



SK Inc.
AND ITS SUBSIDIARIES

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

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Independent Auditors' Review Report

Based on a report originally issued in Korean

To the Shareholders and Board of Directors of
SK Inc.

Reviewed Financial Statements

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

Responsibilities of Management for the Interim Financial Statements

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

Auditors' Responsibilities

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements referred to above are not presented fairly, in all material respects, in accordance with the K-IFRS No. 1034, "Interim Financial Reporting".

Other matters

The condensed consolidated interim statements of comprehensive income for the three-month and nine-month periods ended September 30, 2022, and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period ended September 30, 2022, presented for comparative purposes, were reviewed by another auditor whose report dated November 14, 2022, stated that nothing has come to their attention that causes them to believe that the condensed consolidated interim financial information as of September 30, 2022 was not prepared, in all material respects, in accordance with the K-IFRS No. 1034, "Interim Financial Reporting".

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



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

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

KPMG Samjong Accounting Corp.

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

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

SK Inc. and its subsidiaries
Condensed consolidated interim statements of financial position
as of September 30, 2023 and December 31, 2022
(Korean won in millions and U.S. dollar in thousands)

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Assets					
Current assets:					
Cash and cash equivalents	5	₩ 23,187,990	₩ 21,393,853	\$ 17,242,705	\$ 15,908,576
Short-term financial instruments	5, 32	3,389,504	3,727,273	2,520,452	2,771,619
Trade receivables, net	5, 6, 27, 32, 34	14,949,049	14,334,532	11,116,188	10,659,230
Other receivables, net	5, 27, 31, 34	3,293,558	3,559,791	2,449,106	2,647,078
Inventories, net	7, 32	16,845,996	15,552,284	12,526,767	11,564,756
Short-term investment securities	5, 8, 32, 34	178,725	240,621	132,901	178,927
Other current assets	5, 6, 18, 19, 27, 32, 34	6,558,726	5,589,702	4,877,101	4,156,530
Assets held for sale	29	478,180	595,523	355,577	442,834
Total current assets		<u>68,881,728</u>	<u>64,993,579</u>	<u>51,220,797</u>	<u>48,329,550</u>
Non-current assets:					
Long-term financial instruments	5, 32	86,589	112,484	64,388	83,644
Long-term trade receivables, net	5, 6, 27, 34	550,194	517,701	409,127	384,965
Long-term other receivables, net	5, 27, 31, 34	788,150	380,964	586,072	283,287
Long-term investment securities	5, 8, 32, 34	8,382,798	7,950,497	6,233,490	5,912,029
Investments in associates and joint ventures	9, 32	26,497,579	27,457,005	19,703,732	20,417,166
Property, plant and equipment, net	10, 32	69,361,374	59,921,872	51,577,464	44,558,203
Right-of-use assets, net	11	5,267,431	5,437,414	3,916,888	4,043,288
Investment property, net	12, 32	3,039,379	1,866,106	2,260,097	1,387,646
Goodwill	13	7,516,888	7,475,558	5,589,595	5,558,862
Intangible assets, net	14	11,224,693	12,709,019	8,346,738	9,450,490
Defined benefit assets	17	479,481	660,282	356,544	490,989
Deferred tax assets		1,443,334	1,166,846	1,073,272	867,673
Other non-current assets	5, 6, 18, 19, 27, 34	4,156,729	3,856,533	3,090,965	2,867,736
Total non-current assets		<u>138,794,619</u>	<u>129,512,281</u>	<u>103,208,372</u>	<u>96,305,978</u>
Total assets		₩ 207,676,347	₩ 194,505,860	\$ 154,429,169	\$ 144,635,528
Liabilities and equity					
Liabilities					
Current liabilities:					
Short-term borrowings	5, 15, 31, 32, 34	₩ 17,736,067	₩ 17,457,297	\$ 13,188,628	\$ 12,981,333
Trade payables	5, 27, 34	14,691,234	14,024,892	10,924,475	10,428,980
Other payables	5, 27, 34	7,782,095	7,204,577	5,786,805	5,357,359
Provisions	16	566,315	640,198	421,115	476,054
Current portion of long-term debt	5, 15, 31, 32, 34	12,877,904	11,373,120	9,576,074	8,457,109
Other current liabilities	5, 6, 11, 18, 19	11,821,631	12,285,360	8,790,624	9,135,455
Liabilities held for sale	29	106,684	67,760	79,331	50,387
Total current liabilities		<u>65,581,930</u>	<u>63,053,204</u>	<u>48,767,052</u>	<u>46,886,677</u>
Non-current liabilities:					
Bonds and long-term borrowings	5, 15, 31, 32, 34	48,586,005	45,641,745	36,128,796	33,939,430
Long-term other payables	5, 34	1,347,201	1,513,207	1,001,785	1,125,228
Defined benefit liabilities	17	89,841	170,368	66,806	126,686
Provisions	16	1,092,146	866,826	812,125	644,576
Deferred tax liabilities		3,966,972	4,435,594	2,949,860	3,298,330
Other non-current liabilities	5, 6, 11, 18, 19, 27, 34	7,700,503	7,016,126	5,726,133	5,217,226
Total non-current liabilities		<u>62,782,668</u>	<u>59,643,866</u>	<u>46,685,505</u>	<u>44,351,476</u>
Total liabilities		128,364,598	122,697,070	95,452,557	91,238,153
Equity					
Equity attributable to owners of the parent:					
Share capital	1, 20	16,143	16,143	12,004	12,004
Other paid-in capital	20	6,911,158	6,401,912	5,139,172	4,760,494
Retained earnings	20	14,817,781	14,918,613	11,018,576	11,093,555
Other components of equity	20	927,776	258,878	689,898	192,503
Equity attributable to owners of the Parent Company		<u>22,672,858</u>	<u>21,595,546</u>	<u>16,859,650</u>	<u>16,058,556</u>
Non-controlling interests	1	56,638,891	50,213,244	42,116,962	37,338,819
Total equity		79,311,749	71,808,790	58,976,612	53,397,375
Total liabilities and equity		₩ 207,676,347	₩ 194,505,860	\$ 154,429,169	\$ 144,635,528

See accompanying notes to the condensed consolidated interim financial statements.

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

	Notes	Korean won			
		September 30, 2023		September 30, 2022	
		Three-month	Nine-month	Three-month	Nine-month
Sales	4, 27	₩ 33,864,045	₩ 98,584,040	₩ 36,201,610	₩ 98,973,201
Cost of sales	24, 27	<u>29,273,437</u>	<u>88,143,694</u>	<u>32,338,804</u>	<u>84,882,733</u>
Gross profit		4,590,608	10,440,346	3,862,806	14,090,468
Other operating revenue	4	209,879	376,879	-	-
Selling and administrative expenses	21, 24, 27	<u>2,088,512</u>	<u>6,185,551</u>	<u>1,921,486</u>	<u>5,447,232</u>
Operating profit	4	2,711,975	4,631,674	1,941,320	8,643,236
Finance income	22	1,644,535	5,276,457	2,993,344	7,290,546
Finance costs	22	2,416,969	7,223,826	3,589,580	9,600,995
Share of profit of equity-accounted investees, net	9	(695,200)	(1,886,914)	225,159	1,262,401
Other non-operating income	23	122,306	943,648	99,200	985,393
Other non-operating expenses	23	<u>253,722</u>	<u>830,926</u>	<u>237,874</u>	<u>411,548</u>
Profit from continuing operations before income tax expense	4	1,112,925	910,113	1,431,569	8,169,033
Income tax expense from continuing operations	25	<u>644,035</u>	<u>706,388</u>	<u>653,905</u>	<u>2,694,073</u>
Profit for the period from continuing operations	4	468,890	203,725	777,664	5,474,960
Gain from discontinued operation	28	<u>910,794</u>	<u>968,381</u>	<u>5,288</u>	<u>676,035</u>
Profit for the period attributable to:		<u>₩ 1,379,684</u>	<u>₩ 1,172,106</u>	<u>₩ 782,952</u>	<u>₩ 6,150,995</u>
Owners of the Parent Company		326,689	307,873	179,367	2,200,025
Non-controlling interests		1,052,995	864,233	603,585	3,950,970
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		40,057	(23,765)	89,299	117,555
Net gain (loss) on valuation of financial assets measured at FVOCI		(341,063)	(318,297)	206,867	(1,501,910)
Items that are or may be reclassified subsequently to profit or loss (net of tax):					
Equity adjustment arising from investments in equity-accounted investees		16,999	116,108	387,532	707,910
Net gain on valuation of derivative instruments		58,334	37,680	167,284	176,549
Foreign currency translation differences for foreign operations		<u>725,808</u>	<u>1,826,394</u>	<u>2,896,170</u>	<u>4,573,891</u>
		<u>500,135</u>	<u>1,638,120</u>	<u>3,747,152</u>	<u>4,073,995</u>
Total comprehensive income for the period attributable to:		<u>₩ 1,879,819</u>	<u>₩ 2,810,226</u>	<u>₩ 4,530,104</u>	<u>₩ 10,224,990</u>
Owners of the Parent Company		475,665	948,933	2,419,670	4,523,826
Non-controlling interests		1,404,154	1,861,293	2,110,434	5,701,164
Earnings per share (Korean won):	26				
Basic earnings per ordinary share		₩ 5,759	₩ 5,460	₩ 3,165	₩ 38,817
Basic earnings per preferred share		5,809	5,510	3,215	38,867
Diluted earnings per ordinary share		5,744	5,341	3,025	38,641
Basic earnings per ordinary share from continuing operations		807	206	3,336	33,765
Basic earnings per preferred share from continuing operations		807	206	3,386	33,765
Diluted earnings per ordinary share from continuing operations		794	93	3,196	33,599

(Continued)

SK Inc. and its subsidiaries
Condensed consolidated interim statements of comprehensive income
for the three-month and nine-month periods ended September 30, 2023 and 2022 (cont'd)
(U.S. dollar in thousands, except earnings per share)

	Notes	Translation into U.S. dollar (Note 2)			
		September 30, 2023		September 30, 2022	
		Three-month	Nine-month	Three-month	Nine-month
Sales	4, 27	\$ 25,181,473	\$ 73,307,585	\$ 26,919,698	\$ 73,596,967
Cost of sales	24, 27	21,767,874	65,544,091	24,047,296	63,119,224
Gross profit		3,413,599	7,763,494	2,872,402	10,477,743
Other operating revenue	4	156,067	280,249	-	-
Selling and administrative expenses	21, 24, 27	1,553,028	4,599,607	1,428,827	4,050,589
Operating profit	4	2,016,638	3,444,136	1,443,575	6,427,154
Finance income	22	1,222,884	3,923,600	2,225,866	5,421,286
Finance costs	22	1,797,270	5,371,673	2,669,230	7,139,348
Share of profit of equity-accounted investees, net	9	(516,954)	(1,403,119)	167,429	938,728
Other non-operating income	23	90,947	701,701	73,766	732,743
Other non-operating expenses	23	188,669	617,881	176,884	306,029
Profit from continuing operations before income tax expense	4	827,576	676,764	1,064,522	6,074,534
Income tax expense from continuing operations	25	478,908	525,274	486,247	2,003,326
Profit for the period from continuing operations	4	348,668	151,490	578,275	4,071,208
Gain from discontinued operation	28	677,271	720,093	3,932	502,703
Profit for the period		<u>\$ 1,025,939</u>	<u>\$ 871,583</u>	<u>\$ 582,207</u>	<u>\$ 4,573,911</u>
attributable to:					
Owners of the Parent Company		242,928	228,936	133,378	1,635,950
Non-controlling interests		783,011	642,647	448,829	2,937,961
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		29,787	(17,672)	66,403	87,414
Net gain (loss) on valuation of financial assets measured at FVOCI		(253,616)	(236,687)	153,827	(1,116,828)
Items that are or may be reclassified subsequently to profit or loss (net of tax):					
Equity adjustment arising from investments in equity-accounted investees		12,641	86,338	288,171	526,405
Net gain on valuation of derivative instruments		43,377	28,019	124,393	131,283
Foreign currency translation differences for foreign operations		539,714	1,358,116	2,153,606	3,401,168
		371,903	1,218,114	2,786,400	3,029,442
Total comprehensive income for the period		<u>\$ 1,397,842</u>	<u>\$ 2,089,697</u>	<u>\$ 3,368,607</u>	<u>\$ 7,603,353</u>
attributable to:					
Owners of the Parent Company		353,707	705,631	1,799,279	3,363,940
Non-controlling interests		1,044,135	1,384,066	1,569,328	4,239,413
Earnings per share (U.S. dollar):	26				
Basic earnings per ordinary share		\$ 4.28	\$ 4.06	\$ 2.35	\$ 28.86
Basic earnings per preferred share		4.32	4.10	2.39	28.90
Diluted earnings per ordinary share		4.27	3.97	2.25	28.73
Basic earnings per ordinary share from continuing operations		0.60	0.15	2.48	25.11
Basic earnings per preferred share from continuing operations		0.60	0.15	2.52	25.11
Diluted earnings per ordinary share from continuing operations		0.59	0.07	2.38	24.98

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 nine-month periods ended September 30, 2023 and 2022
(Korean won in millions)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
	₩	₩	₩	₩	₩	₩	₩
As of January 1, 2022	₩ 16,143	₩ 6,445,296	₩ 14,061,050	₩ 721,262	₩ 21,243,751	₩ 44,308,900	₩ 65,552,651
Total comprehensive income:							
Profit for the period	-	-	2,200,025	-	2,200,025	3,950,970	6,150,995
Remeasurements of the net defined benefit plans	-	-	52,015	-	52,015	65,540	117,555
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	15,894	(741,764)	(725,870)	(776,040)	(1,501,910)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	298,208	298,208	409,702	707,910
Net gain on valuation of derivative instruments	-	-	-	49,282	49,282	127,267	176,549
Foreign currency translation differences for foreign operations	-	-	-	2,650,166	2,650,166	1,923,725	4,573,891
Transactions with owners:							
Dividends	-	-	(453,321)	-	(453,321)	(1,096,926)	(1,550,247)
Stock-based payment	-	30,899	-	-	30,899	122,301	153,200
Equity transactions within consolidated entities	-	39,264	-	-	39,264	2,113,523	2,152,787
Changes in the scope of consolidation	-	-	-	-	-	870,391	870,391
Others	-	(6,945)	1,282	-	(5,663)	5,459	(204)
As of September 30, 2022	₩ 16,143	₩ 6,508,514	₩ 15,876,945	₩ 2,977,154	₩ 25,378,756	₩ 52,024,812	₩ 77,403,568
As of January 1, 2023	₩ 16,143	₩ 6,401,912	₩ 14,918,613	₩ 258,878	₩ 21,595,546	₩ 50,213,244	₩ 71,808,790
Total comprehensive income:							
Loss for the period	-	-	307,873	-	307,873	864,233	1,172,106
Remeasurements of the net defined benefit plans	-	-	(15,230)	-	(15,230)	(8,535)	(23,765)
Net loss on valuation of financial assets measured at FVOCI	-	-	(12,608)	(268,999)	(281,607)	(36,690)	(318,297)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	56,171	56,171	59,937	116,108
Net gain on valuation of derivative instruments	-	-	-	19,058	19,058	18,622	37,680
Foreign currency translation differences for foreign operations	-	-	-	862,668	862,668	963,726	1,826,394
Transactions with owners:							
Dividends	-	-	(278,764)	-	(278,764)	(1,185,102)	(1,463,866)
Stock-based payment	-	11,718	-	-	11,718	33,921	45,639
Incineration of treasury stocks	-	100,681	(100,681)	-	-	-	-
Equity transactions within consolidated entities	-	404,207	-	-	404,207	4,868,844	5,273,051
Changes in the scope of consolidation	-	-	-	-	-	846,145	846,145
Others	-	(7,360)	(1,422)	-	(8,782)	546	(8,236)
As of September 30, 2023	₩ 16,143	₩ 6,911,158	₩ 14,817,781	₩ 927,776	₩ 22,672,858	₩ 56,638,891	₩ 79,311,749

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(Continued)

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

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$
As of January 1, 2022	12,004	4,792,754	10,455,867	536,334	15,796,959	32,948,319	48,745,278
Total comprehensive income:							
Profit for the period	-	-	1,635,950	-	1,635,950	2,937,961	4,573,911
Remeasurements of the net defined benefit plans	-	-	38,679	-	38,679	48,735	87,414
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	11,819	(551,560)	(539,761)	(577,067)	(1,116,828)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	221,749	221,749	304,656	526,405
Net gain on valuation of derivative instruments	-	-	-	36,647	36,647	94,636	131,283
Foreign currency translation differences for foreign operations	-	-	-	1,970,676	1,970,676	1,430,492	3,401,168
Transactions with owners:							
Dividends	-	-	(337,092)	-	(337,092)	(815,680)	(1,152,772)
Stock-based payment	-	22,977	-	-	22,977	90,944	113,921
Equity transactions within consolidated entities	-	29,197	-	-	29,197	1,571,626	1,600,823
Changes in the scope of consolidation	-	-	-	-	-	647,227	647,227
Others	-	(5,164)	953	-	(4,211)	4,059	(152)
As of September 30, 2022	12,004	4,839,764	11,806,176	2,213,826	18,871,770	38,685,908	57,557,678
As of January 1, 2023	12,004	4,760,494	11,093,555	192,503	16,058,556	37,338,819	53,397,375
Total comprehensive income:							
Loss for the period	-	-	228,936	-	228,936	642,647	871,583
Remeasurements of the net defined benefit plans	-	-	(11,325)	-	(11,325)	(6,347)	(17,672)
Net loss on valuation of financial assets measured at FVOCI	-	-	(9,375)	(200,029)	(209,404)	(27,283)	(236,687)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	41,769	41,769	44,569	86,338
Net gain on valuation of derivative instruments	-	-	-	14,172	14,172	13,847	28,019
Foreign currency translation differences for foreign operations	-	-	-	641,483	641,483	716,633	1,358,116
Transactions with owners:							
Dividends	-	-	(207,290)	-	(207,290)	(881,248)	(1,088,538)
Stock-based payment	-	8,714	-	-	8,714	25,224	33,938
Incineration of treasury stocks	-	74,867	(74,867)	-	-	-	-
Equity transactions within consolidated entities	-	300,570	-	-	300,570	3,620,497	3,921,067
Changes in the scope of consolidation	-	-	-	-	-	629,198	629,198
Others	-	(5,473)	(1,058)	-	(6,531)	406	(6,125)
As of September 30, 2023	12,004	5,139,172	11,018,576	689,898	16,859,650	42,116,962	58,976,612

See accompanying notes to the condensed consolidated interim financial statements.

SK Inc. and its subsidiaries
Condensed consolidated interim statements of cash flows
for the nine-month periods ended September 30, 2023 and 2022
(Korean won in millions and U.S. dollar in thousands)

	Notes	For the nine-month period ended September 30			
		Korean won		Translation into U.S. dollar (Note 2)	
		2023	2022	2023	2022
Cash flows from operating activities:					
Profit for the period		₩ 1,172,106	₩ 6,150,995	\$ 871,583	\$ 4,573,911
Non-cash adjustments	30	10,246,251	9,886,605	7,619,163	7,351,729
Working capital adjustments	30	(516,889)	(7,077,003)	(384,361)	(5,262,495)
Interest received		559,981	247,895	416,405	184,336
Interest paid		(2,368,258)	(1,424,680)	(1,761,048)	(1,059,399)
Dividends received		294,344	491,851	218,876	365,743
Income tax paid		(1,851,478)	(2,158,799)	(1,376,768)	(1,605,294)
Net cash provided by operating activities		7,536,057	6,116,864	5,603,850	4,548,531
Cash flows from investing activities:					
Decrease (increase) in short-term financial instruments, net		461,969	369,287	343,522	274,604
Increase in long-term financial instruments		(59,079)	(345,083)	(43,931)	(256,605)
Decrease in long-term financial instruments		44,845	250,637	33,347	186,375
Decrease (increase) in short-term loans		103,110	(390,282)	76,673	(290,216)
Decrease (increase) in long-term loans		(265,304)	535,056	(197,281)	397,870
Decrease (increase) in short-term investment securities, net		55,007	(616,998)	40,903	(458,803)
Proceeds from disposal of long-term investment securities		258,039	617,857	191,879	459,442
Proceeds from disposal of investments in associates and joint ventures		162,776	343,621	121,041	255,518
Proceeds from disposal of property, plant and equipment		110,402	285,247	82,095	212,111
Proceeds from disposal of intangible assets		52,311	26,677	38,899	19,837
Proceeds from disposal of assets held for sale		554,296	452,934	412,177	336,804
Acquisition of long-term investment securities		(898,638)	(1,278,585)	(668,232)	(950,762)
Acquisition of investments in associates and joint ventures		(559,160)	(1,431,095)	(415,794)	(1,064,169)
Acquisition of property, plant and equipment		(13,285,182)	(9,038,158)	(9,878,928)	(6,720,819)
Acquisition of intangible assets		(295,090)	(349,307)	(219,430)	(259,746)
Increase (decrease) in cash from changes in the scope of consolidation, net		57,433	(2,140,838)	42,707	(1,591,938)
Others, net		(863,236)	(497,690)	(641,907)	(370,085)
Net cash used in investing activities		(14,365,501)	(13,206,720)	(10,682,260)	(9,820,582)
Cash flows from financing activities:					
Increase (decrease) in short-term borrowings, net		102,349	9,050,352	76,107	6,729,887
Increase in bonds and borrowings		15,314,758	8,627,286	11,388,132	6,415,293
Decrease in bonds and borrowings		(10,156,322)	(6,294,451)	(7,552,291)	(4,680,585)
Decrease in long-term other payables		(420,809)	(404,906)	(312,916)	(301,090)
Decrease in lease liabilities		(790,185)	(821,520)	(587,586)	(610,886)
Payment of dividends		(1,496,856)	(1,555,994)	(1,113,070)	(1,157,045)
Cash inflows from consolidated capital transaction		5,837,634	1,972,555	4,340,894	1,466,802
Others, net		156,086	(78,869)	116,066	(58,647)
Net cash provided by financing activities		8,546,655	10,494,453	6,355,336	7,803,729
Net increase in cash and cash equivalents					
Net foreign exchange effects		1,717,211	3,404,597	1,276,926	2,531,678
Cash and cash equivalents included in assets held for sale		84,908	974,860	63,138	724,911
Cash and cash equivalents at the beginning of the period		(7,982)	(13,308)	(5,935)	(9,896)
Cash and cash equivalents at the end of the period		21,393,853	12,317,555	15,908,576	9,159,395
		₩ 23,187,990	₩ 16,683,704	\$ 17,242,705	\$ 12,406,088

See accompanying notes to the condensed consolidated interim financial statements.

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

1. Corporate information

1.1 Parent Company

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

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

As of September 30, 2023, the share capital of the Company amounts to ₩16,143 million (including ₩113 million of preferred shares). Major shareholders and their equity ownership are Tae-won Chey, National Pension Service and Ki-won Choi each holding 17.73%, 6.78% and 6.58% respectively, as of September 30, 2023.

