsidiary, signed a technology transfer contract with the European-based entity, Arvelle Therapeutics International GmbH (formerly Arvelle Therapeutics GmbH), in order to grant the exclusive rights of Cenobamate, an epilepsy treatment, in Europe. At the time of signing the technology transfer contract, SK Biopharmaceuticals Co., Ltd. received an Upfront Payment of USD 100,000,000 and recognized as a profit at the time of the receipt. In addition, in March 2021, the Milestone Payment of USD 110,000,000 was recognized as a profit at the time of notification of the permit in accordance with the marketing permission of European regulators (March 30, 2021). Following the merger of Arvelle Therapeutics International GmbH and Angelini Pharma S.p.A. in December 2022, the counterparty to the technology transfer agreement has changed and the terms of the agreement remain unchanged. When the terms under the agreement are fulfilled in future periods, additional Milestone Payment of up to USD 320,000,000 will be recognized.

31. Commitments and contingencies (cont'd)

Meanwhile, in February 2021, SK Biopharmaceuticals Co., Ltd sold its 12% stake in Arvelle Therapeutics B.V. to Angelini Pharma S.p.A. and received USD 31,766,890 in return for the Closing Payment, and recognized it as an profits from equity method disposition at the time of receipt. In addition, the Approval Payment of USD 13,220,625 was recognized as an profits from equity method disposition at the time of notification of the permit (March 30, 2021) under the marketing authorization of European regulators in March 2021. Up to USD 9,252,177 may be additionally recognized as profits from equity method disposition at the time of achieving the terms of the agreement in the future, but the amount receivable may change depending on certain circumstances.

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

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

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

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

In addition, in July 2022, SK Biopharmaceuticals Co., Ltd., a subsidiary, signed a technology transfer agreement with Eurofarma Laboratorios S.A. based in Brazil to grant exclusive rights of Cenobamate in 17 Latin American countries, including Brazil and Mexico, and received an upfront payment of USD 15,000,000. The upfront payment has been recognized at a point in time, considering the right-of-use for the intellectual property rights. In the future, Milestone Payments of up to USD 47,000,000 shall be recognized as revenue if the terms of the agreement are satisfied, such as permission by regulators and commercialization in Brazil and Mexico.

- 29) SK Biopharmaceuticals Co., Ltd., a subsidiary, is a limited partner in the LifeSci Venture Partners Fund in the United States. As of March 31, 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.

31. Commitments and contingencies (cont'd)

30) 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.

(5) Hybrid bonds

Details of hybrid bonds as of March 31, 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	
					March 31, 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	2-1 private equity bond type	2018.06.07	2078.06.07	3.70	300,000	300,000
	2-2 private equity bond type	2018.06.07	2078.06.07	3.65	100,000	100,000
Group of SK E&S	2nd Korean currency type	2019.10.11	2049.10.11	3.30	330,000	330,000
	3rd Korean currency type	2020.07.14	2050.07.14	3.60	400,000	400,000