1.2 Consolidated subsidiaries

The Company and its subsidiaries (collectively, the “Group”) are engaged in petroleum refining, telecommunications, wholesale and retail, chemicals, construction and other industries. Subsidiaries whose accounts are included in the consolidated financial statements as of September 30, 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.	34.91%
SK Energy Co., Ltd.	Korea	Crude oil refining and sales	SK Innovation Co., Ltd.	100.00%
Netruck Co., Ltd.	Korea	Gas station operation	SK Energy Co., Ltd.	100.00%
Jeju United FC Corporation	Korea	Sports association sponsoring	SK Energy Co., Ltd.	100.00%
Happy Didim Co., Ltd.	Korea	Service	SK Energy Co., Ltd.	100.00%
Green & Co. Asia Ltd.	Myanmar	Manufacturing	SK Energy Co., Ltd.	80.00%
SK Energy Hong Kong Co., Ltd.	Hong Kong	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Road Investment Co., Ltd.	Cayman	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Road Investment (HK) Co., Ltd.	Hong Kong	Investment	SK Energy Road Investment Co., Ltd.	100.00%
SK Asphalt (Shanghai) Co., Ltd.	China	The sale of asphalt	SK Energy Road Investment (HK) Co., Ltd.	100.00%
goodsFLOW Co., Ltd.	Korea	The information and communication and transportation industry	SK Energy 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.	60.00%
SK Geo Centric International Trading (Shanghai) Co., Ltd.	China	Petrochemicals sales	SK Geo Centric China, Ltd.	100.00%
SK Geo Centric International Trading (Guangzhou) Co., Ltd.	China	Petrochemicals sales	SK Geo Centric China, Ltd.	100.00%
SK GC Americas, Inc.	USA	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Primacor Americas LLC	USA	Petrochemicals manufacture and sales	SK GC Americas, Inc.	100.00%
SK Primacor Europe, S.L.U.	Spain	Petrochemicals manufacture and sales	SK GC Americas, Inc.	100.00%
SK Saran Americas LLC	USA	Petrochemicals manufacture and sales	SK GC Americas, Inc.	100.00%
SK Geo Centric Brazil LTDA	Brazil	Petrochemicals sales	SK GC Americas, Inc.	100.00%
SK Geo Centric Japan Co., Ltd.	Japan	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Geo Centric Singapore Pte. Ltd.	Singapore	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Geo Centric Investment Hong Kong Ltd.	Hong Kong	Investment	SK Geo Centric Co., Ltd.	100.00%
Ningbo SK Performance Rubber Co., Ltd.	China	Manufacturing	SK Geo Centric Investment Hong Kong Ltd.	80.00%
Happymoem Co., Ltd.	Korea	Service	SK Geo Centric Co., Ltd.	100.00%
SK Functional Polymer, S.A.S	France	Petrochemicals manufacture and sales	SK Geo Centric Co., Ltd.	100.00%
Green & Connect Capital, Inc.	USA	Investment	SK Geo Centric Co., Ltd.	100.00%
ONEPOL Co., Ltd.	Korea	Petrochemicals manufacture and sales	SK Geo Centric Co., Ltd.	100.00%
SK Incheon Petrochem Co., Ltd.	Korea	Chemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%
SK Trading International Co., Ltd.	Korea	Trading business	SK Innovation Co., Ltd.	100.00%
SK Energy International Pte. Ltd.	Singapore	Trading business	SK Trading International Co., Ltd.	100.00%
SK Energy Europe, Ltd.	UK	Trading business	SK Energy International Pte. Ltd.	100.00%
SK Energy Americas, Inc.	USA	Trading business	SK Energy International Pte. Ltd.	100.00%
SK Terminal B.V.	Netherlands	Investment	SK Energy International Pte. Ltd.	100.00%
SK Enmove Co., Ltd.	Korea	Lubricants oil manufacturing and sales	SK Innovation Co., Ltd.	60.00%
Yubase Manufacturing Asia Corporation	Korea	Lubricants oil processing	SK Enmove Co., Ltd.	70.00%
SK Enmove (Tianjin) Co., Ltd. (formerly, SK Energy Lubricants (Tianjin) Co., Ltd.)	China	Lubricants oil manufacturing and sales	SK Enmove Co., Ltd.	100.00%
SK Enmove Americas, Inc. (formerly, SK Lubricants Americas, Inc.)	USA	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%
SK Enmove Europe B.V. (formerly, SK Lubricants Europe B.V.)	Netherlands	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%
SK Enmove Japan Co., Ltd. (formerly, SK Lubricants Japan Co., Ltd.)	Japan	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%
SK Enmove India Pvt. Ltd.	India	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%
Iberian Lube Base Oils Company, S.A.	Spain	Lubricants oil manufacturing and sales	SK Enmove Co., Ltd.	70.00%
SK Enmove Russia LLC. (formerly, SK Lubricants Russia LLC)	Russia	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%
SK ie technology Co., Ltd.	Korea	Manufacture of Separators for secondary Cells	SK Innovation Co., Ltd.	61.20%
SK Hi-tech Battery Materials(Jiang Su) Co., Ltd.	China	Manufacture of Separators for secondary Cells	SK ie technology Co., Ltd.	100.00%
SK Hi-tech Battery Materials Poland Sp. Zo.o.	Poland	Manufacture of Separators for secondary Cells	SK ie technology Co., Ltd.	100.00%
SK Innovation Insurance (Bermuda), Ltd.	Bermuda	Insurance	SK Innovation Co., Ltd.	100.00%

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

1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SK USA, Inc.	USA	Management consulting	SK Innovation Co., Ltd.	100.00%
Happy Kium Co., Ltd.	Korea	Service	SK Innovation Co., Ltd.	100.00%
SK On Co., Ltd.	Korea	Lithium battery manufacturing	SK Innovation Co., Ltd.	89.52%
SK On Hungary Kft.	Hungary	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK On(Jiangsu) Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	70.04%
SK On(Yancheng) Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK Battery America, Inc.	USA	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
BlueOval SK, LLC (*2)	USA	Lithium battery manufacturing	SK Battery America, Inc.	50.00%
SK Battery Manufacturing Kft.	Hungary	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK On (Shanghai) Co., Ltd.	China	Lithium battery sales	SK On Co., Ltd.	100.00%
SK Mobile Energy Co., Ltd.	Korea	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
Yancheng Yandu District M Energy Consulting Limited Company	China	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%
Mobile Energy Battery America, LLC	USA	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%
Happy Mideum Co., Ltd.	Korea	Service	SK On Co., Ltd.	100.00%
SK on Certification Center (Jiangsu) Co., Ltd.	China	Lithium cell certification	SK On Co., Ltd.	100.00%
SK Earth On Co., Ltd.	Korea	Oil development	SK Innovation Co., Ltd.	100.00%
SK Innovation America, Inc.	USA	Investment	SK Innovation Co., Ltd.	100.00%
IPC First Securitization Specialty Company (*2)	Korea	Issuance and redemption of floating securities	Person	0.00%
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%
Global AI Platform Corporation	USA	Other(AI)	SK Telecom Americas, Inc.	100.00%
Global AI Platform Corporation Korea Co., Ltd.	Korea	Other(AI)	SK Telecom Americas, Inc.	100.00%
YTK Investment, Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%
Atlas Investment, Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%
SK Telecom Innovation Fund, L.P.	USA	Investment	Atlas Investment, Ltd.	100.00%
SK Telecom China Fund I L.P.	Cayman	Investment	Atlas Investment, Ltd.	100.00%
SK Telecom Japan Inc.	Japan	Management consulting and information gathering	SK Telecom Co., Ltd.	100.00%
SK Planet Japan, K. K.	Japan	Digital contents sourcing and presenting	SK Telecom Japan Inc.	79.78%
Happy Hanool Co., Ltd.	Korea	Service	SK Telecom Co., Ltd.	100.00%
SK MENA Investment B.V.	Netherland	Investment	SK Telecom Co., Ltd.	100.00%
SK Latin Americas Investment S.A.	Spain	Investment	SK Telecom Co., Ltd.	100.00%
Freedom Circle Capital Inc.	USA	Investment	SK Latin Americas Investment S.A.	100.00%
Montague ESG Capital, LLC	USA	Investment	Freedom Circle Capital Inc.	100.00%
SK Technology Innovation Company	Cayman	Research and development	SK Telecom Co., Ltd.	96.88%
Sapeon Inc.	USA	Non-memory and others Electronic Integrated circuit manufacturing	SK Telecom Co., Ltd.	75.01%
SAPEON Korea Inc.	Korea	Non-memory and others Electronic Integrated circuit manufacturing	Sapeon Inc.	100.00%
SK Square Co., Ltd. (*2)	Korea	Investment	SK Inc.	30.01%
Onestore Co., Ltd. (*2)	Korea	Telecommunication service	SK Square Co., Ltd.	47.49%
Rokeu Media Co., Ltd.	Korea	Publication and telemarketing	One store Co., Ltd.	100.00%
Onestore Global Pte. Ltd.	Singapore	Internet Information Mediation Service	One store Co., Ltd.	100.00%
Infra Communications Co., Ltd.	Korea	Service Operation business	One store Co., Ltd.	100.00%
11street Co., Ltd. (*3)	Korea	E-commerce	SK Square Co., Ltd.	98.10%
11street China Co., Ltd.	China	Managing Director Agency Service	11street Co., Ltd.	100.00%
SK Planet Co., Ltd.	Korea	Telecommunication service and system software development and supplying	SK Square Co., Ltd.	86.26%
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. (*2,4)	Korea	Video and audio equipment manufacturing	SK Square Co., Ltd.	51.44%
Iriver Enterprise, Ltd.	Hong Kong	Chinese subsidiary management	Dreamus Company Co., Ltd.	100.00%
Iriver China Co., Ltd.	China	MP3,4 production and sales	Iriver Enterprise, Ltd.	100.00%
Dongguan iriver Electronics Co., Ltd.	China	Electronic book production and sales	Iriver Enterprise, Ltd.	100.00%
Life Design Company Inc.	Japan	Japan goods sales	Dreamus Company Co., Ltd.	100.00%
Studio Dolphin Co., Ltd.	Korea	Publishing	Dreamus Company Co., Ltd.	100.00%
id Quantique SA	Switzerland	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%

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

1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity Ownership (*1)
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%
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%
TGC Square Pte. Ltd.	Singapore	Investment	SK Square Co., Ltd.	100.00%
SK Networks Co., Ltd. (*2)	Korea	Distribution and trading business	SK Inc.	41.20%
SK Networks Service Co., Ltd.	Korea	Equipment repair service	SK Networks Co., Ltd.	86.50%
SK Magic Co., Ltd.	Korea	Household appliances manufacturing, sales and rent	SK Networks Co., Ltd.	100.00%
SK Magic Service Co., Ltd.	Korea	House appliances repair and others	SK Magic Co., Ltd.	100.00%
SK Magic Vietnam Company Limited	Vietnam	Household appliances sales and rent	SK Magic Co., Ltd.	100.00%
SK Magic 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.	91.69%
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. (*5)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks Resources Pty Ltd. (*5)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks (China) Holdings Co., Ltd. (*5)	China	Holding company	SK Networks Co., Ltd.	100.00%
Shenyang SK Bus Terminal Co., Ltd. (*5)	China	Transportation industry	SK Networks (China) Holdings Co., Ltd.	75.00%
SK Networks (Dandong) Energy Co., Ltd. (*5)	China	Petroleum sales	SK Networks (China) Holdings Co., Ltd.	100.00%
Cartini Co., Ltd.	Korea	E-commerce retail business	SK Networks Co., Ltd.	100.00%
SKC Co., Ltd. (*2)	Korea	Petrochemicals manufacturing	SK Inc.	40.64%
Woori Fine Chem Co., Ltd.	Korea	Petrochemicals manufacturing	SKC Co., Ltd.	100.00%
SK Enpulse Co., Ltd.	Korea	Manufacturing and sales of semiconductor parts, materials and others	SKC Co., Ltd.	96.49%
Enpulse Taiwan Co., Ltd. (formerly, Solmics Taiwan Co., Ltd.)	Taiwan	Sales of semiconductor parts, materials and others	SK Enpulse Co., Ltd.	100.00%
Enpulse Shanghai Co., Ltd. (formerly, Solmics Shanghai Co., Ltd.)	China	Sales of semiconductor parts, materials and others	SK Enpulse Co., Ltd.	100.00%
SKC Solmics Hong kong Co., Ltd.	Hong Kong	SPC	SK Enpulse Co., Ltd.	100.00%
SKC Semiconductor Materials (Wuxi) Co., Ltd.	China	Manufacturing and Sales of semiconductor parts,materials and others	SKC Solmics Hong kong Co., Ltd.	100.00%
SKC-ENF Electronic Materials Ltd.	Hong Kong	SPC	SK Enpulse Co., Ltd.	75.10%
SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	China	Manufacturing of synthetic resins	SKC-ENF Electronic Materials Ltd.	100.00%
SE (JIANGSU) Electronic Materials Co., Ltd.	China	Manufacturing of synthetic resins	SKC-ENF Electronic Materials Ltd.	100.00%
Techdream Co., Ltd.	Hong Kong	Semiconductor component	SK Enpulse Co., Ltd.	100.00%
Enpulse America Corporation (formerly, SK Telesys Corp.)	USA	Telecommunication equipment sales	SK Enpulse Co., Ltd.	100.00%
SKC PU Specialty Co., Ltd.	Hong Kong	SPC	SKC Co., Ltd.	100.00%
SKC (Nantong) PU Specialty Co., Ltd.	China	PU Jounce Bumper manufacturing and sales	SKC PU Specialty Co., Ltd.	100.00%
SK PIC Global Co., Ltd.	Korea	PG and PO manufacturing and sales	SKC Co., Ltd.	51.00%
SKCFTH Co., Ltd.	Korea	Manufacturing of battery foil and others	SKC Co., Ltd.	100.00%
SK Nexilis Co., Ltd.	Korea	Manufacturing of battery foil and others	SKCFTH Co., Ltd.	100.00%
Nexilis Management Malaysia Sdn. Bhd.	Malaysia	SPC	SK Nexilis Co., Ltd.	100.00%
SK Nexilis Malaysia Sdn. Bhd.	Malaysia	Manufacturing of battery foil	Nexilis Management Malaysia Sdn. Bhd.	100.00%
SK Nexilis Poland Sp.z o.o.	Poland	Manufacturing of battery foil	SK Nexilis Co., Ltd.	100.00%
NEXILIS MANAGEMENT EUROPE B.V.	Netherlands	SPC	SK Nexilis Co., Ltd.	100.00%
SK TBMGEOSTONE Co., Ltd.	Korea	Manufacturing of biodegradable LIMEX	SKC Co., Ltd.	51.00%
Allnewone Co., Ltd.	Korea	Research and development of waste recycling	SKC Co., Ltd.	100.00%
Ecovance Co., Ltd.	Korea	Manufacturing of biodegradable plastic materials and others	SKC Co., Ltd.	68.10%
SK Pucore Co., Ltd.	Korea	Manufacturing and sales of Polyol	SKC Co., Ltd.	100.00%
Ultimus Co., Ltd.	Korea	Secondary battery material	SKC Co., Ltd.	51.00%
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%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership ('1)
NEX Investment Limited	UK	SPC	SKC Co., Ltd.	80.10%
NEX UK Holdings Limited	UK	SPC	NEX Investment Limited	51.00%
Absolics Inc.	USA	Manufacture of semiconductor glass substrates	SKC Co., Ltd.	70.05%
SK E&S Co., Ltd.	Korea	City gas business and power generation	SK Inc.	90.00%
Kangwon City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Yeongnam Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Ko-one Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Narae Energy Service Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%
Busan City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Jeonbuk Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Chonnam City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Chungcheong Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Paju Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	51.00%
Yeouju Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	100.00%
Sinangju Solar Power Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%
SK E&S Hong Kong Co., Ltd.	Hong Kong	City gas business	SK E&S Co., Ltd., Busan City Gas Co., Ltd.	100.00%
SK E&S Australia Pty. Ltd.	Australia	Resource development	SK E&S Co., Ltd.	100.00%
SK E&S Americas, Inc.	USA	Holding company	SK E&S Co., Ltd.	100.00%
Boryeong BlueHy Co., Ltd.	Korea	Industrial gas manufacturing industry	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	SK E&S Americas, Inc.	100.00%
Passkey, Inc.	USA	New regeneration business	Passkey, Inc.	92.15%
Mobility Solution I Inc.	USA	Holding Company	Mobility Solution I Inc.	100.00%
Mobility Solution II Inc.	USA	Holding Company	Mobility Solution II Inc.	100.00%
EverCharge, Inc.	USA	Software development	EverCharge, 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%
ArkN, LLC	USA	Energy solution	Rnes Holdings, LLC	100.00%
Ark1, LLC	USA	Energy solution	ArkN, LLC	100.00%
Key Capture Energy, LLC	USA	Energy solution	Grid Solution, LLC	98.24%
KCE Global Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE PF Holdings 2021, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE LAND Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 8, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 11, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 12, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 14, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 18, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 19, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 21, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 22, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 26, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 27, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 28, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 29, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 30, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 31, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 32, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 33, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 34, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 35, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 36, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 37, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 38, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 40, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NE 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NE 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CA 7, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NV 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NV 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NV 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 7, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 8, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 9, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 11, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 12, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 13, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 14, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 15, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 16, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 19, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 21, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
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%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
KCE TX 26, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 27, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 28, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 29, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 30, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 31, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 7, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 8, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 9, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 11, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MD 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 7, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MN 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ME 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ME 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 6, 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 OK 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE OK 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IA 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE WI 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MA 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ID 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ID 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ID 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Brushy Creek Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Texas Holdings 2020, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
Roughneck Storage LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Market Operations, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE PF Holdings 2022, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MN 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE AR 1, 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%
Jiangsu Sky New Energy Co., Ltd.	China	Investment	SKEC Nanjing Co., Ltd.	100.00%
SKEC (Thai), Ltd.	Thailand	Construction	SK Ecoplant Co., Ltd.	100.00%
Thai Woo Ree Engineering Co., Ltd.	Thailand	Construction	SKEC (Thai), Ltd.	99.77%
SKEC Anadolu, 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 Ecuador, 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%
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%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
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 INC.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Gyeongsan Clean Water Way Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Dalsung Clean Waterway 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%
Chungchong 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%
RenewOne Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Daewon Hi-Teck Co., Ltd.	Korea	Construction waste collection and transportation	RenewOne Co., Ltd.	100.00%
Emedione Logis Co., Ltd.	Korea	Designated waste collection and transportation	RenewOne Co., Ltd.	100.00%
KS Investment B.V.	Netherlands	Investment	SK Ecoplant Co., Ltd.	72.51%
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%
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%
Changwon SG Energy Co., Ltd	Korea	Power generation	SK Ecoplant Co., Ltd.	65.10%
Clenko Co., Ltd.	Korea	Disposal of waste and others	SK Ecoplant Co., Ltd.	100.00%
Tes-Envirocorp Pte. Ltd.	Singapore	E-waste processing industry	Eco Frontier (Singapore) Pte. Ltd.	97.14%
Tes-Amm (H.K.) Limited	Hong Kong	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes-Amm (Singapore) Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes-Amm Europe Holdings Ltd.	UK	Investment	Tes-Amm (Singapore) Pte. Ltd.	100.00%
Tes Total Environmental Solution Ab	Sweden	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm Italia Srl	Italy	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm UK Ltd	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm Espana Asset Recovery And Recycling, S.L.	Spain	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm SAS	France	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm Central Europe GmbH	Germany	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Vsl Support Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Technology Supplies International Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Goldberg Enterprises Ltd.	UK	E-waste processing industry	Technology Supplies International Ltd.	100.00%
Tes Consumer Solutions Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Integrations Et Services	France	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes-Amm (Europe) Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Redeem UK Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Redeem Holdings Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Custom Controllers UK Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Envirofone Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Cash For Tech Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Stock Must Go Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
TES Netherlands B.V.	Netherlands	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%
Tes China Holdings Pte. Ltd.	Virgin Island	Investment	Tes-Amm (Singapore) Pte. Ltd.	100.00%
Tes-Amm Corporation (China) Ltd.	China	E-waste processing industry	Tes China Holdings Pte. Ltd.	100.00%
Shanghai Tes-Amm Xin New Materials Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%
Tes-Amm (Beijing) Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	80.00%
Tes-Amm (Suzhou) E-Waste Solutions Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%
Tes-Amm (Guangzhou) Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%
Shanghai Tes-Amm Waste Products Recycle Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%
Shanghai Taixiang Network Technology Co., Ltd.	China	E-waste processing industry	Shanghai Tes-Amm Waste Products Recycle Co., Ltd.	100.00%
Tes-Amm Australia Pty Ltd.	Australia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes Sustainable Battery Solutions (Australia) Pty Ltd.	Australia	E-waste processing industry	Tes-Amm Australia Pty Ltd.	100.00%
Tes-Amm New Zealand Limited	New Zealand	E-waste processing industry	Tes-Amm Australia Pty Ltd.	100.00%
Sustainable Product Stewards Pty Ltd.	Australia	E-waste processing industry	Tes-Amm Australia Pty Ltd.	80.00%
Tes-Amm Japan K.K.	Japan	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	80.00%
Advanced Datacom (Australia) Pty Ltd.	Australia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Green Technology Management Pty Ltd.	Australia	E-waste processing industry	Advanced Datacom (Australia) Pty Ltd.	100.00%
Tes-Amm (Malaysia) Sdn. Bhd.	Malaysia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes-Amm (Taiwan) Co., Ltd.	Taiwan	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	70.00%
Total Environmental Solutions Co., Ltd.	Thailand	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	98.00%
Tes-Amm (Cambodia) Co., Ltd.	Cambodia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Pt. Tes-Amm Indonesia	Indonesia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes USA, Inc.	USA	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Genplus Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	60.17%
Tes Energy Solutions Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%
Tes Ess Pte. Ltd.	Singapore	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
Tes B Pte. Ltd.	Singapore	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
Tes Sustainable Battery Solutions B.V.	Netherlands	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
Tes Sustainable Battery Solutions GmbH	Germany	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
TES Sustainable Battery Solutions Limited Liability Company	Hungary	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%
TES Sustainable Battery Solutions Nordics AB	Sweden	Non-designated waste disposal business	Tes Energy Solutions Pte. Ltd.	100.00%
TES SUSTAINABLE BATTERY SOLUTIONS France	France	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	90.00%
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.	37.60%
SAM KANG S&C Co., Ltd.	Korea	Shipbuilding industry	SK oceanplant Co., Ltd.	96.60%
Econovation, LLC	USA	Holding company	SK Ecoplant Co., Ltd.	51.67%
Topsun Co., Ltd. (*2)	Korea	Solar modules, battery manufacturing industry	Person	19.69%
Wind Energy Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
Gold Co., Ltd.	Korea	Renewable energy-related industry	Topsun Co., Ltd.	100.00%
TS Energy 18Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Neujinmok Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Janggam Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Go E Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Chopo Sunlight Co., Ltd.	Korea	A solar power plant	Topsun Co., Ltd.	100.00%
Top Operation	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 24Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 3Ho Co., Ltd.	Korea	Wind power generation	Topsun Co., Ltd.	100.00%
TS Energy 9Ho Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
Hamgumi Sunlight Co., Ltd	Korea	Construction of solar power plant industry	Topsun Co., Ltd.	100.00%
Geom Bawi Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Nickel Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
KUMO ENERGY Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	50.10%
Solar Ocean Co., Ltd	Korea	Solar power	Topsun Co., Ltd.	65.00%
Mungyeong Solar Pam Co., Ltd.	Korea	Solar power generation industry	Topsun Co., Ltd.	100.00%
TS Energy 5Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
TOPSUN2 SOLAR CO.,LTD	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
TS Energy 15Ho Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Eodeumi Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Baekya Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Duryu Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Seongso Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Shinchu Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Soak Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Sangjeong Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Juseok Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
Silver Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
Eneman Energy Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
Cast Iron Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
CBK Energy Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%
Signal Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
TS Energy Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
TS Energy 2Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 6Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
TS Energy 10Ho Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Seosan Top Seon Sunlight Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
TS Energy 17Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 20Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 21Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 29Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
TS Energy 30Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Topsun Kumo Energy Co., Ltd.	Korea	A solar power plant	Topsun Co., Ltd.	100.00%
Sodu Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Gaewha Energy Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%
Dongmae Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Gaedo Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Yangji Pol Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Bongri Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Bunmugol Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%
Mirae Energy Taecheon Co., Ltd.	Korea	Solar power maintenance	Topsun Co., Ltd.	100.00%
Naru Sunlight Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Nari Sunlight Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%
Chopo Energy Co., Ltd.	Korea	Construction	Topsun Co., Ltd.	100.00%
SK ecoengineering Co., Ltd.	Korea	Construction industry and others	SK Ecoplant Co., Ltd.	52.65%
Ecoengineering Canada Ltd..	Canada	Construction	SK ecoengineering Co., Ltd.	100.00%
SK Specialty Co., Ltd.	Korea	Special gas manufacturing and sales	SK Inc.	100.00%
SK Specialty Japan Co., Ltd.	Japan	Special gas sales	SK Specialty Co., Ltd.	95.00%
SK Specialty Taiwan Co., Ltd.	Taiwan	Special gas sales	SK Specialty Co., Ltd.	100.00%
SK Specialty Jiangsu Co., Ltd.	China	Special gas manufacturing and sales	SK Specialty Co., Ltd.	100.00%
SK Specialty (Xian) Co., Ltd.	China	Trading business and warehouse operation	SK Specialty Co., Ltd.	100.00%
SK Specialty(Shanghai) Co., Ltd.	China	Special gas sales	SK Specialty Co., Ltd.	100.00%
Happy Companion Co., Ltd.	Korea	Cleaning and laundry service	SK Specialty Co., Ltd.	100.00%
SK Materials Japan, Inc.	Japan	Investment	SK Specialty Co., Ltd.	100.00%
SK Tri Chem Co., Ltd.	Korea	Manufacturing and sales of precursors and others	SK Inc.	65.00%
SK Resonac Co., Ltd.	Korea	Sales of raw chemical materials and chemical products related to semiconductor	SK Inc.	51.00%
SK Materials Airplus Inc.	Korea	Industrial gas sales	SK Inc.	100.00%
SK Materials Performance Co., Ltd.	Korea	Semiconductor materials manufacturing and selling	SK Inc.	100.00%
SK Materials JNC Co., Ltd.	Korea	Manufacturing of organic light emitting diode material	SK Inc.	51.00%
SK JNC Japan Co., Ltd.	Japan	Manufacturing of organic light emitting diode material	SK Materials JNC Co., Ltd.	100.00%
SK Materials Group14 Co., Ltd.	Korea	Manufacturing	SK Inc.	75.00%
SK Materials Group14 (Shanghai) Co., Ltd.	China	Sales of primary batteries and storage batteries	SK Materials Group14 Co., Ltd.	100.00%
SK Siltron Co., Ltd.	Korea	Silicon wafer for electronic industry manufacturing and sales	SK Inc.	51.00%
SK Siltron America, Inc.	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron Japan, Inc.	Japan	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron Shanghai Co., Ltd.	China	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron USA, Inc.	USA	Investment	SK Siltron Co., Ltd.	100.00%
SK Siltron CSS, LLC	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron USA, Inc.	100.00%
SK Siltron CSS Korea Co., Ltd.	Korea	Wholesale and retail trade	SK Siltron CSS, LLC	100.00%
Happyfilling Co., Ltd.	Korea	Service	SK Siltron Co., Ltd.	100.00%
Teraon Co., Ltd.	Korea	Manufacturing and service	SK Siltron Co., Ltd.	80.40%
SK Biopharmaceuticals Co., Ltd.	Korea	Medicine and life science	SK Inc.	64.02%
SK Life Science, Inc.	USA	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%
SK Bio-Pharma Tech (Shanghai) Co., Ltd.	China	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%
SK Life Science Labs, Inc.(formerly, ProteoVant Sciences, Inc.)	USA	Development of new drugs	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%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (%)
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%
Hua Lei Holdings Pte. Ltd.	Singapore	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%
GigaX Europe kft.	Hungary	IT Service	SK C&C USA, Inc.	100.00%
S&G Technology	Saudi Arabia	Consulting for computer system integration and others	SK Inc.	51.00%
Saturn Agriculture Investment Co., Ltd.	Hong Kong	Investment	SK Inc.	81.00%
SK Investment Management Co., Ltd.	Hong Kong	Investment	SK Inc.	100.00%
SK Mobility Investments Company Limited	Hong Kong	Investment	SK Investment Management Co., Ltd.	100.00%
SK Semiconductor Investments Co., Ltd.	Hong Kong	Investment	SK Investment Management Co., Ltd.	100.00%
Gemini Partners Pte. Ltd.	Singapore	Consulting	SK Inc., SK Innovation Co., Ltd., SK Telecom Co., Ltd. and SK E&S Co., Ltd.	80.00%
Solaris Partners Pte. Ltd.	Singapore	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%
Crest Acquisition LLC	USA	Investment	SK Pharmteco Inc.	100.00%
Center For Breakthrough Medicines Holdings, LLC	USA	Medicine manufacturing	Crest Acquisition LLC	54.62%
Yposkesi, SAS	France	Medicine manufacturing	Crest Acquisition LLC	70.07%
Abrasax Investment Inc.	USA	Investment	SK Pharmteco Inc.	100.00%
Fine Chemicals Holdings Corp.	USA	Investment	Abrasax Investment Inc.	100.00%
AMPAC Fine Chemicals, LLC	USA	Drug medicine	Fine Chemicals Holdings Corp.	100.00%
AMPAC Fine Chemicals Texas, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%
AMPAC Fine Chemicals Virginia, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%
Golden Pearl EV Solutions Limited	Hong Kong	Investment	SK Inc.	100.00%
Socar Mobility Malaysia, Sdn. Bhd.	Malaysia	Car sharing service	SK Inc.	66.27%
Future Mobility Solutions Sdn. Bhd.	Malaysia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%
PT Future Mobility Solutions	Indonesia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%
Einstein Cayman Limited	Cayman	Investment	SK Inc.	100.00%
I Cube Capital Inc.	USA	Investment	SK Inc.	100.00%
I Cube Capital Hong Kong 1. LP Limited	Hong Kong	Investment	I Cube Capital Inc.	100.00%
Tellus Investment Partners, Inc.	USA	Investment	SK Inc.	100.00%
Primerio Protein LLC	USA	Investment	Tellus Investment Partners, Inc.	67.55%
Terra LLC	USA	Investment	Tellus Investment Partners, Inc.	100.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
Terra Investment Partners II, LLC	USA	Investment	Tellus Investment Partners, Inc.	100.00%
Castanea Biosciences Inc.	USA	Investment	SK Inc.	100.00%
SK Forest Co., Ltd.	Korea	Landscaping and planting business	SK Inc.	100.00%
SKF&NHIS TIMOR HOLDINGS Ltd.	Korea	Greenhouse gas (carbon emission rights) sales business and others	SK Forest Co., Ltd.	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%
Clean Industrial REITs Co., Ltd.	Korea	Real estate developing and trading	SK REITs Management Co., Ltd.	80.15%
SK Japan Investment Inc.	Japan	Investment	SK Inc.	100.00%
SK Signet Inc. (*6)	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. (*7)	USA	Electric Vehicle Charging Station Operation	Energy Solution Group, Inc.	9.59%
Skyline Mobility, Inc.	USA	E-Bike battery pack and others	Energy Solution Group, Inc.	100.00%
SK powertech Co., Ltd.	Korea	Semiconductor	SK Inc.	98.59%
Chamaedorea, Inc.	USA	Investment	SK Inc.	100.00%
Areca, Inc.	USA	Investment	SK Inc.	100.00%
Ackerton Partners Co., Ltd.	Korea	IT Service	SK Inc.	100.00%
Evertch Enterprise Co., Ltd.	Korea	Manufacturing	SK Inc.	98.20%
8 Rivers Capital, LLC	USA	Investment	SK Inc.	51.57%
Zero Degrees International, Inc.	USA	Investment	8 Rivers Capital, LLC	100.00%
Zero Degrees Rosella Pty. Ltd.	Australia	R&D	Zero Degrees International, Inc.	100.00%
Zero Degrees Whitetail 1, Ltd.	UK	Investment	Zero Degrees International, Inc.	100.00%
Zero Degrees Whitetail Dev. Ltd.	UK	Investment	Zero Degrees Whitetail 1, Ltd.	100.00%
Zero Degrees Crossbill Dev. Ltd.	UK	Investment	Zero Degrees Whitetail 1, Ltd.	100.00%
Crossbill Clean Energy Ltd.	UK	Renewable industry	Zero Degrees Crossbill Dev. Ltd.	100.00%
8 Rivers Europe Ltd.	UK	Office support services	Zero Degrees International, Inc.	100.00%
Zero Degrees, LLC	USA	Investment	8 Rivers Capital, LLC	100.00%
Meadowlark Company C, LLC	USA	Investment	Zero Degrees, LLC	100.00%
Meadowlark Holdings, LLC	USA	Investment	Zero Degrees, LLC	100.00%
Meadowlark Energy HoldCo, LLC	USA	Investment	Meadowlark Holdings, LLC	100.00%
Meadowlark Energy, LLC	USA	Renewable industry	Meadowlark Energy HoldCo, LLC	100.00%
Coyote Company C, LLC	USA	Investment	Zero Degrees, LLC	100.00%
Coyote Power Holdings, LLC	USA	Investment	Zero Degrees, LLC	100.00%
Coyote Clean Power, LLC	USA	Renewable industry	Zero Degrees, LLC	100.00%
Broadwing Company C, LLC	USA	Investment	Coyote Power Holdings, LLC	100.00%
Broadwing Holdings, LLC	USA	Investment	Zero Degrees, LLC	100.00%
ParkIntuit, LLC	USA	Office support services	8 Rivers Capital, LLC	100.00%
8 Rivers Services, LLC	USA	Office support services	8 Rivers Capital, LLC	100.00%
NPEH, LLC	USA	Investment	8 Rivers Capital, LLC	91.40%
Cormorant Clean Energy, LLC	USA	Renewable industry	8 Rivers Capital, LLC	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 14 other companies are included in the consolidated financial statements as the Group is able to exercise de facto control. The remaining voting rights of SK Innovation Co., Ltd. and 14 other companies are widely dispersed, so it is determined that the Group has voting rights to exercise de facto control.
- (*3) Although the Group's equity interests for common stock in 11Street Co., Ltd. is 98.10%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 80.26%
- (*4) Dreamus Company Co., Ltd. has a 51.44% stake in common shares, but the preferred shares with voting rights are issued, and the share with voting rights is 41.78%.
- (*5) The assets and liabilities of SK Networks Resources Australia (Wyong) Pty Ltd. and 4 other companies are classified as assets and liabilities held for sale (See Note 29).
- (*6) Although the Group's equity interests for common stock in SK Signet Inc. is 0%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 51.49%
- (*7) Atom Power, Inc. has a 9.59% stake in common shares, but the preferred shares with voting rights are issued, and the share with voting rights is 70.13%.

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1.3 Changes in consolidated subsidiaries

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

December 31, 2022	Inclusion	Exclusion	September 30, 2023
572	161	39	694

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

Subsidiaries	Reasons for changes
SK innovation outpost Corporation	Establishment (61 companies)
IPC First Securitization Specialty Company	
Global AI Platform Corporation	
Global AI Platform Corporation Korea Co., Ltd.	
SK Shieldus Hungary Kft	
Korea Security Holdings Co., Ltd.	
TGC Square Pte. Ltd.	
11street China Co., Ltd.	
Ultimus Co., Ltd.	
Boryeong BlueHy Co., Ltd.	
ArkN, LLC	
Ark1, LLC	
KCE NY 30, LLC and 33 others	
Jiangsu Sky New Energy Co., Ltd.	
TES Netherlands B.V.	
Shanghai Tes-Amm Xin New Materials Co., Ltd	
Econovation, LLC	
Chopo Energy Co., Ltd.	
SK Materials Japan, Inc.	
Essencore Pte. Ltd.	
GigaX Europe kft.	
SKF&NHIS TIMOR HOLDINGS Ltd.	
Skyline Mobility, Inc.	
Chamaedorea, Inc.	
Areca, Inc	
Clean Industrial REITs Co., Ltd.	
Ackerton Partners Co., Ltd	
Cormorant Clean Energy, LLC	
Topsun Co., Ltd. and 68 others	Acquisition and others (100 companies)
SK ecoengineering Co., Ltd.	
Ecoengineering Canada Ltd.	
SK Life Science Labs, Inc.	
Center For Breakthrough Medicines Holdings, LLC	
Changwon SG Energy Co., Ltd.	
Clenko. Co., Ltd.	
TES Sustainable Battery Solutions Nordics AB	
Hua Lei Holdings Pte. Ltd.	
Evertch Enterprise Co., Ltd.	
8 Rivers Capital, LLC and 21 others	

SK Inc. and its subsidiaries
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1.3 Changes in consolidated subsidiaries (cont'd)

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

Subsidiaries	Reasons for changes
SK Telesys. Co., Ltd.	Consolidated entities (11 companies)
goodsPOST Co., Ltd.	
SK Materials Renewtech Co., Ltd.	
SK BIOTEK USA, Inc.	
DDS Co., Ltd.	
Saehan Environment Co., Ltd.	
E-MEDI One Co., Ltd.	
City Environment Co., Ltd.	
Green Environment Technology Co., Ltd.	
JA Green Co., Ltd.	
Goseong Holdings Ltd.	
TES-AMM Korea Inc.	
Korea Security Holdings Co., Ltd.	Liquidation (6 companies)
KCE TX 20, LLC	
Tes-Amm Middle East Fze	Disposal (20 companies)
Lotus Fund, L.P.	
8 Rivers Advisors, LLC	
Blue Dragon Energy Co., Limited	
PC Off Corporation	
Saok Solar Co., Ltd.	
Namhae Sunlight Co., Ltd.	
Guldeung Solar Co., Ltd.	
Toptech Energy Co., Ltd.	
T & Dochon Energy Co., Ltd.	
T & Huimang Energy Co., Ltd.	
T & Mirae Energy Co., Ltd.	
Toptech Huimang Energy Co., Ltd.	
Toptech Mirae Energy Co., Ltd.	
Toptech Dochon Energy Co., Ltd.	
Hanvit Energy Co., Ltd.	
Songgo Solar Co., Ltd.	
Hwatae Energy Co., Ltd.	
Yeondo Sunlight Co., Ltd.	
goodsCORE Co., Ltd.	
SK Shieldus Co., Ltd.	
Infosec Information Technology(wuxi) Co., Ltd.	
CAPSTEC Co., Ltd.	
SK Shieldus America, Inc.	
SK Shieldus Hungary Kft	

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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 nine-month period ended September 30, 2023 are as follows (Korean won in millions):

Subsidiaries	Total assets	Total liabilities	Sales	Net income (loss)
SK Innovation Co., Ltd.	₩21,434,071	₩ 3,905,609	₩ 1,359,536	₩ 421,351
SK Energy Co., Ltd.	19,241,673	13,616,172	31,788,035	252,686
SK Geo Centric Co., Ltd.	7,011,321	3,841,147	8,781,504	147,258
SK Geo Centric International Trading (Shanghai) Co., Ltd.	235,905	211,245	1,268,062	599
SK Incheon Petrochem Co., Ltd.	6,205,648	4,753,908	7,425,756	(102,646)
SK Trading International Co., Ltd.	3,085,349	1,746,151	12,763,085	310,368
SK Energy International Pte. Ltd.	4,723,060	3,811,252	26,566,440	76,124
SK Energy Europe, Ltd.	294,218	191,944	3,752,568	6,986
SK Energy Americas, Inc.	756,160	673,290	4,292,620	(15,160)
SK Enmove Co., Ltd.	3,538,412	2,121,790	3,745,445	572,714
SK Enmove Americas, Inc.	530,632	426,706	915,903	14,592
SK Enmove Europe B.V.	338,942	312,719	954,969	4,884
SK ie technology Co., Ltd.	2,418,877	426,738	242,036	(60,642)
SK Hi-tech Battery Materials Poland Sp. Zo.o.	2,153,655	930,495	120,853	22,046
SK On Co., Ltd.	14,444,326	6,413,976	6,921,196	(332,368)
SK On Hungary Kft.	5,989,605	4,016,915	1,315,810	(4,478)
SK On(Jiangsu) Co., Ltd.	2,696,308	1,607,914	2,697,825	55,422
SK Battery America, Inc.	9,351,292	5,412,527	1,616,773	(186,749)
BlueOval SK, LLC	6,967,138	1,155,245	-	(24,679)
SK Battery Manufacturing Kft.	2,076,956	1,937,975	974,063	(336,774)
SK Telecom Co., Ltd.	24,859,494	14,287,025	9,384,930	945,368
SK Broadband Co., Ltd.	6,274,959	3,197,701	3,201,611	172,773
PS&Marketing Corp.	431,966	206,323	963,953	374
SK Square Co., Ltd.	7,730,530	166,317	133,648	404,426
SK Networks Co., Ltd.	5,025,122	3,140,826	4,477,423	14,423
SK Magic Co., Ltd.	1,401,137	953,740	761,247	24,095
SK Rent-a-Car Co., Ltd.	3,515,205	2,978,687	1,070,444	26,172
SKC Co., Ltd.	2,901,837	1,042,004	85,027	52,461
SK E&S Co., Ltd.	10,544,224	4,474,914	905,234	834,610
Ko-one Energy Service Co., Ltd.	655,170	305,871	1,030,827	19,534
Narae Energy Service Co., Ltd.	1,476,596	798,207	819,769	127,611
Busan City Gas Co., Ltd.	958,497	390,816	918,189	442,101
Paju Energy Service Co., Ltd.	1,991,957	1,105,077	1,547,071	268,795
SK E&S Americas, Inc.	4,061,772	7,843	4,609	(230)
Passkey, Inc.	2,665,701	72,058	-	(38,156)
Prism Energy International Pte. Ltd.	1,983,992	1,133,060	2,231,748	242,825
SK Ecoplant Co., Ltd.	9,042,417	6,696,486	3,326,683	56,524
SK ecoengineering Co., Ltd.	861,977	593,267	1,410,366	34,138
SK Specialty Co., Ltd. (*1)	1,338,166	924,459	509,171	59,786
SK Siltron Co., Ltd. (*1)	5,616,732	3,732,808	1,540,468	137,719
SK China Company, Ltd.	3,288,796	50,241	-	43,387
SK South East Asia Investment Pte. Ltd.	3,369,800	546,406	76,331	(33,094)
SK REIT Co., Ltd. (*1)	2,698,046	1,751,403	110,360	34,830

(*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 nine-month period ended September 30, 2023 are as follows (Korean won in millions):

	June 30, 2023						
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.
Percentage of the non-controlling ownership	64.05%	69.66%	69.08%	51.21%	54.74%	10.00%	57.10%
Current assets	₩ 36,495,447	₩ 6,614,589	₩ 2,430,572	₩ 2,740,343	₩ 1,904,070	₩ 4,255,086	₩ 6,176,086
Non-Current assets	43,612,763	23,264,678	16,038,022	6,773,826	4,445,634	14,051,369	8,768,020
Current liabilities	29,704,053	6,526,181	1,104,318	4,286,675	1,585,193	3,741,703	6,608,848
Non-current liabilities	21,256,418	10,981,536	756,344	2,985,766	2,419,898	6,991,178	3,510,916
Net assets	29,147,739	12,371,550	16,607,932	2,241,728	2,344,613	7,573,574	4,824,342
Book value of the non-controlling interests	19,714,247	7,541,356	11,590,079	1,173,380	1,622,046	4,789,524	4,049,794
Sales	57,759,185	13,081,220	(75,758)	6,910,522	1,829,592	8,331,836	6,513,855
Net income (loss)	557,220	958,495	(780,362)	28,648	(182,279)	1,138,381	252,859
Total comprehensive income (loss)	1,388,421	910,560	(725,777)	37,729	(101,149)	1,275,631	252,430
Net income (loss) of the non-controlling interests	452,393	621,458	(574,942)	14,759	(113,906)	359,772	177,794
Total comprehensive income (loss) of the non-controlling interests	984,411	541,318	(537,716)	18,751	(62,186)	393,486	210,504
Net cash flows from operating activities	2,753,964	3,733,320	201,556	515,163	(244,739)	757,768	(846,498)
Net cash flows from investing activities	(6,921,242)	(2,589,522)	303,242	19,103	(427,819)	(868,268)	(611,395)
Net cash flows from financing activities before dividends paid to the non-controlling interests	7,775,834	(1,424,440)	(160,324)	(200,161)	370,493	(28,932)	1,129,656
Dividends paid to the non-controlling interests	(305,485)	(442,575)	(33,024)	(16,110)	(40,053)	(278,257)	(42,179)
Net increase (decrease) in cash and cash equivalents	3,303,071	(723,217)	311,450	317,995	(342,118)	(417,689)	(370,416)

The aforementioned condensed financial information is consolidated financial information of each subsidiary and non-controlling interests include hybrid bonds and redeemable convertible preferred stocks and others.

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 ₩1,344.8 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 nine-month period ended September 30, 2023. Such translations into U.S. dollars should not be construed as representations that the Korean won amounts could be converted into U.S. dollars at that or any other rate.

2.2 Material accounting policy information

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

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

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

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

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

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

2.2 Material accounting policy information (cont'd)

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

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

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

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

2.2.2 New and revised KIFRS issued, but not yet effective

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

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

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

Meanwhile, to facilitate comparison with consolidated financial statements in the current quarter, the consolidated entity reclassified some of the accounting subjects in the consolidated financial statements in the previous quarter. This reclassification does not affect the net income or net asset value reported in the previous quarter.

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 nine-month period ended September 30, 2023, are consistent with those followed in the preparation of consolidated financial statements for the year ended December 31, 2022.