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

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

(6) Others

As of March 31, 2023, 40 notes (including 38 blank notes) and 71 checks (including 70 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 March 31, 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	5,930	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	1,513	Industrial Bank of Korea and others	Restricted real rights for office lease
Panasia Semiconductor Materials, LLC	Investment securities	KRW	23,343	Hana Securities Co., Ltd. and others	Collateral for borrowing
Incross Co., Ltd.	Financial instruction	KRW	25,010	Naver Co., Ltd. and others	Performance guarantees for contract
One store Co., Ltd.	Investment property	KRW	612	Shinhan Bank	Collateral for borrowing
SK Networks Co., Ltd.	Property, plant and equipment	KRW	390,843	Korea Development Bank and others	Collateral for sales and others
SK Magic Co., Ltd.	Property, plant and equipment	KRW	96,000	Korea Development Bank	Collateral for borrowing
SK Rent-a-Car Co., Ltd.	Property, plant and equipment	KRW	275,184	Korea Development Bank and others	Collateral for borrowing
	Financial instruction	KRW	300	Kodit 2022 the 5 th 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	91,100	Korea Development Bank	Collateral for borrowing
SK pucore Co., Ltd.	Property, plant and equipment	KRW	124,799	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	396,000	Korea Development Bank and others	Collateral for borrowing
	Investments in subsidiaries	KRW	297,733	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
	Investments in joint ventures	VND	1,059,599,930	Joint Stock Commercial Bank For Foreign Trade of Vietnam	Collateral for PF
		KRW	179,220	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
	Financial instruction	KRW	96,276	Korea Development Bank	Collateral for investment agreement
Ko-one energy service Co., Ltd. (formerly, Daehan City Gas 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
	Investment property	KRW	3,740	Megamart Co., Ltd. and others	Leasehold deposits
Paju Energy Service Co., Ltd.	Property, plant and equipment	KRW	360,000	Kookmin Bank and others	Collateral for borrowing
Chonnam City Gas Co., Ltd.	Property, plant and equipment	KRW	81	LG Hello Vision Co., Ltd.	Collateral for deposits received
Narae Energy Service Co., Ltd.	Property, plant and equipment and others	KRW	505,000	Korea Development Bank and others	Collateral for borrowing
Yeosu 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
Key Capture Energy, LLC	Financial instruction	USD	100,797	CIT/RABOBANK/SIEMENS	Collateral for service use
SK Ecoplant Co., Ltd.	Debt instrument	KRW	1,333,638	CAPE Investment & Securities Co., Ltd. and others	Collateral for borrowing and others
	Investments in the application of equity method	KRW	44,974	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	58,800	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
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	228,980	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	KRW	129,805	Seoul Guarantee Insurance And others	A pledge of Insurance and others
	Others	USD	555	KEB Hana Bank	Collateral for guarantee

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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 subsidiaries and others	KRW	529,311	KEB Hana Bank and others	Collateral for borrowing and others
	Investment securities	KRW	9,413	Korea Development Bank and others	Collateral for borrowing and others
	Others	KRW	1,503,001	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	60,000	Kyungnam Bank and others	Collateral for borrowing
		KRW	3,692	Sejong City	Local investment promotion subsidy support collateral
SK Siltron Co., Ltd.	Property, plant and equipment and others	KRW	466,880	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
Hweechan Co., Ltd.	Property, plant and equipment	KRW	13,440	KEB Hana Bank	Collateral for borrowing
SK REIT Co., Ltd.	Investment property	KRW	1,147,466	The lender and the lessor	Collateral for borrowing
Clean Energy REIT 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.	Property, plant and equipment and others	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

(*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.

SK Inc. and its subsidiaries
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33. Guarantees provided among the Group entities

Guarantees provided among the Group entities as of March 31, 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	1,670,000	Guarantee of debt
	SK On Hungary Kft.	USD	250,000	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	6,600,000	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 ie technology Co., Ltd.	SK On Hungary Kft.	HUF	9,810,000	Guarantee of local factory construction
	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	369,200	Guarantee of debt
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
		CNY	54,000	Standing surety for investee
	SK Networks (Xiamen) Steel Processing Center Co., Ltd.	CNY	68,000	Standing surety for investee
SKC Co., Ltd.	SK Enpulse Co., Ltd.	KRW	10,000	Guarantee of corporate bond
	SKC (Nantong) PU Specialty Co., Ltd.	CNY	110,700	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	306,650	Guarantee for BU gas field recovery cost
	BU13 Australia Pty, Ltd.			
	NEW RENEWABLE ENERGY NO.1 JOINT STOCK COMPANY	USD	20,000	Guarantee of debt
	Grid Solution, LLC	USD	40,000	Guarantee of L/C
SK E&S Americas, Inc.	LNG Americas, Inc.	USD	40,000	Performance guarantee for contract and others
	(formerly, CAILIP Gas Marketing, LLC)			
	Grid Solution II, LLC	USD	100,000	Performance guarantee for contract
	LNG Americas, Inc.	USD	14,342	Performance guarantee for contract and others
	(formerly, LAI LNG, LLC)			
SK Ecoplant Co., Ltd.	PassKey, Inc.	USD	52,313	Performance guarantee for contract
	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 Ecoplant Americas 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	70,000	Conditional debt acquisition
	Eco Frontier (Singapore) Pte. Ltd.	USD	420,000	Guarantee of payment and others
Environment Management Corporation Co., Ltd.	SK Oceanplant Co., Ltd.	KRW	5,403	Guarantee of payment and others
SK Specialty Co., Ltd.	Gyeongsan Clear Mulgil Co., Ltd.	KRW	8,200	Fund supplement agreement for loan agreement
	Honam Environment Energy Co., Ltd.	KRW	4,920	Guarantee of debt
	SK Specialty Jiangsu Co., Ltd.	USD	11,000	Guarantee of debt
	SK Specialty Taiwan Co., Ltd.	USD	2,000	Guarantee of debt
	SK Specialty Japan Co., Ltd.	JPY	276,000	Guarantee of debt
SK Biotek Co., Ltd.	SK BIOTEK IRELAND LIMITED	USD	30,000	Guarantee for credit limit
		EUR	10,000	Performance guarantees
SK Siltron Co., Ltd.	SK Siltron CSS, LLC	USD	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 March 31, 2023 and December 31, 2022 is as follows (Korean won in millions):