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4. Operating segments

(1) Overview of operating segments

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

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

(2) Details of financial information for each operating segment as of and for the nine-month periods ended September 30, 2023 and 2022 are as follows (Korean won in billions):

	As of and for the nine-month period ended September 30, 2023									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments (*1)	Total
Sales and other operating revenue	₩ 58,136	₩ 13,081	₩ (76)	₩ 6,911	₩ 1,830	₩ 8,332	₩ 6,514	₩ 7,974	₩ (3,741)	₩ 98,961
Internal sales	(455)	(170)	1,374	(804)	(212)	(352)	(10)	(3,112)	3,741	-
Net sales	57,681	12,911	1,298	6,107	1,618	7,980	6,504	4,862	-	98,961
Profit (loss) from continuing operations before income tax expense	985	1,271	(1,901)	50	(227)	1,517	253	577	(1,615)	910
Profit (loss) for the period from continuing operations	557	958	(1,768)	40	(169)	1,138	253	488	(1,293)	204
Total assets	80,108	29,880	18,469	9,514	6,350	18,306	14,944	65,567	(35,462)	207,676
Total liabilities	50,960	17,508	1,860	7,273	4,005	10,733	10,120	27,074	(1,168)	128,365
Depreciation	1,350	2,172	84	588	103	367	96	622	(65)	5,317
Amortization	148	638	36	27	26	17	79	112	(8)	1,075

	As of and for the nine-month period ended September 30, 2022									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments (*1)	Total
Sales and other operating revenue	₩ 58,920	₩ 12,911	₩ 2,816	₩ 7,121	₩ 2,375	₩ 8,368	₩ 4,894	₩ 7,458	₩ (5,890)	₩ 98,973
Internal sales	(551)	(156)	(1,755)	(807)	(304)	(245)	(40)	(2,032)	5,890	-
Net sales	58,369	12,755	1,061	6,314	2,071	8,123	4,854	5,426	-	98,973
Profit (loss) from continuing operations before income tax expense	3,690	1,092	1,169	84	197	1,467	182	1,215	(927)	8,169
Profit (loss) for the period from continuing operations	2,377	724	1,138	57	162	1,169	109	984	(1,245)	5,475
Total assets	67,791	30,530	23,709	9,543	7,751	18,933	13,181	61,321	(33,523)	199,236
Total liabilities	43,796	18,233	5,330	7,068	5,070	10,934	9,555	22,775	(928)	121,833
Depreciation	1,192	2,173	208	619	173	334	76	346	110	5,231
Amortization	125	647	71	21	34	14	45	330	9	1,296

(*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 nine-month periods ended September 30, 2023 and 2022 (Korean won in billions):

	As of and for the nine-month period ended September 30, 2023						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Sales	₩ 118,690	₩ 36,727	₩ 8,694	₩ 9,168	₩ 64	₩ (74,382)	₩ 98,961
and other operating revenue							
Operating profit (loss)	6,851	569	(226)	(281)	16	(2,297)	4,632
Profit (loss) from continuing operations	5,782	597	(273)	(875)	26	(4,347)	910
before income tax expense							
Profit (loss) for the period	4,781	471	(296)	(855)	22	(3,919)	204
Total assets	217,498	28,896	14,334	44,481	2,550	(100,083)	207,676
Total liabilities	108,608	12,113	8,375	12,231	662	(13,624)	128,365

	As of and for the nine-month period ended September 30, 2022						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Sales	₩ 125,371	₩ 37,875	₩ 8,176	₩ 10,170	₩ 397	₩ (83,016)	₩ 98,973
and other operating revenue							
Operating profit (loss)	9,660	772	(121)	(56)	312	(1,924)	8,643
Profit (loss) from continuing operations	9,133	707	(203)	(228)	331	(1,571)	8,169
before income tax expense							
Profit (loss) for the period	6,646	580	(218)	(255)	258	(1,536)	5,475
Total assets	208,828	25,524	10,156	33,444	2,560	(81,276)	199,236
Total liabilities	107,395	9,989	4,882	9,664	629	(10,726)	121,833

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4. Operating segments (cont'd)

(4) Details of financial information by revenue from contracts with customers for the nine-month periods ended September 30, 2023 and 2022 are as follows (Korean won in billions):

	For the nine-month period ended September 30, 2023									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments	Total
1. Sales and other operating revenue	₩ 58,136	₩ 13,081	₩ (76)	₩ 6,911	₩ 1,830	₩ 8,332	₩ 6,514	₩ 7,974	₩ (3,741)	₩ 98,961
2. Revenue from contracts with customers	57,450	13,081	1,648	5,695	1,830	8,329	6,467	7,943	(4,043)	98,400
Categories:										
Service sales	244	11,907	1,007	488	-	2	5,994	3,845	(1,967)	21,520
Finished goods sales	53,406	-	34	130	1,688	3,890	-	3,879	(931)	62,096
Merchandise sales	2,984	756	340	5,066	134	4,255	424	312	(1,077)	13,194
Other sales	816	418	267	11	8	182	49	(93)	(68)	1,590
	<u>57,450</u>	<u>13,081</u>	<u>1,648</u>	<u>5,695</u>	<u>1,830</u>	<u>8,329</u>	<u>6,467</u>	<u>7,943</u>	<u>(4,043)</u>	<u>98,400</u>
Timing of revenue recognition:										
Recognition at a point in time	57,206	1,097	689	5,207	1,830	751	378	4,222	5,500	76,880
Recognition over a period of time	244	11,984	959	488	-	7,578	6,089	3,721	(9,543)	21,520
	<u>57,450</u>	<u>13,081</u>	<u>1,648</u>	<u>5,695</u>	<u>1,830</u>	<u>8,329</u>	<u>6,467</u>	<u>7,943</u>	<u>(4,043)</u>	<u>98,400</u>
3. Revenue from other sources	309	-	(1,724)	1,216	-	3	47	31	302	184
4. Other operation income (*1)	377	-	-	-	-	-	-	-	-	377

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

	For the nine-month period ended September 30, 2022									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments	Total
1. Sales and other operating revenue	₩ 58,920	₩ 12,911	₩ 2,816	₩ 7,121	₩ 2,375	₩ 8,368	₩ 4,894	₩ 7,458	₩ (5,890)	₩ 98,973
2. Revenue from contracts with customers	58,897	12,911	1,628	5,694	2,375	8,362	4,864	6,640	(3,931)	97,440
Categories:										
Service sales	246	11,857	1,285	310	-	-	4,576	2,077	(1,702)	18,649
Finished goods sales	55,490	-	27	263	2,075	3,856	70	3,772	(1,080)	64,473
Merchandise sales	1,566	721	131	5,117	288	4,408	39	738	(1,075)	11,933
Other sales	1,595	333	185	4	12	98	179	53	(74)	2,385
	<u>58,897</u>	<u>12,911</u>	<u>1,628</u>	<u>5,694</u>	<u>2,375</u>	<u>8,362</u>	<u>4,864</u>	<u>6,640</u>	<u>(3,931)</u>	<u>97,440</u>
Timing of revenue recognition:										
Recognition at a point in time	58,651	1,054	343	5,384	2,375	1,423	288	4,563	(2,229)	71,852
Recognition over a period of time	246	11,857	1,285	310	-	6,939	4,576	2,077	(1,702)	25,588
	<u>58,897</u>	<u>12,911</u>	<u>1,628</u>	<u>5,694</u>	<u>2,375</u>	<u>8,362</u>	<u>4,864</u>	<u>6,640</u>	<u>(3,931)</u>	<u>97,440</u>
3. Revenue from other sources	23	-	1,188	1,427	-	6	30	818	(1,959)	1,533

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5. Financial instruments

5.1 Financial assets

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

	September 30, 2023				Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	
Current assets					
Cash and cash equivalents	₩ 5,870,509	₩ -	₩ 17,317,481	₩ -	₩ 23,187,990
Short-term financial instruments	1,289,053	-	2,100,451	-	3,389,504
Trade receivables (*1)	81,652	270,805	13,441,655	-	13,794,112
Other receivables	159,489	-	2,170,538	-	2,330,027
Short-term loans	-	-	244,847	-	244,847
Accrued income	-	-	146,942	-	146,942
Short-term investment securities	178,680	-	45	-	178,725
Guarantee deposits	-	-	566,677	-	566,677
Derivative financial assets	166,719	-	-	163,260	329,979
Lease receivables	-	-	33,195	-	33,195
	<u>7,746,102</u>	<u>270,805</u>	<u>36,021,831</u>	<u>163,260</u>	<u>44,201,998</u>
Non-current assets					
Long-term financial instruments	12,688	-	73,901	-	86,589
Long-term trade receivables	-	-	550,194	-	550,194
Long-term other receivables	131,729	-	656,421	-	788,150
Long-term loans	-	-	643,377	-	643,377
Long-term accrued income	-	-	6,300	-	6,300
Long-term investment securities	2,062,383	6,319,465	950	-	8,382,798
Long-term guarantee deposits	-	-	709,212	-	709,212
Derivative financial assets	930,261	-	-	413,137	1,343,398
Long-term lease receivables	-	-	67,093	-	67,093
	<u>3,137,061</u>	<u>6,319,465</u>	<u>2,707,448</u>	<u>413,137</u>	<u>12,577,111</u>
	<u>₩ 10,883,163</u>	<u>₩ 6,590,270</u>	<u>₩ 38,729,279</u>	<u>₩ 576,397</u>	<u>₩ 56,779,109</u>

(*1) Contract assets (unbilled receivables) amounting to ₩1,154,937 million as of September 30, 2023 are not included in the financial assets.

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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 investment securities	230,576	-	10,045	-	240,621
Short-term loans	-	-	132,368	-	132,368
Accrued income	-	-	117,013	-	117,013
Guarantee deposits	-	-	469,258	-	469,258
Derivative financial assets	210,773	-	-	229,353	440,126
Lease receivables	-	-	27,745	-	27,745
	<u>6,672,621</u>	<u>-</u>	<u>36,389,461</u>	<u>229,353</u>	<u>43,291,435</u>
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 investment securities	1,976,650	5,972,901	946	-	7,950,497
Long-term loans	-	-	408,954	-	408,954
Guarantee deposits	-	-	692,386	-	692,386
Derivative financial assets	852,842	-	-	333,817	1,186,659
Long-term lease receivables	-	-	59,316	-	59,316
	<u>3,024,124</u>	<u>5,972,901</u>	<u>1,978,119</u>	<u>333,817</u>	<u>11,308,961</u>
	<u>₩ 9,696,745</u>	<u>₩ 5,972,901</u>	<u>₩ 38,367,580</u>	<u>₩ 563,170</u>	<u>₩ 54,600,396</u>

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

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5.2 Financial liabilities

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

	September 30, 2023			
	Financial liabilities measured at FVTPL	Other financial liabilities	Financial liabilities designated as hedging instruments	Total
Current liabilities:				
Short-term borrowings	₩ -	₩ 17,736,067	₩ -	₩ 17,736,067
Trade payables	-	14,691,234	-	14,691,234
Other payables	7,636	7,525,894	-	7,533,530
Current portion of long-term debt	-	12,877,904	-	12,877,904
Accrued expenses	-	3,274,088	-	3,274,088
Dividends payable	-	975	-	975
Leasehold deposits received	-	1,067,875	-	1,067,875
Derivative financial liabilities	146,049	-	11,298	157,347
Lease liabilities	-	1,183,538	-	1,183,538
Finance guarantee liabilities	-	8,449	-	8,449
Financial liabilities at fair value through profit or loss	39,479	-	-	39,479
	<u>193,164</u>	<u>58,366,024</u>	<u>11,298</u>	<u>58,570,486</u>
Non-current liabilities:				
Bonds and long-term borrowings	-	48,586,005	-	48,586,005
Long-term other payables	279,380	1,062,334	-	1,341,714
Long-term accrued expenses	-	21,593	-	21,593
Leasehold deposits received	-	416,033	-	416,033
Derivative financial liabilities	1,065,652	-	2,769	1,068,421
Lease liabilities	-	4,187,664	-	4,187,664
Financial guarantee liabilities	-	20,405	-	20,405
Financial liabilities at fair value through profit or loss	90,959	-	-	90,959
	<u>1,435,991</u>	<u>54,294,034</u>	<u>2,769</u>	<u>55,732,794</u>
	<u>₩ 1,629,155</u>	<u>₩ 112,660,058</u>	<u>₩ 14,067</u>	<u>₩ 114,303,280</u>
	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	57,218	-	-	57,218
	<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	91,355	-	-	91,355
	<u>1,109,836</u>	<u>51,687,123</u>	<u>4,558</u>	<u>52,801,517</u>
	<u>₩ 1,411,975</u>	<u>₩ 107,945,265</u>	<u>₩ 47,135</u>	<u>₩ 109,404,375</u>

5.3 Fair values of financial instruments by hierarchy level

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

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

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

	September 30, 2023				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets:					
Financial assets measured at FVTPL	₩ 9,786,183	₩ 444,747	₩ 7,463,468	₩ 1,877,968	₩ 9,786,183
Financial assets measured at FVOCI	6,590,270	3,020,047	-	3,570,223	6,590,270
Derivative financial assets	1,673,377	1,187	878,128	794,062	1,673,377
	<u>₩ 18,049,830</u>	<u>₩ 3,465,981</u>	<u>₩ 8,341,596</u>	<u>₩ 6,242,253</u>	<u>₩ 18,049,830</u>
Financial liabilities:					
Financial liabilities measured at FVTPL	₩ 417,454	₩ -	₩ -	₩ 417,454	₩ 417,454
Derivative financial liabilities	1,225,768	-	111,474	1,114,294	1,225,768
	<u>₩ 1,643,222</u>	<u>₩ -</u>	<u>₩ 111,474</u>	<u>₩ 1,531,748</u>	<u>₩ 1,643,222</u>
	December 31, 2022				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets:					
Financial assets measure at FVTPL	₩ 8,633,130	₩ 430,499	₩ 6,380,535	₩ 1,822,096	₩ 8,633,130
Financial assets measured at FVOCI	5,972,901	2,853,745	-	3,119,156	5,972,901
Derivative financial assets	1,626,785	861	878,318	747,606	1,626,785
	<u>₩ 16,232,816</u>	<u>₩ 3,285,105</u>	<u>₩ 7,258,853</u>	<u>₩ 5,688,858</u>	<u>₩ 16,232,816</u>
Financial liabilities:					
Financial liabilities measured at FVTPL	₩ 432,497	₩ -	₩ -	₩ 432,497	₩ 432,497
Derivative financial liabilities	1,026,613	-	228,490	798,123	1,026,613
	<u>₩ 1,459,110</u>	<u>₩ -</u>	<u>₩ 228,490</u>	<u>₩ 1,230,620</u>	<u>₩ 1,459,110</u>

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6. Trade receivables

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

	September 30, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Trade receivables:				
Trade receivables (*1)	₩ 14,528,130	₩ 593,957	₩ 13,948,905	₩ 548,695
Contract assets (unbilled receivables)	1,154,937	-	1,151,145	-
Loss allowance:				
Trade receivables	(734,018)	(43,763)	(765,518)	(30,994)
	<u>₩ 14,949,049</u>	<u>₩ 550,194</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 September 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	September 30, 2023	December 31, 2022
Contract assets: (*1)		
Construction business	₩ 1,107,262	₩ 988,901
Telecommunication business	132,268	132,221
Others	165,256	241,677
	<u>₩ 1,404,786</u>	<u>₩ 1,362,799</u>
Contract liabilities: (*2)		
Construction business	₩ 1,247,327	₩ 1,201,904
Telecommunication business	219,640	233,922
City gas business	681,763	692,449
Others	810,790	678,426
	<u>₩ 2,959,520</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 September 30, 2023 are as follows (Korean won in millions):

	September 30, 2023				
	Change in estimated construction revenue	Change in estimated cost	Impact on current period profit (loss)	Impact on future period profit	Change in unbilled (overbilled) receivables
SK Ecoplant Co., Ltd. and its subsidiaries	₩ 410,415	₩ 216,589	₩ 92,717	₩ 101,109	₩ 92,717
Others	(2,478)	8,730	(11,161)	(47)	(11,161)
	<u>₩ 407,937</u>	<u>₩ 225,319</u>	<u>₩ 81,556</u>	<u>₩ 101,062</u>	<u>₩ 81,556</u>

Impact on profit (loss) of current and future period has been calculated by the estimated construction costs based on the situations which occurred from the inception of construction contracts to current reporting period and the estimated construction revenue as of September 30, 2023. Estimated construction costs and revenue can be changed in the future period.

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6. Trade receivables (cont'd)

(4) Details of the construction contracts where the contract revenue exceeds 5% of the preceding year's revenue under the percentage-of-completion method as of September 30, 2023 are as follows (Korean won in millions):

Subsidiaries	Project	Contract date	Completion date(*1)	Percentage (%)	Unbilled receivables		Trade receivables (*2)	
					Amount	Impairment	Amount	Loss allowance
SK Ecoplant Co., Ltd.	Goseong green power project	2014.07	2022.01	99.64	₩ -	₩ -	₩ 60,012	₩ -

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

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

7. Inventories

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

	September 30, 2023			December 31, 2022		
	Acquisition cost	Valuation allowance	Book value	Acquisition cost	Valuation allowance	Book value
Merchandise	₩ 1,367,995	₩ (59,928)	₩ 1,308,067	₩ 1,472,655	₩ (41,180)	₩ 1,431,475
Finished goods	5,366,825	(351,446)	5,015,379	4,669,223	(421,219)	4,248,004
Semifinished goods and work in progress	2,294,856	(103,606)	2,191,250	2,156,940	(337,549)	1,819,391
Raw materials and sub-materials	3,363,423	(74,174)	3,289,249	3,809,625	(232,547)	3,577,078
Materials in transit	4,277,010	-	4,277,010	3,791,181	-	3,791,181
Supplies	739,471	(4,415)	735,056	668,966	(3,343)	665,623
Uncompleted contracts	17,026	-	17,026	16,765	-	16,765
Others	14,112	(1,153)	12,959	3,920	(1,153)	2,767
	<u>₩ 17,440,718</u>	<u>₩ (594,722)</u>	<u>₩ 16,845,996</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 September 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	September 30, 2023			Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI (*1)	Financial assets measured at amortized cost	
Equity instruments:				
Marketable equity instruments	₩ 444,747	₩ 3,020,047	₩ -	₩ 3,464,794
Non-marketable equity instruments	154,451	3,299,418	-	3,453,869
	<u>599,198</u>	<u>6,319,465</u>	<u>-</u>	<u>6,918,663</u>
Bond instruments:				
Beneficiary securities and others	1,492,846	-	-	1,492,846
Debt securities	149,019	-	995	150,014
	<u>1,641,865</u>	<u>-</u>	<u>995</u>	<u>1,642,860</u>
	<u>₩ 2,241,063</u>	<u>₩ 6,319,465</u>	<u>₩ 995</u>	<u>₩ 8,561,523</u>
Current investment securities	₩ 178,680	₩ -	₩ 45	₩ 178,725
Non-current investment securities	2,062,383	6,319,465	950	8,382,798
	December 31, 2022			Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI (*1)	Financial assets measured at amortized cost	
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, joint ventures and joint operation

(1) Investments in associates and joint ventures

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

Company	Domicile	Equity ownership (*1)	September 30, 2023		December 31, 2022
			Acquisition cost	Book value	Book value
Associates:					
SK Hynix Inc.	Korea	20.1%	₩ 5,420,310	₩ 12,074,554	₩ 13,876,478
Vingroup Joint Stock Company (*2)	Vietnam	6.1%	957,882	702,565	668,735
BLOOMENERGY CORPORATION (*2)	USA	10.5%	600,664	600,664	-
Eureka Midstream Holdings	USA	40.0%	465,582	574,821	558,039
VCM Services And Trading Development Joint Stock Company (*2)	Vietnam	15.8%	465,019	521,368	495,372
Masan Group Corporation (*2)	Vietnam	9.3%	457,718	403,618	382,546
SK ecoengineering Co., Ltd. (*3)	Korea	-	-	-	508,121
Darwin LNG Pty Ltd.	Australia	25.0%	419,675	495,754	458,916
Center For Breakthrough Medicines Holdings, LLC (*3)	USA	-	-	-	387,739
Shenzhen Londian Wason Holdings Group. Co., Ltd.	China	29.5%	383,369	467,794	468,993
The CrownX Corporation (*2)	Vietnam	4.9%	348,648	416,687	390,667
FR BR Aggregator	USA	39.0%	350,718	159,361	286,327
Huizhou EVE United Energy Co., Ltd.	China	49.0%	344,465	518,380	430,301
TERRAPOWER, LLC (*2)	USA	11.7%	336,200	310,528	154,461
Peru LNG Company, LLC	USA	20.0%	319,287	294,154	291,151
Daehan Oil Pipeline Corporation	Korea	41.0%	311,372	325,942	325,794
NHIP II Bison Holdings, LLC	USA	24.4%	297,511	320,283	301,753
Yemen LNG Company Ltd. (*2,4)	Bermuda	6.9%	252,813	-	-
Canakkale Highway And Bridge	Turkey	25.0%	290,269	373,668	339,811
Korea IT Fund (*5)	Korea	63.3%	242,170	327,661	324,860
SK Life Sciences Labs, Inc. (*3)	USA	-	-	-	205,760
Joyvio (*2)	China	14.0%	213,793	201,637	219,137
Content Wavve Corp	Korea	40.5%	222,161	131,601	139,931
Best Oil Company Ltd.	Myanmar	35.0%	153,024	138,387	135,364
TBM Co., Ltd. (*2)	Japan	13.4%	141,971	113,605	124,336
ENN (Zhoushan) LNG Co., Ltd. (*2)	China	10.0%	133,234	148,535	136,268
8 Rivers Capital LLC (*3)	USA	-	-	-	124,296
XE-PIAN XE-NAMNOY POWER COMPANY LIMITED	Laos	26.0%	89,145	158,421	149,956
Others				<u>2,641,202</u>	<u>2,576,180</u>
				<u>22,421,190</u>	<u>24,461,292</u>
Joint ventures (*6):					
Korea Security Holdings (*7)	Korea	32.0%	894,546	894,546	-
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	China	35.0%	676,332	956,932	965,874
Beijing BESK Technology Co., Ltd.	China	49.0%	247,428	272,961	251,247
Lunar Energy, Inc.	USA	43.5%	181,620	102,578	129,964
ZETA CAYMAN Limited	Cayman	50.0%	179,756	154,177	140,229
Ignis Therapeutics	Cayman	41.0%	177,525	110,886	90,858
Eurasia Tunnel	Turkey	50.0%	174,215	473,327	409,162
Parkingcloud Corp.	Korea	44.5%	160,038	154,574	157,625
Boryeong LNG Terminal Co., Ltd.	Korea	50.0%	133,323	172,554	164,059
SABIC SK Nexlene Company Pte. Ltd.	Singapore	50.0%	112,670	225,881	189,585
Others				<u>557,973</u>	<u>497,110</u>
				<u>4,076,389</u>	<u>2,995,713</u>
				<u>₩26,497,579</u>	<u>₩ 27,457,005</u>

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

- (*1) Equity ownership includes indirect investments held by the consolidated subsidiaries.
- (*2) The Group retains significant influence on the associate despite having less than 20% equity interests.
- (*3) It was consolidated during the period ended September 30, 2023.
- (*4) Impairment losses on investments in associates were fully recognized as there was an indication of impairment prior to the current period.
- (*5) These companies were not included as consolidated subsidiaries as the Group does not have control over more than half of the voting rights by agreements.
- (*6) All joint arrangements that the Group has joint control over are structured by a consolidated entity. The parties that have joint control with respect to the joint agreements hold the rights to the net assets of the agreements and accordingly, they are classified as joint ventures.
- (*7) The subsidiary lost control due to the sale of some of its held shares, and these shares were subsequently reclassified as joint ventures during the period ended September 30, 2023.

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

		For the nine-month period ended September 30, 2023							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other comprehensive income	Dividends received	Others (*1)	Ending balance
Associates	₩	24,461,292	₩ 887,849	₩ (63,756)	₩ (1,916,415)	₩ 78,610	₩ (231,581)	₩ (794,809)	₩ 22,421,190
Joint ventures	₩	2,995,713	₩ 75,009	₩ (49)	₩ 29,501	₩ 59,912	₩ (14,954)	₩ 931,257	₩ 4,076,389
	₩	<u>27,457,005</u>	<u>₩ 962,858</u>	<u>₩ (63,805)</u>	<u>₩ (1,886,914)</u>	<u>₩ 138,522</u>	<u>₩ (246,535)</u>	<u>₩ 136,448</u>	<u>₩ 26,497,579</u>

		For the nine-month period ended September 30, 2022							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other comprehensive income	Dividends received	Others (*1)	Ending balance
Associates	₩	23,039,047	₩ 1,305,206	₩ (383,963)	₩ 1,295,963	₩ 603,330	₩ (405,109)	₩ 1,437,302	₩ 26,891,776
Joint ventures	₩	3,011,398	₩ 219,353	₩ (4,031)	₩ (33,562)	₩ 196,094	₩ (72,067)	₩ (31,188)	₩ 3,285,997
	₩	<u>26,050,445</u>	<u>₩ 1,524,559</u>	<u>₩ (387,994)</u>	<u>₩ 1,262,401</u>	<u>₩ 799,424</u>	<u>₩ (477,176)</u>	<u>₩ 1,406,114</u>	<u>₩ 30,177,773</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 September 30, 2023 are as follows (Korean won in millions):

	Beginning balance	Changes	Ending balance
Korea Consortium Kazakh B.V.	₩ 175,694	₩ -	₩ 175,694
Yemen LNG Company Ltd. and others	92,819	19,613	112,432

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

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

	As of and for the nine-month period ended September 30, 2023						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income (loss)	Total comprehensive income (loss)
Associates:							
SK Hynix Inc.	₩ 30,393,967	₩ 71,655,483	₩ 20,250,122	₩ 26,567,768	₩ 21,460,214	₩ (7,758,097)	₩ (7,484,329)
Vingroup Joint Stock Company	15,386,481	18,113,280	18,527,846	7,384,337	2,592,930	21,889	21,889
BLOOMENERGY CORPORATION	2,388,901	1,268,823	1,114,231	2,077,876	749,356	(187,215)	(193,619)
Eureka Midstream Holdings	44,970	1,165,901	14,009	427,994	115,308	44,286	44,286
VCM Services And Trading Development Joint Stock Company	624,935	387,456	471,665	288,811	798,451	(20,992)	(20,992)
Masan Group Corporation	2,528,199	5,233,097	3,168,449	2,525,257	2,057,654	47,775	47,775
Darwin LNG Pty Ltd.	203,155	161,015	59,512	95,049	432,630	29,954	29,954
Shenzhen Londian	-	2,157,892	-	-	-	24,840	24,840
Wason Holdings Group Co., Ltd.							
The CrownX Corporation	1,936,818	1,154,752	1,109,138	526,836	1,479,109	120,002	120,002
Huizhou EVE United Energy Co., Ltd.	1,129,821	579,757	526,765	103,581	1,305,227	107,433	107,433
TERRAPOWER, LLC	889,331	173,045	90,354	46,896	164	(166,554)	(166,554)
Peru LNG Company, LLC	562,175	2,433,947	264,272	1,258,742	1,498,003	(23,775)	(23,775)
Daehan Oil Pipeline Corporation	106,524	954,638	41,924	260,493	147,895	37,600	37,600
Canakkale Highway And Bridge	359,077	4,247,951	184,581	2,919,856	119,416	82,201	63,839
Korea IT Fund	114,932	402,439	-	-	14,122	3,523	7,841
Joyvio	2,000,797	2,375,911	1,925,380	987,841	2,873,351	31,219	26,229
Content Wavve Corp	130,403	229,954	114,626	227,060	245,952	(79,738)	(79,235)
Best Oil Company Limited	508,496	187,335	445,658	12,599	1,496,002	(17,042)	(17,042)
TBM Co., Ltd.	72,094	52,126	9,083	41,020	29,001	(28,218)	(28,218)
ENN (Zhoushan) LNG Co., Ltd.	143,857	1,124,270	316,918	264,485	204,680	70,343	70,343
XE-PIAN XE-NAMNOY POWER COMPANY LIMITED.	199,852	1,220,941	69,579	849,450	126,940	5,327	5,884
Joint ventures:							
Korea Security Holdings	570,326	5,124,268	495,183	2,443,548	388,501	(2,468)	10,538
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	1,128,627	4,279,011	1,201,086	1,691,078	8,023,451	(102,949)	(102,949)
Beijing BESK Technology Co., Ltd.	532,420	423,143	335,306	49,984	481,706	72,656	38,272
Lunar Energy, Inc.	157,052	164,411	12,773	41,470	663	(25,322)	(25,034)
ZETA CAYMAN Limited	279	308,574	500	-	-	(1,473)	10,389
Ignis Therapeutics	179,807	212,816	2,202	1,011	-	(17,261)	(18,132)
Eurasia Tunnel	243,856	1,684,815	157,614	846,631	11,043	68,106	72,876
Parkingcloud Corp	116,299	73,427	25,848	32,791	53,047	(4,875)	(4,875)
Boryeong LNG Terminal Co., Ltd.	162,735	1,493,598	82,244	1,253,344	189,448	36,672	36,653
SABIC SK Nexlene Company Pte. Ltd.	447,172	507,882	131,692	305,089	963,412	145,312	76,544

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

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

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

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

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

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10. Property, plant and equipment

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Acquisition cost	₩ 97,384,779	₩ 85,931,206
Accumulated depreciation and accumulated impairment loss	<u>(28,023,405)</u>	<u>(26,009,334)</u>
	<u>₩ 69,361,374</u>	<u>₩ 59,921,872</u>

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

	For the nine-month period ended September 30, 2023						Ending balance
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	
Land	₩ 9,316,944	₩ 47,361	₩ 20,461	₩ (30,642)	₩ -	₩ 276,953	₩ 9,631,077
Buildings	6,609,655	10,483	20,877	(4,220)	(222,532)	1,651,686	8,065,949
Structures	1,906,675	13,921	17,643	(836)	(114,434)	355,366	2,178,335
Machinery and equipment	20,873,162	52,311	394,746	(29,590)	(3,189,321)	3,801,066	21,902,374
Vehicles	177,588	122	12,145	(5,484)	(23,180)	8,334	169,525
Operating lease asset	2,387,593	-	866,453	(13,167)	(388,662)	(230,219)	2,621,998
Others	5,280,841	58,767	950,075	(12,812)	(577,246)	(35,859)	5,663,766
Construction-in-progress	13,369,414	178,014	11,570,223	(3,950)	-	(5,985,351)	19,128,350
	<u>₩ 59,921,872</u>	<u>₩ 360,979</u>	<u>₩ 13,852,623</u>	<u>₩ (100,701)</u>	<u>₩ (4,515,375)</u>	<u>₩ (158,024)</u>	<u>₩ 69,361,374</u>

	For the nine-month period ended September 30, 2022						Ending balance
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	
Land	₩ 9,294,248	₩ 290,689	₩ 7,362	₩ (62,391)	₩ -	₩ (160,048)	₩ 9,369,860
Buildings	6,003,660	78,401	22,473	(32,003)	(199,165)	835,299	6,708,665
Structures	1,986,791	62,524	14,692	(2,866)	(108,211)	86,174	2,039,104
Machinery and equipment	20,845,521	81,513	386,565	(100,668)	(3,111,049)	2,973,135	21,075,017
Vehicles	180,594	7,538	6,825	(2,911)	(13,780)	8,007	186,273
Operating lease asset	1,942,319	-	808,464	(17,689)	(336,875)	(140,779)	2,255,440
Others	4,447,472	120,998	1,095,044	(12,437)	(591,564)	147,335	5,206,848
Construction-in-progress	6,693,136	21,310	7,337,248	(17,834)	-	(3,127,348)	10,906,512
	<u>₩ 51,393,741</u>	<u>₩ 662,973</u>	<u>₩ 9,678,673</u>	<u>₩ (248,799)</u>	<u>₩ (4,360,644)</u>	<u>₩ 621,775</u>	<u>₩ 57,747,719</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 September 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Acquisition cost	₩ 8,224,551	₩ 8,112,183
Accumulated depreciation and accumulated impairment losses	<u>(2,957,120)</u>	<u>(2,674,769)</u>
	<u>₩ 5,267,431</u>	<u>₩ 5,437,414</u>

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

	<u>For the nine-month period ended September 30, 2023</u>						
	<u>Beginning balance</u>	<u>Business combination</u>	<u>Increase</u>	<u>Decrease</u>	<u>Depreciation</u>	<u>Others (*1)</u>	<u>Ending balance</u>
Land and buildings	₩ 2,519,406	₩ 303,611	₩ 317,026	₩ (86,651)	₩ (417,282)	₩ 55,424	₩ 2,691,534
Tank	156,403	-	47,619	(174)	(49,714)	2,456	156,590
Ships	1,435,547	-	1,630	-	(105,396)	69,175	1,400,956
Vehicles	946,903	-	86,805	(230,527)	(131,852)	(15,398)	655,931
Others	379,155	84,474	38,554	(11,555)	(75,453)	(52,755)	362,420
	<u>₩ 5,437,414</u>	<u>₩ 388,085</u>	<u>₩ 491,634</u>	<u>₩ (328,907)</u>	<u>₩ (779,697)</u>	<u>₩ 58,902</u>	<u>₩ 5,267,431</u>

	<u>For the nine-month period ended September 30, 2022</u>						
	<u>Beginning balance</u>	<u>Business combination</u>	<u>Increase</u>	<u>Decrease</u>	<u>Depreciation</u>	<u>Others (*1)</u>	<u>Ending balance</u>
Land and buildings	₩ 2,200,309	₩ 10,786	₩ 602,715	₩ (111,433)	₩ (449,452)	₩ 48,943	₩ 2,301,868
Tank	172,618	-	29,452	(64)	(48,017)	3,119	157,108
Ships	1,234,191	-	252,218	-	(86,080)	129,903	1,530,232
Vehicles	1,167,310	36,994	238,087	(205,113)	(203,990)	9,899	1,043,187
Others	259,888	11,257	84,990	(20,504)	(65,917)	55,071	324,785
	<u>₩ 5,034,316</u>	<u>₩ 59,037</u>	<u>₩ 1,207,462</u>	<u>₩ (337,114)</u>	<u>₩ (853,456)</u>	<u>₩ 246,935</u>	<u>₩ 5,357,180</u>

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

(3) Changes in lease liabilities for the nine-month periods ended September 30, 2023 and 2022 are as follows (Korean won in millions):

	<u>For the nine-month period ended September 30, 2023</u>							
	<u>Beginning balance</u>	<u>Business combination</u>	<u>Increase</u>	<u>Interest expenses</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Others (*1)</u>	<u>Ending balance</u>
Lease liabilities	₩ 5,506,447	₩ 378,780	₩ 444,883	₩ 144,512	₩ (934,697)	₩ (81,145)	₩ (87,579)	₩ 5,371,201

	<u>For the nine-month period ended September 30, 2022</u>							
	<u>Beginning balance</u>	<u>Business combination</u>	<u>Increase</u>	<u>Interest expenses</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Others (*1)</u>	<u>Ending balance</u>
Lease liabilities	₩ 5,054,890	₩ 63,393	₩ 1,177,801	₩ 107,804	₩ (929,324)	₩ (69,339)	₩ 108,292	₩ 5,513,517

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

The Group recognized lease payments of ₩173,380 million and ₩185,719 million in relation to short-term lease, ₩8,841 million and ₩8,840 million in relation to leases of low-value assets and ₩111,330 million and ₩146,491 million in relation to variable lease payments in cost of sales and selling and administrative expenses during the nine-month periods ended September 30, 2023 and 2022. The total cash outflow of leases during the period ended is ₩1,228,248 million and ₩1,270,374 million during the nine-month periods ended September 30, 2023 and 2022.

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12. Investment properties

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Acquisition cost	₩ 3,253,979	₩ 2,046,637
Accumulated depreciation and accumulated impairment loss	<u>(214,600)</u>	<u>(180,531)</u>
	<u>₩ 3,039,379</u>	<u>₩ 1,866,106</u>

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

	<u>For the nine-month period ended September 30, 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	₩ 46,340	₩ (23,903)	₩ -	₩ 1,201	₩ 1,144,763
Buildings	739,922	1,141,052	(17,397)	(21,826)	48,290	1,890,041
Structures	5,059	1,093	-	(93)	(1,484)	4,575
	<u>₩ 1,866,106</u>	<u>₩ 1,188,485</u>	<u>₩ (41,300)</u>	<u>₩ (21,919)</u>	<u>₩ 48,007</u>	<u>₩ 3,039,379</u>

	<u>For the nine-month period ended September 30, 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	₩ 305,061	₩ (4,090)	₩ -	₩ 15,273	₩ 860,828
Buildings	417,545	250,528	(2,728)	(17,370)	86,020	733,995
Structures	4,999	5	-	(114)	(226)	4,664
	<u>₩ 967,128</u>	<u>₩ 555,594</u>	<u>₩ (6,818)</u>	<u>₩ (17,484)</u>	<u>₩ 101,067</u>	<u>₩ 1,599,487</u>

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

13. Goodwill

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

	<u>For the nine-month period ended</u>	
	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Beginning balance	₩ 7,475,558	₩ 5,618,511
Business combination(see Note 35)	1,119,786	2,028,069
Transfer (*1)	(1,181,716)	-
Others (*2)	<u>103,260</u>	<u>575,122</u>
Ending balance	<u>₩ 7,516,888</u>	<u>₩ 8,221,702</u>

(*1) As SK Square Co., Ltd., a subsidiary, classified the security business sector as a discontinued operation, it was transferred to assets held for sale, and the sale was completed during the period ended September 30, 2023.

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

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14. Intangible assets

Details of intangible assets for the nine-month periods ended September 30, 2023 and 2022 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2023						
	Beginning balance	Business combination	Acquisitions	Disposals	Amortization	Others (*3)	Ending balance
Development costs	₩ 252,314	₩ 15,540	₩ 30,099	₩ (486)	₩ (54,865)	₩ (771)	₩ 241,831
Facility usage rights	33,351	-	1,266	(11)	(4,079)	(164)	30,363
Industrial property rights	194,812	-	10,790	(14)	(10,113)	8,576	204,051
Frequency usage rights	2,082,434	-	-	-	(358,063)	-	1,724,371
Customer-related assets	2,985,910	-	2,576	(280)	(131,436)	(490,695)	2,366,075
Membership (*1)	353,156	1,152	34,532	(17,010)	-	(5,896)	365,934
Development costs for petroleum resource	1,300,661	-	117,760	-	(61,382)	9,600	1,366,639
Brand-related assets (*1)	2,681,683	-	-	(5,124)	-	(372,491)	2,304,068
Developed technology	876,564	-	-	-	(29,122)	(85,032)	762,410
Others (*2)	1,948,134	4,826	66,218	(13,093)	(425,449)	278,315	1,858,951
	<u>₩ 12,709,019</u>	<u>₩ 21,518</u>	<u>₩ 263,241</u>	<u>₩ (36,018)</u>	<u>₩ (1,074,509)</u>	<u>₩ (658,558)</u>	<u>₩ 11,224,693</u>

	For the nine-month period ended September 30, 2022						
	Beginning balance	Business combination	Acquisitions	Disposals	Amortization	Others (*3)	Ending balance
Development costs	₩ 292,091	₩ -	₩ 37,682	₩ (332)	₩ (58,312)	₩ (4,032)	₩ 267,097
Facility usage rights	51,727	2,239	907	(1)	(5,262)	(10,435)	39,175
Industrial property rights	122,489	-	14,072	(1,848)	(10,378)	(17,577)	106,758
Frequency usage rights	2,559,690	-	-	-	(357,585)	-	2,202,105
Customer-related assets	2,915,524	848	1,540	(179)	(211,593)	87,909	2,794,049
Membership (*1)	308,690	1,577	41,270	(14,332)	-	2,971	340,176
Development costs for petroleum resource	1,134,207	-	131,137	-	(51,389)	71,964	1,285,919
Brand-related assets (*1)	2,634,144	27,243	-	-	-	(19,296)	2,642,091
Developed technology	870,417	131,033	-	-	(126,732)	111,792	986,510
Others (*2)	1,792,911	197,134	113,201	(5,998)	(474,355)	168,586	1,791,479
	<u>₩ 12,681,890</u>	<u>₩ 360,074</u>	<u>₩ 339,809</u>	<u>₩ (22,690)</u>	<u>₩ (1,295,606)</u>	<u>₩ 391,882</u>	<u>₩ 12,455,359</u>

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

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15. Bonds and borrowings

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

	September 30, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Short-term borrowings (*1)	₩ 17,736,067	₩ -	₩ 17,457,297	₩ -
Bonds and long-term borrowings:				
Bonds	8,204,293	29,838,648	8,119,008	27,743,958
Long-term borrowings	4,673,611	18,747,357	3,254,112	17,897,787
	<u>12,877,904</u>	<u>48,586,005</u>	<u>11,373,120</u>	<u>45,641,745</u>
	<u>₩ 30,613,971</u>	<u>₩ 48,586,005</u>	<u>₩ 28,830,417</u>	<u>₩ 45,641,745</u>

(*1) It includes borrowings collateralized for trade receivables of ₩126,038 million and ₩98,947 million as of September 30, 2023 and December 31, 2022, respectively, which were transferred but not derecognized.

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

	September 30, 2023	December 31, 2022
SK Inc.	₩ 7,200,000	₩ 6,915,000
SK Innovation Co., Ltd.	1,050,000	1,293,650
SK Energy Co., Ltd.	3,280,000	3,310,000
SK Geo Centric Co., Ltd.	1,880,000	1,810,000
SK Incheon Petrochem Co., Ltd.	1,817,000	2,037,000
SK Enmove Co., Ltd.	920,000	920,000
SK Battery America, Inc.	1,344,800	1,267,300
SK On Co., Ltd.	1,770,320	700,000
SK Earthon Co., Ltd.	150,000	150,000
IPC First Securitization Specialty Company	180,000	-
SK Telecom Co., Ltd.	6,426,360	7,005,760
SK Broadband Co., Ltd.	1,463,440	1,380,190
SAPEON Inc.	64,550	-
SK Shieldus Co., Ltd.	-	297,823
SK Networks Co., Ltd.	1,210,000	1,110,000
SK Magic Co., Ltd.	543,000	453,000
SK Rent-a-Car Co., Ltd.	925,000	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.	2,200,000	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.	1,594,000	1,550,000
Topsun Co., Ltd.	4,783	-
SK Oceanplant Co., Ltd.	50,000	55,000
SK Specialty Co., Ltd.	580,000	460,000
SK Materials Airplus Incorporated.	40,000	100,000
SK Siltron Co., Ltd.	1,040,000	741,000
Teraon Co., Ltd.	10	10
SK Signet Inc.	-	500
SK REIT Co., Ltd.	788,100	429,000
8 Rivers Capital, LLC	5,043	-
	<u>38,104,906</u>	<u>35,872,633</u>
Less: discount on bonds payable	(61,965)	(9,667)
Less: current portion	<u>(8,204,293)</u>	<u>(8,119,008)</u>
	<u>₩ 29,838,648</u>	<u>₩ 27,743,958</u>

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15. Bonds and borrowings (cont'd)

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

Financial institution	Description	Interest rate (%)	September 30, 2023	December 31, 2022
Korea Development Bank and others	General	0.75 ~ 7.90	₩ 8,036,210	₩ 8,256,466
Korea Development Bank and others	Fund for facility	1.50 ~ 7.33	6,868,067	5,811,463
Standard Chartered Bank and others	Foreign borrowings	1.11 ~ 8.00	6,847,356	5,429,201
Korea Energy Agency (*1)	Fund for mine exploration	0.00 ~ 1.75	73,693	75,416
Korea Development Bank and others	Fund for operation	-	-	19,520
Korea Development Bank and others	Takeover	LIBOR(3M) + 1.60	188,272	177,422
Mizuho Bank and others	Takeover	EURIBOR(3M) + 1.55	228,897	217,543
Kentucky Economic Development Finance Authority (*2)	Redeemable loan	-	302,580	285,143
MD Prime 1 st Co., Ltd. and others	Others	3MCD + 1.80, 4.95	1,007,818	1,007,818
			23,552,893	21,279,992
Less: discount			(131,925)	(128,093)
Less: current portion			(4,673,611)	(3,254,112)
			<u>₩ 18,747,357</u>	<u>₩ 17,897,787</u>

(*1) As of September 30, 2023 and December 31, 2022, the group holds a loan amounting to ₩50,913 million and ₩67,655 million from Korea Energy Agency for the purpose of oil exploration and development in which there is no repayment obligation in case of failure in exploration.

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

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

16. Provisions

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

	For the nine-month period ended September 30, 2023					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for sale warranties	₩ 215,191	₩ 191,488	₩ (58,964)	₩ 347,715	₩ 53,203	₩ 294,512
Provision for service / construction warranties	95,848	18,421	(13,098)	101,171	101,171	-
Provision for restoration	705,171	74,244	(11,688)	767,727	144,094	623,633
Provision for onerous contracts	282,239	20,401	(106,879)	195,761	152,060	43,701
Other provisions	208,575	221,818	(184,306)	246,087	115,787	130,300
	<u>₩ 1,507,024</u>	<u>₩ 526,372</u>	<u>₩ (374,935)</u>	<u>₩ 1,658,461</u>	<u>₩ 566,315</u>	<u>₩ 1,092,146</u>
	For the nine-month period ended September 30, 2022					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for sale warranties	₩ 131,417	₩ 72,618	₩ (14,370)	₩ 189,665	₩ 44,784	₩ 144,881
Provision for service / construction warranties	99,366	14,159	(12,076)	101,449	101,449	-
Provision for restoration	581,157	107,921	(8,443)	680,635	84,413	596,222
Provision for onerous contracts	256,190	17,659	(60,136)	213,713	198,591	15,122
Other provisions	168,371	261,516	(222,240)	207,647	140,780	66,867
	<u>₩ 1,236,501</u>	<u>₩ 473,873</u>	<u>₩ (317,265)</u>	<u>₩ 1,393,109</u>	<u>₩ 570,017</u>	<u>₩ 823,092</u>

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17. Defined benefit liabilities(assets)

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligation	₩ 3,534,547	₩ 3,418,566
Fair value of plan assets	(3,924,187)	(3,908,480)
Defined benefit liability	89,841	170,368
Defined benefit asset (*1)	(479,481)	(660,282)

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

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

	<u>For the nine-month period ended September 30, 2023</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Total</u>
Beginning balance	₩ 3,418,566	₩ (3,908,480)	₩ (489,914)
Business combination	67,840	(82,504)	(14,664)
Provision for pension benefits:			
Current service cost	319,611	-	319,611
Past service cost	(15,014)	-	(15,014)
Net interest expense (income)	129,485	(150,722)	(21,237)
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expenses)	-	9,525	9,525
Actuarial changes arising from changes in financial assumptions and others	17,944	-	17,944
Contributions by employer directly to plan assets	(301)	(73,504)	(73,805)
Benefit paid	(285,031)	273,616	(11,415)
Others	(118,553)	7,882	(110,671)
Ending balance	<u>₩ 3,534,547</u>	<u>₩ (3,924,187)</u>	<u>₩ (389,640)</u>
	<u>For the nine-month period ended September 30, 2022</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Total</u>
Beginning balance	₩ 3,609,349	₩ (3,381,561)	₩ 227,788
Business combination	29,698	(27,223)	2,475
Provision for pension benefits:			
Current service cost	338,215	-	338,215
Past service cost	90	-	90
Net interest expense (income)	79,910	(76,396)	3,514
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expenses)	-	36,458	36,458
Actuarial changes arising from changes in financial assumptions and others	(199,763)	-	(199,763)
Contributions by employer directly to plan assets	-	(108,074)	(108,074)
Benefit paid	(256,641)	254,350	(2,291)
Others	(25,757)	43,750	17,993
Ending balance	<u>₩ 3,575,101</u>	<u>₩ (3,258,696)</u>	<u>₩ 316,405</u>

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18. Other assets and liabilities

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

	September 30, 2023		December 31, 2022
Current assets:			
Short-term loans	₩ 244,847	₩	132,368
Accrued income	146,942		117,013
Advanced payments	2,134,549		1,295,693
Prepaid expenses	2,876,294		2,788,339
Guarantee deposits	566,677		469,258
Derivative financial assets	329,979		440,126
Lease receivables	33,195		27,745
Other contract assets	122,665		150,887
Others	103,578		168,273
	<u>₩ 6,558,726</u>	₩	<u>5,589,702</u>
Non-current assets:			
Long-term prepaid expenses	₩ 1,231,634	₩	1,228,124
Long-term loans	643,377		408,954
Long-term guarantee deposits	709,212		692,386
Derivative financial assets	1,343,398		1,186,659
Long-term lease receivables	67,093		59,316
Other long-term contract assets	42,289		62,654
Others	119,726		218,440
	<u>₩ 4,156,729</u>	₩	<u>3,856,533</u>

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

	September 30, 2023		December 31, 2022
Current liabilities:			
Accrued expenses	₩ 4,453,184	₩	4,821,371
Dividends payable	975		935
Advances received	2,224,351		2,107,997
Unearned revenue	333,143		139,865
Withholdings	1,205,107		1,859,463
Leasehold deposits received	1,067,875		167,538
Income tax payable	792,210		1,239,007
Derivative financial liabilities	157,347		208,194
Lease liabilities	1,183,538		1,286,208
Finance guarantee liabilities	8,449		1,508
Financial liabilities at fair value through profit or loss	39,479		57,218
Other contract liabilities	250,680		269,543
Others	105,293		126,513
	<u>₩ 11,821,631</u>	₩	<u>12,285,360</u>
Non-current liabilities:			
Long-term accrued expenses	₩ 21,593	₩	60,537
Long-term unearned revenue	767,140		839,648
Leasehold deposits received	416,033		432,615
Derivative financial liabilities	1,068,421		818,419
Long-term lease liabilities	4,187,663		4,220,239
Financial guarantee liabilities	20,405		23,400
Financial liabilities at fair value through profit or loss	90,959		91,355
Other long-term contract liabilities	71,327		75,875
Others (*1)	1,056,962		454,038
	<u>₩ 7,700,503</u>	₩	<u>7,016,126</u>

(*1) Includes long-term employee benefit liabilities amounting to ₩128,871 million and ₩137,793 million as of September 30, 2023 and December 31, 2022, respectively.