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Financial assets measured at FVTPL	₩ 10,798,048	₩ 9,121,159
Financial assets measured at FVOCI	663	663
Financial assets measured at amortized cost	36,425,003	38,367,580
Derivatives designated as hedging instruments	617,607	563,170
	<u>₩ 47,841,321</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. Risk management (cont'd)

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.

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 ₩23,036 million as of March 31, 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 March 31, 2023 and December 31, 2022.

	March 31, 2023	December 31, 2022
SK Innovation Co., Ltd.	₩ 167	₩ 321
SK Ecoplant Co., Ltd.	23,036	23,772
SKC Co., Ltd.	335	563
SK Biotek Co., Ltd.	238	237
SK Resonac Corporation	11	15
	<u>₩ 23,787</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 March 31, 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	₩ 37,510,184	₩ 40,161,718	₩ 8,330,543	₩ 13,662,385	₩ 15,294,797	₩ 2,873,993
Bonds	37,875,558	40,940,397	3,312,183	7,892,087	23,716,648	6,019,479
Derivative financial liabilities	462,304	462,303	34,975	119,285	308,043	-
Trade payables	13,234,679	13,234,679	12,982,402	252,277	-	-
Lease liabilities	5,337,316	6,475,127	254,805	1,121,902	2,958,066	2,140,354
Other liabilities	13,225,455	20,880,284	9,263,999	5,456,556	3,060,595	3,099,134
	<u>₩ 107,645,496</u>	<u>₩ 122,154,508</u>	<u>₩ 34,178,907</u>	<u>₩ 28,504,492</u>	<u>₩ 45,338,149</u>	<u>₩ 14,132,960</u>

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 March 31, 2023 and December 31, 2022 are as follows (Korean won in millions and foreign currencies in thousands):

	Currency	March 31, 2023		December 31, 2022	
		Foreign currencies	Korean won equivalent	Foreign currencies	Korean won equivalent
Assets	USD	11,623,612	₩ 15,154,865	10,858,465	₩ 13,760,933
	JPY	15,004,536	147,261	15,508,882	147,828
	CNY	2,686,825	508,159	2,467,000	447,612
	EUR	526,033	747,772	428,677	579,228
	Others		808,837		851,123
			<u>₩ 17,366,894</u>		<u>₩ 15,786,724</u>
Liabilities	USD	15,863,359	₩ 20,682,648	15,930,325	₩ 20,188,501
	JPY	13,379,487	131,312	18,068,553	172,226
	CNY	7,361,363	1,392,255	7,443,749	1,350,594
	EUR	428,862	609,640	427,227	577,269
	Others		398,468		392,210
			<u>₩ 23,214,323</u>		<u>₩ 22,680,800</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	March 31, 2023		December 31, 2022	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ (552,778)	₩ 552,778	₩ (642,757)	₩ 642,757
JPY	1,595	(1,595)	(2,440)	2,440
CNY	(88,410)	88,410	(90,298)	90,298
EUR	13,813	(13,813)	196	(196)