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19. Derivative financial assets and liabilities

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

	September 30, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Firm contracts	₩ 3,081	₩ (52,017)	₩ (17,832)	₩ (85,378)
Swap contracts	148,903	(106,036)	326,765	(187,723)
Forward contracts	18,049	74,956	(66,554)	39,790
Futures contracts	13,654	-	4,827	-
Options contracts	(11,055)	358,074	(15,274)	601,551
	₩ 172,632	₩ 274,977	₩ 231,932	₩ 368,240
Derivative financial assets	₩ 329,979	₩ 1,343,398	₩ 440,126	₩ 1,186,659
Derivative financial liabilities	(157,347)	(1,068,421)	(208,194)	(818,419)

20. Equity

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

	September 30, 2023	December 31, 2022
Number of shares authorized for issue	400,000,000	400,000,000
Per share (Korean won)	₩ 200	₩ 200
Number of issued shares:		
Ordinary share	73,198,329	74,149,329
Preferred share	566,135	566,135
Share capital:		
Ordinary share	₩ 16,030	₩ 16,030
Preferred share	113	113
	₩ 16,143	₩ 16,143

The Company retired 6,000,000 shares of its treasury share (par value: ₩1,200 million) in 2015 and 951,000 shares of its treasury share (par value: ₩190 million) in the nine-month periods ended September 30, 2023 by reducing retained earnings, which resulted in a difference between total par value of ordinary shares and share capital.

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

	September 30, 2023	December 31, 2022
Additional paid-in capital (*1)	₩ 6,609,167	₩ 6,609,167
Treasury shares (*2)	(1,905,497)	(2,009,083)
Others	2,207,488	1,801,828
	₩ 6,911,158	₩ 6,401,912

(*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 September 30, 2023, treasury shares consist of those acquired to increase the enterprise value and to stabilize share price (6,973,149 ordinary shares) and those acquired from repurchase of shares from dissenting shareholders on business combination and shares arising from odd lot shares (11,023,237 ordinary shares and 1,787 preferred shares) during the year 2015.

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20. Equity (cont'd)

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Legal reserve (*1)	₩ 8,072	₩ 8,072
Voluntary reserve	62,897	62,897
Unappropriated retained earnings	14,746,812	14,847,644
	<u>₩ 14,817,781</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 September 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Net loss on valuation of financial assets measured at FVOCI	₩ (1,217,953)	₩ (948,954)
Equity adjustments arising from investments in equity-accounted investees	158,151	101,980
Net gain on valuation of derivative instruments	80,432	61,374
Foreign currency translation differences for foreign operations	1,907,146	1,044,478
	<u>₩ 927,776</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 nine-month period ended September 30, 2023

(*2) All were exercised during the nine-month period ended September 30, 2023

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

The Group reversed ₩8,590 million of share-option-compensation cost upon the grant of share options above for the nine-month period ended September 30, 2023 (accumulated compensation costs for share options: ₩(-)15,961 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 September 30, 2023, the amount of liabilities recognized in relation to cash-settled share options is ₩8,946 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		3.64%		3.89%		3.89%
Option life		7 years		7 years		7 years
Expected price (Closing price on the preceding day in Korean won)	₩	146,200	₩	146,200	₩	146,200
Expected volatility		25.20%		25.20%		25.20%
Rate of returns		3.42%		3.42%		3.42%
Exercise price (Korean won)	₩	263,950	₩	153,450	₩	153,450
Fair value per share (Korean won)	₩	3	₩	22,587	₩	22,587
		2		1		2
Risk-free interest rate		3.64%		3.89%		3.89%
Option life		6 years		7 years		7 years
Expected price (Closing price on the preceding day in Korean won)	₩	146,200	₩	146,200	₩	146,200
Expected volatility		25.20%		25.20%		25.20%
Rate of returns		3.42%		3.42%		3.42%
Exercise price (Korean won)	₩	108,959	₩	89,204	₩	89,204
Fair value per share (Korean won)	₩	37,462	₩	58,225	₩	58,225

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

	For the nine-month period ended September 30, 2023		For the nine-month period ended September 30, 2022	
	Quantities	Weighted average exercise price	Quantities	Weighted average exercise price
Beginning balance	392,762	₩ 160,508	434,191	₩ 166,785
Exercised	(18,607)	(100,884)	(41,429)	(226,290)
Extinguished	(41,430)	(244,400)	-	-
Ending balance	332,725	₩ 153,397	392,762	₩ 160,508

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 September 30, 2023, the recognized stock compensation costs related to the Stock Grant is ₩275 million.

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

	Current(reversal)	Accumulated	Remaining	Changes in the scope of consolidation	Total
Group of SK Innovation Co., Ltd.	₩ 22,132	₩ 29,665	₩ 58,378	₩ -	₩ 88,043
Group of SK Telecom Co., Ltd.	2,380	157,959	2,053	-	160,012
Group of SK Square Co., Ltd.	21,203	94,418	28,160	(21,150)	101,428
Group of SK Networks Co., Ltd.	(470)	2,436	-	-	2,436
Group of SKC Co., Ltd.	(262)	4,555	(138)	-	4,417
Group of SK Ecoplant Co., Ltd.	2,861	6,548	4,629	-	11,177
Others	1,841	13,016	2,350	-	15,366
	₩ 49,685	₩ 308,597	₩ 95,432	₩ (21,150)	₩ 382,879

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21. Selling and administrative expenses

Details of selling and administrative expenses for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follows (Korean won in millions):

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Salaries	₩ 569,445	₩ 1,741,282	₩ 552,918	₩ 1,494,650
Provision for pension benefits	30,672	89,123	33,130	110,385
Employee welfare benefits	97,539	376,144	90,911	303,167
Travel	37,761	103,866	29,455	70,439
Bad debt expenses(reversal)	18,321	(1,751)	25,639	63,391
Communications	4,356	12,294	3,433	9,365
Utilities	17,177	48,436	11,871	36,591
Taxes and dues	36,457	118,308	29,741	98,452
Supplies	16,572	43,436	16,846	42,829
Rents	49,182	155,110	53,266	143,113
Depreciation	120,079	401,252	151,024	428,453
Amortization	114,893	307,080	95,440	265,648
Repairs	8,674	23,031	4,788	16,264
Insurance	22,471	61,197	19,217	50,457
Advertising	143,156	452,913	152,082	504,709
Research and development	169,386	538,452	176,991	468,625
Education and examination	25,484	63,575	19,912	50,840
Outsourcing technology services	393,777	1,033,938	275,327	753,465
Transport	92,459	265,003	113,509	332,716
Others	120,651	352,862	65,986	203,673
	<u>₩ 2,088,512</u>	<u>₩ 6,185,551</u>	<u>₩ 1,921,486</u>	<u>₩ 5,447,232</u>

22. Finance income and costs

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Financial income:				
Interest income	₩ 216,595	₩ 621,754	₩ 119,253	₩ 275,923
Gain on foreign currency transactions	607,552	2,137,942	1,148,925	2,253,052
Gain on foreign currency translation	8,612	417,555	367,255	776,773
Gain on transactions of derivatives	623,587	1,564,635	743,498	2,697,126
Gain on valuation of derivatives	161,895	396,171	585,630	1,033,703
Others	26,294	138,400	28,783	253,969
	<u>₩ 1,644,535</u>	<u>₩ 5,276,457</u>	<u>₩ 2,993,344</u>	<u>₩ 7,290,546</u>

	September 30, 2023		September 30, 2022	
	Three-month	Nine -month	Three-month	Nine -month
Financial expenses:				
Interest expenses	₩ 825,499	₩ 2,332,824	₩ 530,966	₩ 1,341,567
Loss on foreign currency transactions	559,098	2,323,642	1,252,023	2,547,710
Loss on foreign currency translation	186,286	607,470	978,289	1,759,065
Loss on transactions of derivatives	564,376	1,386,677	695,263	2,838,826
Loss on valuation of derivatives	216,398	345,130	247,481	497,596
Others	65,312	228,083	(114,442)	616,231
	<u>₩ 2,416,969</u>	<u>₩ 7,223,826</u>	<u>₩ 3,589,580</u>	<u>₩ 9,600,995</u>

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23. Other non-operating income and expenses

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Other non-operating income:				
Dividend income	₩ 13,951	₩ 64,786	₩ 13,548	₩ 30,135
Rental income	452	1,454	726	1,400
Gain on disposal of trade receivables	-	-	-	1,043
Gain on disposal of investments in associates and joint ventures	6,506	24,465	9,234	493,313
Gain on disposal of property, plant and equipment	20,819	142,621	10,014	90,117
Gain on disposal of intangible assets	17,807	18,563	1,248	81,564
Others	62,771	691,759	64,430	287,821
	<u>₩ 122,306</u>	<u>₩ 943,648</u>	<u>₩ 99,200</u>	<u>₩ 985,393</u>

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Other non-operating expenses:				
Loss on disposal of trade receivables	₩ 30,857	₩ 89,652	₩ 27,001	₩ 42,729
Loss on impairment of investments in associates	37,588	74,564	-	-
Loss on disposal of property, plant and equipment	5,370	18,835	23,205	39,495
Loss on impairment of property, plant and equipment	2,525	17,576	5,650	10,837
Loss on disposal of intangible assets	752	2,083	1,369	2,612
Loss on impairment of intangible assets	3,921	27,305	737	737
Donations	6,889	55,767	14,025	50,787
Others	165,820	545,144	165,887	264,351
	<u>₩ 253,722</u>	<u>₩ 830,926</u>	<u>₩ 237,874</u>	<u>₩ 411,548</u>

24. The Classification of expenses by nature

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Employee benefits	₩ 2,609,783	₩ 7,158,543	₩ 2,328,822	₩ 6,667,882
Depreciation and amortization	1,954,152	6,369,581	2,202,917	6,509,706
Network connection	168,943	521,325	190,206	569,905
Transport	323,459	821,548	309,567	884,184
Advertising	157,887	463,413	173,341	508,462
Lease payments and rents	126,415	384,556	165,193	435,375
Others	5,542,760	16,240,212	3,838,444	14,890,428
Use of raw materials and purchase of finished goods and merchandise	21,502,048	63,677,903	25,089,020	62,561,855
Changes in finished goods and semi-finished good	(1,023,498)	(1,307,836)	(37,220)	(2,697,832)
	<u>₩ 31,361,949</u>	<u>₩ 94,329,245</u>	<u>₩ 34,260,290</u>	<u>₩ 90,329,965</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 the nine-month periods ended September 30, 2023 and 2022 is 41.23% and 32.02%

26. Earnings per share

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Profit for the period attributable to owners of the Parent Company	₩ 326,689	₩ 307,873	₩ 179,367	₩ 2,200,025
Less: preferred share dividends and residual profit (*1)	3,279	3,109	1,815	21,935
Profit for the period attributable to ordinary share owners of the Parent Company	323,410	304,764	177,552	2,178,090
Weighted-average number of ordinary share outstanding (*2)	<u>56,152,943</u>	<u>55,819,770</u>	<u>56,107,467</u>	<u>56,111,393</u>
Basic earnings per share (In Korean won)	<u>₩ 5,759</u>	<u>₩ 5,460</u>	<u>₩ 3,165</u>	<u>₩ 38,817</u>

(*1) These are considered the rights to get 25% more than the ordinary share dividend rate.

(*2) 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 bases of calculating the weighted-average number of ordinary shares for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follows:

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Weighted-average number of shares outstanding	74,149,329	74,149,329	74,149,329	74,149,329
Weighted-average number of treasury shares	<u>(17,996,386)</u>	<u>(18,329,559)</u>	<u>(18,041,862)</u>	<u>(18,037,936)</u>
Weighted-average number of issued shares outstanding	56,152,943	55,819,770	56,107,467	56,111,393

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26. Earnings per share (cont'd)

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Preferred share dividends and residual profit	₩ 3,279	₩ 3,109	₩ 1,815	₩ 21,935
Weighted-average number of ordinary share outstanding	<u>564,348</u>	<u>564,348</u>	<u>564,348</u>	<u>564,348</u>
Preferred earnings per share (In Korean won) (*1)	<u>₩ 5,809</u>	<u>₩ 5,510</u>	<u>₩ 3,215</u>	<u>₩ 38,867</u>

(*1) Earnings per share were calculated for preferred stocks that meet the definition of common stocks in K-IFRS No. 1033 Profits per Share, such as no preferential rights to dividends and distribution of residual property.

Preferred shares, on the other hand, have no potential equity instruments, so their basic earnings per share and diluted earnings per share are the same.

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Profit for the period attributable to ordinary share owners of the parent	₩ 323,410	₩ 304,764	₩ 177,552	₩ 2,178,090
Cash settlement type share options molecular adjustment	690	6,321	7,502	5,378
Profit for the period used to calculate diluted earning per share attributable to ordinary share owners of the parent	322,720	298,443	170,050	2,172,712
Weighted-average number of diluted ordinary share outstanding	<u>56,181,102</u>	<u>55,872,652</u>	<u>56,212,505</u>	<u>56,228,555</u>
Diluted earnings per share (In Korean won)	<u>₩ 5,744</u>	<u>₩ 5,341</u>	<u>₩ 3,025</u>	<u>₩ 38,641</u>

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Weighted-average number of shares outstanding	56,152,943	55,819,770	56,107,467	56,111,393
Effect of exercise of stock option	<u>28,159</u>	<u>52,882</u>	<u>105,038</u>	<u>117,162</u>
Weighted-average number of diluted ordinary shares outstanding	56,181,102	55,872,652	56,212,505	56,228,555

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26. Earnings per share (cont'd)

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

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Profit for the period attributable to owners of the Parent Company	₩ 323,410	₩ 304,764	₩ 177,552	₩ 2,178,090
Less: profit (loss) from discontinued operations	278,122	293,245	(9,621)	283,468
Profit for the period from continuing operations attributable to ordinary share owners of the Parent Company	45,288	11,519	187,173	1,894,622
Weighted-average number of ordinary shares outstanding	<u>56,152,943</u>	<u>55,819,770</u>	<u>56,107,467</u>	<u>56,111,393</u>
Basic earnings per share from continuing operations (In Korean won)	<u>₩ 807</u>	<u>₩ 206</u>	<u>₩ 3,336</u>	<u>₩ 33,765</u>

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Preferred share dividends and residual profit	₩ 3,279	₩ 3,109	₩ 1,815	₩ 21,935
Less: profit (loss) from discontinued operations	2,823	2,993	(97)	2,880
Profit for the period from continuing operations attributable to preferred share owners of the Parent Company	456	116	1,912	19,055
Weighted-average number of preferred shares outstanding	<u>564,348</u>	<u>564,348</u>	<u>564,348</u>	<u>564,348</u>
Basic earnings per share from continuing operations (In Korean won) (*1)	<u>₩ 807</u>	<u>₩ 206</u>	<u>₩ 3,386</u>	<u>₩ 33,765</u>

(*1) Earnings per share were calculated for preferred stocks that meet the definition of common stocks in K-IFRS No. 1033 Profits per Share, such as no preferential rights to dividends and distribution of residual property.

Preferred shares, on the other hand, have no potential equity instruments, so their basic earnings per share and diluted earnings per share are the same.

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26. Earnings per share (cont'd)

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Profit for the period from continuing operations attributable to owners of the Parent Company	₩ 45,288	₩ 11,519	₩ 187,173	₩ 1,894,622
Cash settlement type share options molecular adjustment	690	6,321	7,502	5,378
Profit for the period from continuing operations used to calculate diluted earning per share attributable to ordinary share owner's of the parent	44,598	5,198	179,671	1,889,244
Weighted-average number of diluted ordinary shares outstanding	<u>56,181,102</u>	<u>55,872,652</u>	<u>56,212,505</u>	<u>56,228,555</u>
Diluted earnings per share from continuing operations (In Korean won)	<u>₩ 794</u>	<u>₩ 93</u>	<u>₩ 3,196</u>	<u>₩ 33,599</u>

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

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Profit(loss) from discontinued operations attributable to share owners of the parent company	₩ 278,122	₩ 293,245	₩ (9,621)	₩ 283,468
Weighted-average number of ordinary shares outstanding	<u>56,152,943</u>	<u>55,819,770</u>	<u>56,107,467</u>	<u>56,111,393</u>
Basic earnings (losses) per share from discontinued operations (In Korean won)	<u>₩ 4,953</u>	<u>₩ 5,253</u>	<u>₩ (171)</u>	<u>₩ 5,052</u>

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26. Earnings per share (cont'd)

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Profit(loss) from discontinued operations attributable to share owners of the parent company	₩ 2,823	₩ 2,993	₩ (97)	₩ 2,880
Weighted-average number of ordinary shares outstanding	<u>564,348</u>	<u>564,348</u>	<u>564,348</u>	<u>564,348</u>
Basic earnings (losses) per share from discontinued operations (In Korean won) (*1)	<u>₩ 5,003</u>	<u>₩ 5,303</u>	<u>₩ (171)</u>	<u>₩ 5,102</u>

(*1) Earnings per share were calculated for preferred stocks that meet the definition of common stocks in K-IFRS No. 1033 Profits per Share, such as no preferential rights to dividends and distribution of residual property.

Preferred shares, on the other hand, have no potential equity instruments, so their basic earnings per share and diluted earnings per share are the same.

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

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Profit(loss) from discontinued operations attributable to share owners of the parent company	₩ 278,122	₩ 293,245	₩ (9,621)	₩ 283,468
Weighted-average number of diluted ordinary shares outstanding	<u>56,181,102</u>	<u>55,872,652</u>	<u>56,212,505</u>	<u>56,228,555</u>
Diluted earnings (losses) per share from discontinued operations (In Korean won)	<u>₩ 4,950</u>	<u>₩ 5,248</u>	<u>₩ (171)</u>	<u>₩ 5,041</u>

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27. Transactions with related parties

Balances on transactions arising from intercompany transactions within the Group were eliminated in preparing the condensed consolidated interim financial statements as of and for the nine-month periods ended September 30, 2023 and 2022.

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

		September 30, 2023			
		Sales and others		Expenses and others	
	Company name	Three-month	Nine-month	Three-month	Nine-month
Other related parties	Daehan Oil Pipeline Corporation	₩ 258	₩ 16,372	₩ 17,867	₩ 52,997
	SABIC SK Nexlene Company Pte. Ltd.	176	557	85,341	233,152
	Korea Nexlene Company	52,625	155,234	19	89
	Best Oil Company Limited	157,344	892,934	-	3
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	312	933	198,747	529,271
	Baic Eletronics SK(Jiangsu) Technology Co., Ltd.	8,433	30,773	259,697	771,399
	ChangZhou BTR New Material Technology Co., Ltd.	200,815	571,556	279,883	732,175
	Xinglu (HongKong) Ltd.	24,429	152,666	-	-
	Huizhou EVE United Energy Co., Ltd.	29,848	74,284	274,829	1,112,086
	Peru LNG Company LLC	25,352	211,456	-	-
	Asia Bitumen Trading Pte. Ltd.	6,229	12,904	2,980	16,856
	Ignis Therapeutics	3,236	8,932	-	-
	F&U Credit Information Co., Ltd.	855	2,515	11,620	38,258
	SK Hynix Inc.	566,300	1,743,177	1,126,276	1,190,713
	SK Hynix Semiconductor (China) Ltd.	45,429	158,005	238	776
	SK Hynix Semiconductor (Chongqing) Ltd.	6,391	17,627	-	-
	SK Hynix Semiconductor HK Ltd.	-	4	123,516	448,256
	SK Hynix System IC Co., Ltd.	347	2,763	-	-
	Happynarae Co., Ltd.	7,224	13,211	105,010	269,311
	SKC Evonik Peroxide Korea Co., Ltd.	5	1,162	9,082	18,160
	Boryeong LNG Terminal Co., Ltd.	29	10,090	30,848	93,046
	Darwin LNG Pty Ltd.	6,248	40,976	-	-
	Eurasia Tunnel	942	2,753	-	-
	Xe-Pian Xe-Namnoy Power Company	865	2,495	-	-
	Bloom SK Fuel Cell, LLC	225	872	25,101	26,170
	Yongin Ilban Industry Danji Co., Ltd.	81,045	165,386	-	-
	Godeok Clean Energy Co., Ltd.	11,478	88,079	363	363
	Chuncheon Green Energy Inc.	16,292	30,157	-	-
	Others	150,587	553,711	178,785	413,128
	Others (*1)	SK D&D Co., Ltd.	1,864	4,513	301
Ulsan Aromatics Co., Ltd.		144,643	201,063	22,370	79,968
SK Chemicals Co., Ltd.		8,623	31,677	3,762	9,534
SK Gas Co., Ltd.		37,745	180,377	25,599	234,431
SK Shieldus Co., Ltd.		122,971	122,971	416,015	416,015
Ubins Co., Ltd.		218	571	23,048	57,037
Others		24,102	64,169	41,972	122,131
		<u>₩ 1,743,485</u>	<u>₩ 5,566,925</u>	<u>₩ 3,263,269</u>	<u>₩ 6,866,325</u>

(*1) Although, not designated as related parties as defined in K-IFRS No. 1024, the entity belongs to the same conglomerate affiliates under *Monopoly Regulation and Fair Trade Act*.

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27. Transactions with related parties (cont'd)

		September 30, 2022			
		Sales and others		Expenses and others	
Company name		Three-month	Nine-month	Three-month	Nine-month
Other related parties	Daehan Oil Pipeline Corporation	₩ 617	₩ 10,968	₩ 16,169	₩ 49,184
	SABIC SK Nexlene Company Pte. Ltd.	97	537	77,797	230,499
	Korea Nexlene Company	61,409	190,862	3	71
	Best Oil Company Limited	66,222	651,472	1	33
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	320	64,336	182,127	586,385
	Baic Eletronics SK(Jiangsu) Technology Co., Ltd.	18,069	46,134	249,988	473,822
	Xinglu (HongKong) Ltd.	33,163	135,934	-	-
	Huizhou EVE United Energy Co., Ltd.	29,259	101,167	289,726	693,394
	Peru LNG Company LLC	108,309	461,693	-	-
	Asia Bitumen Trading Pte. Ltd.	3,682	11,186	7,504	28,053
	Ignis Therapeutics	4,279	8,574	-	-
	F&U Credit Information Co., Ltd.	793	2,635	12,665	38,197
	SK Hynix Inc.	1,248,690	3,371,674	499,512	522,242
	SK Hynix Semiconductor (China) Ltd.	114,108	336,118	258	897
	SK Hynix Semiconductor (Chongqing) Ltd.	10,674	30,246	-	-
	SK Hynix Semiconductor HK Ltd.	-	1	185,127	503,927
	SK Hynix System IC Co., Ltd.	795	11,227	-	-
	Happyrae Co., Ltd.	3,720	11,083	96,931	285,745
	SKC Evonik Peroxide Korea Co., Ltd.	5	1,118	11,544	43,052
	Boryeong LNG Terminal Co., Ltd.	23,603	75,672	51,310	161,019
	Darwin LNG Pty Ltd.	172,266	404,960	-	-
	Eurasia Tunnel	481	1,905	-	-
	Xe-Pian Xe-Namnoy Power Company	298	12,699	-	-
	Daewon Green Energy Co., Ltd.	6,321	22,088	-	-
	Bloom SK Fuel Cell, LLC	34	34	7,295	20,060
	Yongin Ilban Industry Danji Co., Ltd.	15,179	23,846	-	-
	Godeok Clean Energy Co., Ltd.	1,227	3,847	-	-
Chuncheon Green Energy Inc.	4	7	137	137	
Others	318,747	658,128	767,802	1,776,223	
Others (*1)	SK D&D Co., Ltd.	1,073	3,200	345	835
	Ulsan Aromatics Co., Ltd.	30,953	73,915	29,319	75,931
	SK Chemicals Co., Ltd.	13,728	55,237	5,558	13,342
	SK Gas Co., Ltd.	154,254	310,374	91,450	292,294
	Ubins Co., Ltd.	104	519	19,133	52,145
	Others	43,673	87,675	19,287	52,816
		<u>₩ 2,486,156</u>	<u>₩ 7,181,071</u>	<u>₩ 2,620,988</u>	<u>₩ 5,900,303</u>

(*1) Although, not designated as related parties as defined in K-IFRS No. 1024, the entity belongs to the same conglomerate affiliates under *Monopoly Regulation and Fair Trade Act*.

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27. Transactions with related parties (cont'd)

(2) Details of significant outstanding balances of receivables and payables with the related parties as of September 30, 2023 and December 31, 2022 are as follows (Korean won in millions):

	Company name	September 30, 2023		December 31, 2022	
		Receivables		Receivables	
		(*1)	Payables	(*1)	Payables
Other related parties	Daehan Oil Pipeline Corporation	₩ 346	₩ 2,576	₩ 110	₩ 10,029
	SABIC SK Nexlene Company Pte. Ltd.	1,950	58,057	348	46,818
	Korea Nexlene Company	21,915	217	26,361	268
	Best Oil Company Limited	135,595	16,064	204,549	49,856
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	329	17,943	-	8,042
	Baic Electronics SK(Jiangsu) Technology Co., Ltd.	12,497	274,879	18,858	146,986
	ChangZhou BTR New Material Technology Co., Ltd.	145,380	217,244	86,563	229,826
	Yemen LNG Company Ltd.	87,046	-	71,883	-
	Xinglu (HongKong) Ltd.	25,045	-	38,162	-
	Huizhou EVE United Energy Co., Ltd.	49,312	302,884	36,111	408,582
	Peru LNG Company LLC	-	-	8,579	-
	Asia Bitumen Trading Pte. Ltd.	6,463	-	-	-
	Ignis Therapeutics	191	18,557	12	33,142
	Korea Consortium Kazakh B.V. (*2)	126,505	-	119,215	-
	F&U Credit Information Co., Ltd.	202	4,813	81	5,682
	Wave City Development Co., Ltd.	2,355	-	2,355	-
	SK Hynix Inc.	410,614	225,524	1,781,976	84,075
	SK Hynix Semiconductor (China) Ltd.	41,412	261	44,823	280
	SK Hynix Semiconductor (Chongqing) Ltd.	3,328	33	3,659	30
	SK Hynix Semiconductor HK Ltd.	-	23,735	2	30,587
	SK Hynix System IC Co., Ltd.	28	16	181	13
	Happynarae Co., Ltd.	936	22,496	12,420	61,828
	SKC Evonik Peroxide Korea Co., Ltd.	2	3,611	2	4,450
	Boryeong LNG Terminal Co., Ltd.	9	40	4,139	15
	Darwin LNG Pty Ltd.	39,611	-	42,802	-
	Eurasia Tunnel	31,376	-	28,786	-
	Xe-Pian Xe-Namnoy Power Company	99,321	-	95,889	-
	Yongin Iiban Industry Danji Co., Ltd.	1,155	116,095	1,100	188,573
	Bloom SK Fuel Cell, LLC	2,118	27,542	-	5,317
	SK E&C JURONG Investment Singapore Pte. Ltd.	74,375	-	74,375	-
	Godeok Clean Energy Co., Ltd.	-	450	-	62,136
	Chuncheon Green Energy Inc.	-	-	2	-
	Others	183,372	143,367	150,272	414,080
Others (*3)	SK D&D Co., Ltd.	499	277	-	-
	Ulsan Aromatics Co., Ltd.	4,967	7,697	-	13,435
	SK Chemicals Co., Ltd.	5,000	1,265	5,066	872
	SK Gas Co., Ltd.	11,333	137,846	7,986	244,960
	SK Shieldus Co., Ltd.	33,398	369,251	-	-
	Ubins Co., Ltd.	85	6,657	26	21,190
	Others	14,793	21,879	16,266	20,640
		<u>₩ 1,572,863</u>	<u>₩ 2,021,276</u>	<u>₩ 2,882,959</u>	<u>₩ 2,091,712</u>

(*1) The Group recognized bad debt expense amounting to ₩1,134 million for the nine-month period ended September 30, 2023 and ₩451 million for the nine-month period ended September 30, 2022. The Group recognized the written-off and other amounting to ₩(72,273) million for the nine-month period ended September 30, 2022. The Group recognized the allowance for doubtful accounts amounting to ₩262,451 million and ₩261,317 million as of September 30, 2023 and December 31, 2022, respectively.

(*2) As of September 30, 2023 and December 31, 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 nine-month periods ended September 30, 2023 and 2022 are as follows (Korean won in millions):

Company	Currency	For the nine-month period ended		For the nine-month period ended	
		September 30, 2023		September 30, 2022	
		Loans	Collection	Loans	Collection
Yemen LNG Company Ltd.	KRW	10,366	-	4,716	-
Xe-Pian Xe-Namnoy Power Company	KRW	-	-	11,990	-
Bloom SK Fuel Cell, LLC	KRW	2,000	-	-	-
Gray Whale Offshore Wind Power No.1 Co., Ltd.	KRW	1,270	-	-	-
Gray Whale Offshore Wind Power No.2 Co., Ltd.	KRW	1,168	-	-	-
Gray Whale Offshore Wind Power No.3 Co., Ltd.	KRW	2,559	-	-	-
Komundo Offshore Wind Power Co., Ltd.	KRW	900	-	-	-
Maenggoldo Offshore Wind Power Co., Ltd.	KRW	1,050	-	-	-
KC MT Co., Ltd.	KRW	14,320	-	-	-
TIEN GIANG WIND POWER JOINT STOCK COMPANY	KRW	18,584	-	-	-
Darwin LNG Pty Ltd.	KRW	32,009	-	-	-

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

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

Key management personnel consists of registered executives who are responsible for the planning, operation and control of the Company's business activities. Details of compensation for them for the nine-month periods ended September 30, 2023 and 2022 are as follows (Korean won in millions):

	September 30, 2023		September 30, 2022	
	Three-month	Nine-month	Three-month	Nine-month
Salaries	₩ 5,067	₩ 13,907	₩ 2,348	₩ 12,778
Provision for pension benefits	1,071	3,307	741	9,182
Share compensation expense	(938)	(8,315)	(10,192)	(7,303)
	<u>₩ 5,200</u>	<u>₩ 8,899</u>	<u>₩ (7,103)</u>	<u>₩ 14,657</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. The profits and losses of the spun-off business segment were shown as discontinued operations.

SK Square Co., Ltd., a subsidiary, sold all of the common shares of SK Shieldus Co., Ltd. during the nine-month period ended September 30, 2023.

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

	For the nine-month period ended September 30, 2023			
	Resource business and others in SK Networks Co., Ltd.	Industrial materials business and others in SKC Co., Ltd.	Security business in SK Square Co., Ltd.	Total
Revenue	₩ 4,126	₩ -	₩ 2,027,798	₩ 2,031,924
Expenses	18,401	7,741	921,525	947,667
Profit (loss) before income tax expense	(14,275)	(7,741)	1,106,273	1,084,257
Income tax expense (benefit)	(2,569)	-	118,445	115,876
Profit (loss) for the period from discontinued operations	₩ (11,706)	₩ (7,741)	₩ 987,828	₩ 968,381
Attributable to:				
Owners of the Parent Company	₩ (5,712)	₩ (3,503)	₩ 305,453	₩ 296,238
Non-controlling interests	(5,994)	(4,238)	682,375	672,143

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28. Discontinued operations (cont'd)

	For the nine-month period ended September 30, 2022					Total
	Resource business and others in SK Networks Co., Ltd.	Industrial materials business and others in SKC Co., Ltd.	K-Solution Business Group and others in SK Ecoplant Co., Ltd.	Security business in SK Square Co., Ltd.		
Revenue	₩ 47,121	₩ 976,526	₩ 1,061,522	₩ 1,283,589	₩	3,368,758
Expenses	35,238	942,895	267,726	1,243,612		2,489,471
Profit (loss) before	11,883	33,631	793,796	39,977		879,287
Income tax expense						
Income tax expense (benefit)	5,446	(4,522)	191,806	10,522		203,252
Profit for the period from discontinued operations	₩ 6,437	₩ 38,153	₩ 601,990	₩ 29,455	₩	676,035
Attributable to:						
Owners of the Parent Company	₩ 2,859	₩ 16,366	₩ 258,277	₩ 8,845	₩	286,347
Non-controlling interests	3,578	21,787	343,713	20,610		389,688

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

	For the nine-month period ended September 30, 2023					Total
	Resource business and others in SK Networks Co., Ltd.	Industrial materials business and others in SKC Co., Ltd.	K-Solution Business Group and others in SK Ecoplant Co., Ltd.	Security business in SK Square Co., Ltd.		
Cash flows from operating activities	₩ 2,533	₩ (121)	₩ 140,649	₩	₩	143,061
Cash flows from investing activities	8,467	(7,620)	161,601			162,448
Cash flows from financing activities	(10,837)	-	(73,926)			(84,763)
Foreign exchange effects	-	-	(87)			(87)

	For the nine-month period ended September 30, 2022					Total
	Resource business and others in SK Networks Co., Ltd.	Industrial materials business and others in SKC Co., Ltd.	K-Solution Business Group and others in SK Ecoplant Co., Ltd.	Security business in SK Square Co., Ltd.		
Cash flows from operating activities	₩ 24,113	₩ 83,755	₩ (82,652)	₩ 193,892	₩	219,108
Cash flows from investing activities	1,295	(45,785)	444,905	(179,642)		220,773
Cash flows from financing activities	3,381	(2,936)	(78)	(49,320)		(48,953)
Foreign exchange effects	-	-	-	859		859

29. Assets and liabilities held for sale

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

		September 30, 2023	
		Assets	Liabilities
Investment securities	ESR Cayman Limited (*1)	₩ 185,389	₩ -
	Digital Content Korea Investment Association, and others	4,385	-
Business segment	China business segment (*2)	74,690	13,232
	Resources business segment (*2)	20,514	4,404
	Semiconductor materials business segment (*3)	120,965	89,048
Associates (*5)	SOCAR, Inc. (*4)	71,175	-
	Daekyo Confident Content Korea Investment Association, and others	1,062	-
		<u>₩ 478,180</u>	<u>₩ 106,684</u>

(*1) The Parent Company 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) SKC Co., Ltd., a subsidiary of the subsidiary, decided to suspend China's Wet Chemical and Cleaning business in the semiconductor materials business during the third quarter and pursued the sale, classifying the assets and liabilities of SOLMICS HONGKONG CO., LTD. and SKC-ENF Electronic Materials Ltd. as assets and liabilities to be sold, and measured as the smaller of the net fair value and book value minus the unit cost of sale from the fair value.

(*4) As the parent company decided to sell its entire stake in Socar, it classified the stake as an asset to be sold, and measured it as the smaller of the net fair value and the book value minus the cost of the sale. Meanwhile, as of the end of the third quarter, the book amount includes ₩38,130 million in impairment losses in the third quarter.

(*5) Following the approval of the Investment Deliberation Committee during the previous period, SK Square Co., Ltd. decided to sell NanoNTech, a subsidiary company owned by the parent company, to secure new investment resources, and all of its shares were reclassified as non-current assets scheduled for sale. On the other hand, the investment shares of the related company were sold during the cumulative third quarter, recognizing ₩4,723 million in profits related to investment in related companies and joint enterprises.

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30. Cash flow information

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

	For the nine-month period ended	
	September 30, 2023	September 30, 2022
Provision for pension benefits	₩ 283,360	₩ 341,819
Depreciation	5,316,991	5,231,584
Amortization	1,074,509	1,295,606
Bad debt expenses	1,527	65,944
Expenses (reversal) of valuation loss on inventories	(442,269)	137,074
Interest expenses	2,387,267	1,399,764
Loss on foreign currency translation	609,570	1,759,130
Loss on valuation of derivatives	345,236	497,596
Loss on disposal of trade receivables	89,652	42,729
Loss on impairment of investments in associates and joint ventures	74,564	-
Loss on disposal of property, plant and equipment	28,775	39,495
Loss on impairment of property, plant and equipment	17,576	10,837
Loss on disposal of intangible assets	2,341	2,612
Loss on impairment of intangible assets	27,305	737
Tax expense	821,837	2,897,328
Share of profit of equity-accounted investees, net	1,886,914	(1,262,401)
Interest income	(624,960)	(278,416)
Gain on foreign currency translation	(418,577)	(777,307)
Gain on valuation of derivatives	(396,772)	(1,033,703)
Dividend income	(64,786)	(32,487)
Gain on disposal of trade receivables	-	(1,043)
Gain on disposal of investments in subsidiaries and associates and joint ventures	(1,071,603)	(493,313)
Gain on disposal of property, plant and equipment	(146,107)	(90,151)
Gain on disposal of intangible assets	(18,607)	(81,575)
Gain on disposal of assets held for sale	-	(785,828)
Others	462,508	1,000,574
	<u>₩ 10,246,251</u>	<u>₩ 9,886,605</u>

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

	For the nine-month period ended	
	September 30, 2023	September 30, 2022
Inventories	₩ (851,443)	₩ (6,717,680)
Trade receivables	(320,576)	(1,932,073)
Other receivables	512,433	(814,176)
Trade payables	1,476,433	4,408,687
Other payables	(417,110)	(1,633,297)
Advances received	24,424	245,148
Retirement benefits	(403,584)	(282,398)
Plan assets	207,994	190,026
Others	(745,460)	(541,240)
	<u>₩ (516,889)</u>	<u>₩ (7,077,003)</u>

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

	For the nine-month period ended	
	September 30, 2023	September 30, 2022
Decrease in other payables due to acquisition of property, plant and equipment and others	₩ (207,395)	₩ (217,759)

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31. Commitments and contingencies

(1) Guarantees provided for the Group as of September 30, 2023 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantee	Guarantor	Currency	Amount	Description of guarantee
SK Inc.	Korea Software Financial Corporation	KRW	557,476	Performance guarantees for contract and others
	Seoul Guarantee Insurance	KRW	13,147	Performance guarantees for contract and others
Netruck Co., Ltd.	Seoul Guarantee Insurance	KRW	4,283	Performance insurances for warranties and others
SK Telink Co., Ltd.	Seoul Guarantee Insurance	KRW	759	Performance guarantees for contract
SK Planet Co., Ltd.	Seoul Guarantee Insurance	KRW	11,283	Performance guarantees for contract and others
	KEB Hana Bank	KRW	3,000	Performance insurances for warranties and others
SK Broadband Co., Ltd.	Seoul Guarantee Insurance	KRW	30,484	Guarantee of warranties-contract
	Korea Content Financial Cooperative	KRW	28,068	Guarantee of warranties-contract
Service Top Co., Ltd.	Seoul Guarantee Insurance	KRW	9	Payment of debt for the return of assistive engineering equipment (support fund) for the disabled
SK Square Co., Ltd.	KEB Hana Bank	USD	499	Guarantee of foreign currencies
Tmap Mobility Co., Ltd.	Seoul Guarantee Insurance	KRW	8,027	Performance guarantees and others
SK M&Service Co., Ltd.	Seoul Guarantee Insurance	KRW	2,262	Performance guarantees and others
	Shinhan Bank	KRW	1,000	Guarantee for payment of Korean won
PS&Marketing Corp.	Seoul Guarantee Insurance	KRW	1,597	Performance guarantees
Dreamus Company Co., Ltd.	Seoul Guarantee Insurance	KRW	645	Performance guarantees for contract
One store Co., Ltd.	Seoul Guarantee Insurance	KRW	538	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	4,089	Specific debt guarantee
SK Stoa Co., Ltd.	Kookmin Bank	KRW	2,000	Performance guarantees and others
11 street Co., Ltd.	KEB Hana Bank	KRW	27,000	Performance guarantees and others
	Seoul Guarantee Insurance	KRW	20,491	Guarantee of deposit on lease and others
FSK L&S Co., Ltd.	Seoul Guarantee Insurance	KRW	14,690	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.	Seoul Guarantee Insurance	KRW	8,305	Performance guarantees for contract
SK Networks Service Co., Ltd.	Seoul Guarantee Insurance	KRW	11,247	Performance guarantees for contract
	KEB Hana Bank	KRW	1,200	Performance guarantees for contract
SK Rent-a-Car Co., Ltd.	Seoul Guarantee Insurance	KRW	11,827	Performance guarantees for contract
SK Magic Co., Ltd.	Seoul Guarantee Insurance	KRW	16,533	Performance guarantees for contract
SK E&S Co., Ltd.	Seoul Guarantee Insurance	KRW	112,739	Performance guarantees for contract and others
	Kookmin Bank	USD	80,000	Guarantee of debt
	Shinhan Bank	KRW	81,486	Guarantee of debt
		USD	80,000	Guarantee of debt
	BNP Paribas	USD	71,000	PPA Bid Guarantee
Yeongnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,841	Guarantee of warranties and approval
Chonnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	277	Guarantee of warranties and payment
Busan City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	9,399	Guarantee of seizure contract and others
Kangwon City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	139	Guarantee of performance and approval
Jeonbuk Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	352	Performance guarantees and warranties
Chungcheong Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,946	Performance insurances for warranties and others
Ko-one Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,827	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	4,041	Guarantee of license to use national property and others
Yeosu Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	4,572	Performance guarantees for deposit on approval and others
Dangjin Haengbok Solar Co., Ltd.	Seoul Guarantee Insurance	KRW	3,211	Guarantee of payment of facility restoration and relocation work expenses
Sinan jeungdo Solar Power 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	13,470	Guarantee of Terminal fee
BU12 Australia Pty. Ltd.	ANZ Bank	USD	318,476	BU gas field restoration costs
BU13 Australia Pty. Ltd.		USD	219	Guarantee of deposit on office lease
SK E&S Australia Pty. Ltd.		USD		
BUSAN-JUNGKWAN ENERGY	Seoul Guarantee Insurance	KRW	23,023	Performance guarantees for contract and others

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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	389,131	Performance guarantees for overseas construction and others	
		KWD	67,414	Performance guarantees for overseas construction and others	
		QAR	89,529	Performance guarantees for overseas construction and others	
		TRY	26,730	Performance guarantees for overseas construction and others	
		THB	153,040	Performance guarantees for overseas construction and others	
		KZT	7,568,929	Performance guarantees for overseas construction and others	
		VND	575,276,451	Performance guarantees for overseas construction and others	
		HKD	24,921	Performance guarantees for overseas construction and others	
		AED	89,432	Performance guarantees for overseas construction and others	
		NOK	370,295	Performance guarantees for overseas construction and others	
		KEB Hana Bank	USD	150,196	Performance guarantees for overseas construction and others
			EUR	84,938	Performance guarantees for overseas construction and others
			GBP	18,900	Performance guarantees for overseas construction and others
	Korea Eximbank	USD	90,969	Performance guarantees for overseas construction and others	
		EUR	12	Performance guarantees for overseas construction and others	
		NOK	136,302	Performance guarantees for overseas construction and others	
	Korea Housing Guarantee Co., Ltd. Seoul Guarantee Insurance	KRW	3,323,915	Housing guarantees and others	
		KRW	330,639	Performance guarantees for domestic construction and others	
	Engineering Financial Cooperative Construction Guarantee Cooperative	KRW	887,745	Domestic construction contract	
		KRW	6,789,882	Performance guarantees for domestic construction and others	
Korea Trade Insurance Corporation	KRW	95,000	Insurance of overseas investment and others		
SK Oceanplant Co., Ltd.	Industraial Bank of Korea	USD	2,470	PBOND	
		USD	851	PBOND	
	Busan Bank	USD	16,348	Performance guarantees for contract	
		USD	10,911	Guarantee of foreign currencies	
	Shinhan Bank	EUR	1,658	Guarantee of foreign currencies	
		USD	22,697	PBOND	
	Korea Trade Insurance Corporation	USD	18,325	Export guarantee insurance	
Person and others	KRW	9,361	Joint guarantee related to borrowings and guarantee insurance		
SK ecoengineering Co., Ltd.	Kookmin Bank	EUR	3,801	Guarantee of foreign currencies	
		USD	25,000	Guarantee of foreign currencies	
	Woori Bank	USD	13,500	Guarantee of foreign currencies	
		KRW	529,149	Performance guarantees for domestic construction and others	
	Construction Guarantee Cooperative	EUR	2,522	Performance guarantees for domestic construction and others	
		PLN	69,656	Performance guarantees for domestic construction and others	
		EUR	317	Performance guarantees for domestic construction and others	
	Seoul Guarantee Insurance	EUR	317	Performance guarantees for domestic construction and others	
		KRW	2,722	Performance guarantees for domestic construction and others	
	Engineering Financial Cooperative Construction Guarantee Cooperative	PLN	11,896	Performance guarantees for domestic construction and others	
KRW		299,590	Performance guarantees for domestic construction and others		
Environment Management Corporation Co., Ltd.	KRW	86,338	Performance guarantees, performance insurances for warranties and others		
	KRW	109,649	Guarantees for contract, payment, and others		
Topsun Co.,Ltd.	KRW	164,445	Guarantees for contract, pre-payment, and others		
	KRW	4,431	Defect guarantee insurance		
RenewOne Co., Ltd. and affiliates	korea credit guarantee fund	KRW	8,650	Guarantee of debt	
	Electric Contractors' Financial Cooperative	KRW	27,646	Guarantee of bidding, contract, defect and others	
	Seoul Guarantee Insurance	KRW	171,579	Guarantee of the performance of waste disposal of abandoned waste	
Korea Construction Resource Mutual Aid Association	KRW	1,238	Performance guarantees for contract and others		

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31. Commitments and contingencies (cont'd)

Guarantee	Guarantor	Currency	Amount	Description of guarantee
DY INDUS CO.,LTD.	Seoul Guarantee Insurance	KRW	1,044	Guarantee of the performance of waste disposal of abandoned waste
DY POLRIMER CO.,LTD.	Seoul Guarantee Insurance	KRW	20	Guarantee of the performance of waste disposal of abandoned waste
Clenko. Co., Ltd.	Seoul Guarantee Insurance	KRW	3,580	Goods price guarantee insurance and others
TES-AMM (SINGAPORE) PTE. LTD.	Singapore Bank	SGD	752	Bankers guarantee
ONEPOL Co., Ltd.	Seoul Guarantee Insurance	KRW	776	Performance guarantees and others
SKONHUNGARYKFT	INGBANKHUNGARYBRANCH	EUR	100,000	Construction escrow guarantee and others
SK Incheon Petrochem Co., Ltd.	Cocketmarineoil(ASIA)PET Hanwaco.,Ltd	HUF	51,491,587	Ivan Cha Investment Incentive Guarantee
	Hanyu	USD	2,000	Export stand by letter of credit
	Kpioceanconnectpte.Ltd	USD	5,000	Export stand by letter of credit
	Minervabunkeringpte.Ltd	USD	3,000	Export stand by letter of credit
	Monjasa	USD	4,000	Export stand by letter of credit
	Peninsulapetroleumlimited	USD	5,000	Export stand by letter of credit
	Toyotatsushomarine fuelscor	USD	1,000	Export stand by letter of credit
		USD	2,500	Export stand by letter of credit
		USD	4,000	Export stand by letter of credit
Rokeu Media Co., Ltd.	Seoul Guarantee Insurance	KRW	309	Deposit guarantee insurance and others
Serviceace Co., Ltd.	Seoul Guarantee Insurance	KRW	10	Guarantee of payment of gas usage fee and others
SK Specialty Co., Ltd.	Seoul Guarantee Insurance	KRW	6,441	Performance guarantees and others
SK Materials Performance Co., Ltd.	Korea Trade Insurance Corporation.	USD	6,000	Insurance of short-term export
SK Signet Inc.	Seoul Guarantee Insurance	KRW	4,661	Performance guarantees and others
SK Pinx Co., Ltd.	Seoul Guarantee Insurance	KRW	242	Performance guarantees for sales contract
SK Tri Chem Co., Ltd.	Seoul Guarantee Insurance	KRW	1,185	Performance guarantees and others

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31. Commitments and contingencies (cont'd)