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 168.0% as of March 31, 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 March 31, 2023 and December 31, 2022 is as follows (Korean won in millions):

	March 31, 2023	December 31, 2022
Total liabilities	₩ 123,983,271	₩ 122,697,070
Total equity	73,809,382	71,808,790
Debt ratio	168.0%	170.9%

35. Subsequent events

35.1 Retirement of treasury stocks

The Company decided to retire 951,000 shares of its own shares at its board of directors meeting on March 29, 2023, and completed the retirement on April 5, 2023

35.2 SK Innovation Co., Ltd.'s property dividend

At the general shareholders' meeting on March 30, 2023, SK Innovation Co., Ltd., a subsidiary, decided to pay a dividend by treasury stock at a rate of 0.03395376 shares per common and preferred stock and paid 2,799,970 shares of treasury stock on April 26, 2023.

35.3 SK Geo Centric Co., Ltd. signs Agreement to Establish Joint Venture

On April 27, 2023, SK Geo Centric Co., Ltd., a subsidiary, signed a joint venture establishment contract (JVA) with Loop to promote waste plastic recycling business in Asia by a resolution of the board of directors, and plans to establish a joint venture within this year.

35.4 SK On Co., Ltd.'s resolution to establish a joint venture

At a board meeting held on April 27, 2023, SK On Co., Ltd., a subsidiary, decided to establish a joint venture with Hyundai Motor Group to produce batteries to expand its battery business in North America. The total amount of investment planned for the new joint venture to be established by direct or indirect (subsidiary investment) investment is ₩6.5 trillion, and SK On Co., Ltd.'s estimated investment is 1.95 trillion won (50% stake). The expected investment period is 2023-2027.

35.5 SK On Co., Ltd.'s joint venture investment resolution

At a board meeting held on April 27, 2023, SK On Co., Ltd., a subsidiary, decided to make a joint venture for battery raw materials (precursors, anode materials, nickel intermediate materials) in Korea, North America and Southeast Asia. SK On CO., Ltd.'s total investment limit related to joint venture investment is USD 233.9 million.

35. Subsequent events (cont'd)

35.6 SK Telecom Co., Ltd.'s dividend resolution

SK Telecom Co., Ltd., a subsidiary, voted for a quarterly dividend at its board meeting dated April 20, 2023, and the main points are as follows.

	Description
Dividends	₩830 per share (total amount : ₩181,327 million)
Market dividend rate	1.72%
Dividend base date	March 31, 2023
Dividend payout date	May 10, 2023

35.7 Acquisition of control over SK ecoengineering Co., Ltd. by SK Ecoplant Co., Ltd.

At the SK ecoengineering Co., Ltd., associate of SK Ecoplant Co., Ltd., a subsidiary, decided to repay some of its convertible preferred shares at the board meeting on March 17, 2023. Subsequently, on April 4, 2023, some of the redeemable shares were retired, gaining control as SK Ecoplant Co., Ltd.'s stake in SK ecoengineering CO., Ltd. increased to 52.6%

35.8 Disposal of treasury stocks of SKC Co., Ltd.

On April 14, 2023, SKC Co., Ltd., a subsidiary, decided to dispose of 20,985 shares of its treasury stock for ₩2,278,971 thousand to its executives and employees. On April 17, 3,267 shares of treasury stock were sold at ₩357,410 thousand, and on April 25, 17,879 shares of treasury stock were sold at ₩1,818,294 thousand.

35.9 SK Siltron Co., Ltd.'s borrowing resolution

At a board meeting held on May 3, 2023, SK Siltron Co., Ltd. decided to borrow ₩500 billion worth of long-term loans with a maturity of five years to secure facility funds. SK Siltron Co., Ltd. will withdraw ₩200 billion in May 2023.