(2) Guarantees provided to others as of September 30, 2023 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantee	Guarantor	Currency	Amount	Description of guarantee
Iberian Lube Base Oils S.A.	Puertos del Estado and others	EUR	1,141	Guarantees for construction
Netruck Co., Ltd.	Seoul Guarantee Insurance	KRW	50	Guarantees for payment of electricity and others
SK Telink Co., Ltd.	IOT Wave Co., Ltd. and others	KRW	1,670	Performance guarantees for insurance and others
SK Communications Co., Ltd.	Purchaser or right holder of electronic payment method	KRW	300	Protection of user funds from electronic financiers and others
Dreamus Company Co., Ltd.	Youngkwang Precision Industry Co., Ltd. and others	KRW	240	Performance guarantees for contract
SK E&S Co., Ltd.	Boryeong LNG Terminal Co., Ltd.	KRW	310,000	Guarantee of debt
SKC Co., Ltd.	PI Advanced Materials Co., Ltd.	USD	7,836	Guarantee for litigation
Environment Management Corporation Co., Ltd.	Dongbugwon Puleunmul Co., Ltd. and others	KRW	29,860	Guarantee of debt
	Geochang Malgunmool Sarang Co., Ltd. and others	KRW	46,962	Guarantee for loan agreement
	Gyeongsan Pure Water Co., Ltd. and others	KRW	1,914	Performance guarantees for business
SK Ecoplant Co., Ltd.	SBC General Trading & Contracting Co. WLL and others	KWD	4,500	Performance guarantees for contract and others
	HCM001,LLC	USD	26,251	Performance guarantees related to long-term maintenance contracts and others
	HCM001,LLC2	USD	14,704	Performance guarantees related to long-term maintenance contracts and others
	HCS001,LLC2	USD	159,997	Performance guarantees related to long-term maintenance contracts and others
	HCM001,LLC3	USD	68,522	Performance guarantees related to long-term maintenance contracts and others
	Pohang Clean Water Co., Ltd. and others	KRW	1,589,391	Cash deficiency support agreement
	Gweonseon District 6 redevelopment maintenance business association and others	KRW	205,582	Guarantees for reconstruction project financing
	Fuel cell power generation project	KRW	226,469	Performance assurance related to long-term maintenance contracts and others
	Lu 1 City SK leaders view and others	KRW	4,076,556	Guarantee of completion
	Customers of Pangyo SK view and others	KRW	1,022,689	Guarantee of payment of intermediate payment and moving expenses loan
	Contractor issuing guarantee for sale	KRW	1,673,984	Joint surety
	Solidarity performance guarantee for other construction companies and others	KRW	433,923	Joint surety
Topsun Co.,Ltd.	Natural Otupia	KRW	23	Joint surety and others
	Bodae Energy Co., Ltd.	KRW	25	Joint surety and others
	Sannari Solar Co., Ltd.	KRW	24	Joint surety and others
	Songgo Energy Co., Ltd.	KRW	24	Joint surety and others
	Jang G Solar Co., Ltd.	KRW	9	Joint surety and others
	Topsun solar No.1	KRW	112	Joint surety and others
	Ts energy no. 13 Co.,Ltd	KRW	130	Joint surety and others
	Toptech energy Co., Ltd	KRW	13,200	Joint surety and others
GridSolutionLLC	JeffBishop	USD	400	Guarantee of annual wage
SK Geo Centric Co., Ltd.	SABIC SK Nexlene Company Pte. Ltd.	USD	180,000	Guarantee of debt
SK Innovation Co., Ltd. And Blue Oval SK, LLC	Ford Motor Company and others	USD	11,426,000	Investment performance guarantee and others

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31. Commitments and contingencies (cont'd)

(3) Pending litigations

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

Plaintiff	Defendant	Description	Claim	Status
Dreamus Company Co., Ltd. 11 street Co., Ltd	Ebo Tech Individual and others	Claim for payment of goods	KRW 475	First trial in progress
		Claim for payment and others	KRW 8,000	Third trial in progress and others
SK Planet Co., Ltd.	Fair Trade Commission	Claim for revocation of corrective order and others	KRW 335	First trial in progress
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 3,687	First trial in progress and others
SK Telecom Co., Ltd.	Individual and others	Claim for payment and others	KRW 2,768	First trial in progress and others
SK Communications Co., Ltd. SK Networks Co., Ltd.	Individual Individual and others	Claim for payment	KRW 87	Second trial in progress
		Claim for payment and others	KRW 2,788	First trial in progress and others
SK Magic Co., Ltd.	CUCKOO Homesys Co., Ltd. and others	Claim for prohibition of patent infringement	KRW 200	First trial in progress
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for for accounts receivable	KRW 1,712	First trial in progress and others
SK E&S Co., Ltd.	Gwangyang City mayor	Claim for cancellation of imposition of refusal of request for correction	KRW 1,176	First trial in progress
Narae Energy Service Co., Ltd.	Hanam City Hall	Claim for cancellation of the imposition of the contribution to the water supply cause	KRW 3,171	Second trial in progress and others
Paju Energy Service Co., Ltd.	Paju City mayor	Claim for cancellation of imposition of refusal of request for correction	KRW 1,703	First trial in progress
Ko-one Energy Service Co., Ltd.	Dongshin Educational Foundation	Claim for the return of unjust enrichment	KRW 240	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 5,064	Second trial in progress and others
		Claim for deposit of construction performance and others	KRW 5,961	First trial in progress
	Plant & Mechanical Contractors Financial Cooperative and others	Claim for payment of construction and others	KRW 13,487	First trial in progress and others
		Claim for payment of construction	KRW 860	Second trial in progress
	Korea Land & Housing Corporation NSRP	Claim for payment of construction	KRW 250,133	Arbitration in progress
		Claim for payment of construction	KRW 198,896	Arbitration in progress
	KB Insurance Co., Ltd.	Claim for payment of Insurance and others	KRW 158,092	First trial in progress
		A final and conclusive bond investigation trial of rehabilitation bond	KRW 202,596	First trial in progress and others
	Seongchang ENC Co., Ltd. and others	A final and conclusive bond investigation trial of KNPCCFP	KRW 1,942	First trial in progress
		Claim for payment of construction	KRW 284,922	First trial in progress
Environment Management Corporation Co., Ltd. SK Oceanplant Co.,Ltd.	Dohwa Engineering Co., Ltd. and others	Claim for payment	KRW 27,658	First trial in progress and others
		Claim for return of payment and others	KRW 2,583	First trial in progress
Topsun Co., Ltd. E-MEDI ONE Co., Ltd.	KOCECO Co., Ltd. Individual and others	Claim for settlement	KRW 450	First trial in progress
		Claim for a loan and others	KRW 720	First trial in progress

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31. Commitments and contingencies (cont'd)

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

Defendant	Plaintiff	Description	Claim	Status
Dreamus Company Co., Ltd.	Individual	A lawsuit for infringement of copyright	KRW 217	First trial in progress
Tmap Mobility Co., Ltd. 11Street Co., Ltd.	ELUON CMS Corporation Individual and others	Litigation for license contract Litigation for Claims for Settlement and others	KRW 543 KRW 437	First trial in progress First trial in progress and others
SK Planet Co., Ltd. SK Broadband Co., Ltd.	Korea gold Exchange KISTI and others	Claim for settlement money Claim for damages and others	KRW 486 KRW 9,751	First trial in progress First trial in progress and others
SK Telecom Co., Ltd.	HSF and others	Claim for damages and others	KRW 123,444	Second trial in progress and others
SK M&Service Co., Ltd.	Individual	A lawsuit for confirmation of invalidity of dismissal and others	KRW 50	Second trial in progress
SK Networks Co., Ltd.	Individual and others	Claim for damages and others	KRW 328	First trial in progress and others
SK Magic Co., Ltd.	Individual and others	Claim for invalidation of contract termination	KRW 240	First trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for return of unjust enrichment and others	KRW 1,358	First trial in progress and others
SK Nexilis Co., Ltd.	Individual and others	Claim for damages	KRW 5,810	Second trial in progress and others
Ko-one Energy Service Co., Ltd.	Korea Land & Housing corporation	Claim for cancellation of allotted charges	KRW 963	Second trial in progress
Busan City Gas Co., Ltd.	HDC-labs Co., Ltd.	Claim for payment of construction	KRW 534	Second trial in progress
Narae energy service Co., Ltd.	Korea Electric Power Corporation	Claim for cancellation of imposition disposition of property tax and others	KRW 2,694	First trial in progress
SK Ecoplant Co., Ltd.	K-Water Resources Corporation	Claim for design compensation cost return and others	KRW 3,004	Third trial in progress
	Incheon Metropolitan City	Claim for design compensation cost return	KRW 7,156	Second trial in progress
	Woryeong SK Ocean View residents representative and others	Claim for damages and others	KRW 13,818	Second trial in progress and others
	NSRP	Claim for payment of construction	KRW 118,073	First trial in progress
	PNPC	Claim for payment of construction	KRW 439,060	Arbitration in progress
	IMCO and others	Claim for payment of construction and others	KRW 77,322	First trial in progress and others
	Korea Gas Corporation Co., Ltd. Republic of Korea	Claim for damages Claim for damages and others	KRW 9,050 KRW 4,678	Second trial in progress First trial in progress and others
	Woori Bank	Claim for payment of construction	KRW 15,000	Second trial in progress
Environment Management Corporation Co., Ltd. SK Oceanplant Co., Ltd.	Siheung City and others	Claim for cost share and others	KRW 2,303	First trial in progress and others
	JEONJIN OCEAN DEVELOPMENT Co., Ltd. and others	Claim for payment of construction	KRW 4,484	First trial in progress and others
Green Environment	Daesang Co., Ltd.	Claim for payment of construction	KRW 196	First trial in progress
Topsun Co., Ltd.	Individual and others	Claim for damages and others	KRW 2,779	First trial in progress and others
SK ecoengineering Co., Ltd.	ADAMIETZ	Claim for payment of construction	KRW 6,447	First trial in progress
Clenko. Co., Ltd.	Seunggwang Environment Co., Ltd.	Claim for the absence of a debt	KRW 51	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 paybles to LG Energy Solution Co., Ltd., has been paid in cash as of December 31, 2022, and the amount of royalties is expensed during period ended September 30, 2023.

31. Commitments and contingencies (cont'd)

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

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

E&P business in 8th block of Peru, a subsidiary of SK Innovation Co., has been suspended due to the liquidation of operator (Pluspetrol Norte S.A.) and the business is in progress of closing.

The Perupetro S.A., a Peruvian state-owned oil company and mining rights management agency, received an injunction from the local judiciary to suspend the liquidation procedure of the operator before the period ended December 31, 2022 and the Peruvian Environmental Assessment and Supervision Authority (OEFA) fined the operator related to the restoration of the workplace and environmental pollution charge for the year ended December 31, 2022. Accordingly, SK Innovation Co., Ltd. paid expenses of ₩1,626 million for the nine-month period ended September 30, 2023, the cumulative amount charged to SK Innovation CO., Ltd. is ₩4,765 million.

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

On July 31, 2023, Georgia's Metro Site filed a lawsuit against its subsidiary SK Battery America, Inc. in Georgia's District Court regarding the U.S. Metro Site Recycling Facility fire. The lawsuit is currently ongoing, and the time required and final outcome cannot be predicted at this time.

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 September 30, 2023, 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 September 30, 2023, the final result of trial 1 and the timing of payment of compensation for damage are not estimable.

(4) Commitments

- 1) In accordance with the Commercial Code of the Republic of Korea, the Company, SK Innovation Co., Ltd., SK Energy Co., Ltd., SK Global Chemical Co., Ltd., SK EnmoveCo., Ltd., SK Incheon Petrochem Co., Ltd., SK Trading International Co., Ltd., SK ie technology Co., Ltd., SK On Co., Ltd, and SK Earthon Co., Ltd. are collectively responsible for any obligations of the Company arising before the spin-off. The Company and SK Biopharmaceuticals Co., Ltd. are collectively responsible for any obligations of the Company that occurred before the spin-off on April 1, 2011 and the Company and SK Specialty Co., Ltd. are collectively responsible for any obligations of SK Materials Co., Ltd. that occurred before the spin-off on December 1, 2021.

31. Commitments and contingencies (cont'd)

- 2) The Company has signed a lease contract for the head office building from SK REIT Co., Ltd. The lease contract period under this lease contract is until July 5, 2026, and we have the option of extending the lease contract by five years before the end of the contract. On the other hand, we have been granted preferential purchase rights for landlords to purchase at fair prices when selling the building.
- 3) The Company holds IT outsourcing and IT system maintenance agreements to provide hardware and information systems maintenance and development service entered into between the Company and SK Group companies and others.
- 4) The Company entered into a contract with Gyeonggi province on May 31, 2011 to purchase land located in Pangyo Land Development District. The total agreement amount is ₩82,964 million (the Company's portion: ₩45,536 million (54.9%)), which will be used for the construction of urban infrastructure facilities ("designated purpose" of the land). 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 September 30, 2023, the value of the agreements amounting to ₩161,131 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 September 30, 2023, the value of the agreements amounting to ₩677,775 million is recognized 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. The Company has recognize a financial liability of ₩3,150 million in accordance with the above agreement relating to SK Resonac Corporation.
- 11) Areca, Inc., Chamaedorea, Inc., and Tillandsia, Inc., subsidiaries, acquired stakes in 8 Rivers Capital, LLC during 2022 and 2023, and considered them to be controlling and incorporated them into the consolidated target. The contracts concluded during the acquisition of shares include the following key arrangements.
- Investor's Tag-along right
 - Investor's Drag-along right
 - Restriction on disposal of shares of the largest shareholder and investor under certain conditions, etc.

Details of rights granted to investor are as follows:

Description	Conditions	Rights
Tag-Along Right	The largest shareholder sells shares when accomplishing certain conditions	The right to sell Investor's shares on the same conditions as the largest shareholder
Drag-Along Right	When a company's stake is sold to a non-affiliated company or most of the company's assets are sold to a non-affiliated company	The right to sell shares held by the largest shareholder together with shares held by investors

- 12) The Company have signed a contract between shareholders that allows certain shareholders to sell their shares to us for ₩50,000 per share if certain conditions are met for shares held by certain shareholders of its subsidiary SK Signet Co., Ltd. The Company has recognize financial liabilities of ₩97,843 million in accordance with the above agreement related to SK Signet.
- 13) As of September 30, 2023, SK E&S Co., Ltd., a subsidiary, provides LOU (Letter of Understanding) to ship owners HHIENS1 Shipholding S.A., HHIENS2 Shipholding S.A., HHIENS3 Shipholding S.A. and HHIENS4 Shipholding S.A. in connection with LNG carriers. Accordingly, if SK Shipping Co., Ltd. fails to fulfill the contract (BBCHP) signed with the shipping Company, SK E&S Co., Ltd. will assume all obligations related to the execution of the contract.
- 14) LNG Americas, Inc., one of the subsidiaries, is scheduled to be provided with liquefaction service for 20 years from FLNG Liquefaction 3, LLC, which plans to operate natural gas liquefaction plants in Texas starting from 2019. As of September 30, 2023, SK E&S Co., Ltd., one of the subsidiaries, is responsible for performance guarantee in case of LNG Americas, Inc.'s inability to make payments for service or for claims against breach of obligation. In regard to this, the Company provides performance guarantee for SK E&S Co., Ltd.'s guarantee.

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31. Commitments and contingencies (cont'd)

15) As of September 30, 2023, details of contracts of the subsidiaries of SK E&S Co., Ltd. are as follows:

Contracting parties	Description of contract	Counterparty	Term of contract
Kangwon City Gas Co., Ltd. and 7 subsidiaries	Contract for the supply of long-term natural gas (*1)	Korea Gas Corporation Co., Ltd.	-
SK E&S Co., Ltd.	Contract of supply for natural gas	Tanggung PSC Contractor Parties	2006.1 ~ 2026.12
	Contract for the repair and maintenance of gas turbine	GE International Inc.	2004.6 ~ 2026.12 (estimated)
	Contract for the storage and vaporization service of natural gas	POSCO International Corporation (formerly, POSCO ENERGY CO., Ltd.)	2005.6 ~ 2025.12 2020.7 ~ 2040.12
	Rental contract of the plant and tower site	POSCO Co., Ltd.	2003.8 ~ 2028.12
	Natural gas storage and vaporization service contract	Boryeong LNG Terminal Co.,Ltd	20 years from 2017 20 years from 2021 20 years from 2023
	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.	2012.9 ~ 2030.9 (estimated)
	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
Narae Energy Service Co., Ltd. and Paju Energy Service Co., Ltd.	Contract for the storage and vaporization service of natural gas	Boryeong LNG Terminal Co., Ltd.	20 years from 2017
Yeoju Energy Service Co., Ltd.	Integrated Environmental Management Licensing Service	SK ecoengineering Co., Ltd.	2019.1 ~ 2023.10
	Contract for LTSA	Siemens Gas & Power GmbH Siemens Energy Ltd.	2019.12 ~ 2047.12 (estimated)
	Contract for the use plumbing system	Korea Gas Corporation	2022.11 ~ 2042.10
	Contract for the use manufacturing facilities	Korea Gas Corporation	2022.11 ~ 2042.10
LNG Americas, Inc.	Contract for the liquefaction and storage of natural gas	FLNG Liquefaction 3, LLC	20 years from 2020
	Contract for the use pipeline of natural gas	Kinder Morgan, Inc.	20 years from 2020
Prism Energy International Pte., Ltd.	Contract of supply for natural gas	SHELL EASTERN TRADING PTE LTD and others	2019.6 ~ 2041.6
	Time charter contract	SK Shipping Co., Ltd.	20 years from ship delivery date
	Contract of supply for LNG	Generadora San Felipe Limited Partnership	10 years from commencement date
SK E&S Australia Pty. Ltd.	Contract for FPSO	BW Offshore Singapore Pte. Ltd. (Australia Branch)	15 years from service date
	Contract for the liquefaction service of natural gas	Darwin LNG Pty. Ltd. and others	2020.12 (contract) 15 years from service date
Prism Energy International Zhoushan Limited	Contract for the storage and vaporization service of natural gas	ENN (Zhoushan) LNG Co., Ltd.	2020.7 ~ 2030.7
IGE Co., Ltd.	Contract for liquefied hydrogen facility management	Korea Gas Technology Corporation	2023.3 ~ 5 years from the commencement of commercial operation
	Contract for by-product hydrogen sales	SK Incheon Petrochem Co., Ltd.	20 years from from the commencement of commercial operation
	contract for transporting liquefied hydrogen	CJ Logistics Corporation	2023.11 ~ 2033.12

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

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31. Commitments and contingencies (cont'd)

- 16) As of September 30, 2023, details of construction contracts about the subsidiaries of SK E&S Co., Ltd. are as follows (Korean won in millions):

Description of contract	Name of subsidiaries	Contract opponent	Term of contract	Amount
Contract for heat piping and others	Narae Energy Service Co., Ltd.	Dreamline Co., Ltd and others	2022.04 ~ 2024.06	₩ 6,427
Yeoju natural gas power Plant EPC contract (*1)	Yeoju Energy Service Co., Ltd.	SK ecoengineering Co., Ltd.	2019.12 ~ 2023.11 (scheduled)	₩ 664,091
By-product hydrogen liquefaction Plant EPC contract (*1,2)	IGE Co., Ltd.	SK ecoengineering Co., Ltd.	2021.07 ~ 2023.11 (scheduled)	₩ 444,950

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

(*2) As of September 2023, the contract is being negotiated to extend the contract in time for the scheduled contract period.

- 17) As of September 30, 2023, details of material contracts of resource development by the subsidiaries of SK E&S Co., Ltd. are as follows:

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

- 18) SK E&S Co., Ltd., a subsidiary of the Group, has agreed to invest a total of ₩10 billion in the Tcha Partners Incheon H2 Mobility Infrastructure Private Investment Co., Ltd. for hydrogen business cooperation, and has completed 69.22% of the total investment agreement.
- 19) SK Energy Co., Ltd., SK Geo Centric Co., Ltd., SK Incheon Petrochem Co., Ltd. and SK On Co., Ltd. subsidiaries of the Group, pay electricity bills and tariffs through B2B corporate agreement contracts and national tax cards signed with some financial institutions, and pay the bill to the credit card Company at the end of the credit donation period under the agreement. As of September 30, 2023, the related payables and others are ₩2,246,116 million, which are classified as current liabilities.

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., in event of selling the stake, includes the following key terms:

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

Details of rights granted to investor are as follows:

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

31. Commitments and contingencies (cont'd)

21) 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.

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).

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

22) 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 September 30, 2023 is USD 2,540 million, and the book value after offset is ₩0.

31. Commitments and contingencies (cont'd)

- 23) SK Geo centric Co., Ltd., a subsidiary, has been granted the right to claim the sale of shares of Samyang EcoTech Co., Ltd., a subsidiary of its strategic affiliate, by Samyang Packaging Co., Ltd. (hereinafter referred to as "strategic affiliate").

SK Geo centric Co., Ltd. has the right to claim 49% of the total number of issued shares of the joint venture held by the strategic alliance to sell to SK Geo centric Co., Ltd. or an affiliate designated by SK Geo centric Co., Ltd. if it is allowed to transfer all or part of the shares of the joint venture held by the strategic alliance without statutory restrictions, including any of the following reasons.

- If the strategic affiliate is not obligated to own the total number of issued shares (100%) of the affiliate due to the revision of the Fair Trade Act
- Where a strategic affiliate is no longer a subsidiary of a holding company under the Fair Trade Act
- Where a strategic affiliate or joint venture is excluded from an affiliate of Samyang, a business group, under the Fair Trade Act (except when it is incorporated into another affiliate and is subject to restrictions on the conduct of a grandchild)

In addition, if SK Geo centric Co., Ltd. does not exercise its right to sell shares within the period, the strategic partnership has the right to claim 49% of the total number of shares issued by the joint venture to a third party designated by SK Geo centric Co., Ltd.

- 24) 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 September 30, 2023 and December 31, 2022 is ₩282,702 million and ₩357,467 million, respectively.
- 25) 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 Finnq 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.
- 26) 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 September 30, 2023, the related outstanding amount is ₩193,999 million.
- 27) 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.

31. Commitments and contingencies (cont'd)

- 28) SK Ecoplant Co., Ltd., a subsidiary, has signed an agreement with Eco Energy Holdings, the buyer of SK ecoengineering Co., Ltd. redeemable convertible preferred shares, which was sold during the previous period. If certain conditions are met in the future under the agreement, EcoEnergy Holdings may exercise its Drag-along right to redeem its convertible preferred shares.
- 29) SK Ecoplant Co., Ltd., a subsidiary, is signing an agreement between shareholders that grants put options to non-controlling shareholders of Ecovation and compensates for the difference if certain conditions are not met.
- 30) SK Ecoplant Co., Ltd., a subsidiary, issued exchange bonds based on shares of RenewOne Co., Ltd. (formerly, Daewon Green Energy Co., Ltd.) during the third quarter of the current year. According to the agreement between investors, SK Eco Plant Co., Ltd. has a Call option and a Preferred Purchase right for the bond, and the bond underwriter has a Put option and a claim for compensation for the difference if certain conditions are not met.
- 31) SK Ecoplant Co., Ltd., a subsidiary, is signing an agreement between shareholders to grant put options to investors regarding the sale of preferred stocks in Environment Management Corporation co., LTD. and to compensate for the difference when held until maturity.
- 32) The technology transfer contract status of SK Biopharmaceuticals Co., Ltd., a subsidiary, is as follows (Foreign currencies in thousands)

<u>The other party of a contract</u>	<u>Contract Date</u>	<u>Transferred technology</u>	<u>Region</u>	<u>Contract amount (*1)</u>	
Arvelle Therapeutics International GmbH	2019.02	Cenobamate	Europe	USD	530,000
Ono Pharmaceutical Co., Ltd.	2020.10	Cenobamate	Japan	JPY	53,100,000
Ignis Therapeutics	2021.11	Cenobamate	China	USD	185,000
		and 5 new medicine	Hong Kong and Macao		
Endo Ventures Limited	2021.12	Cenobamate	Canada	USD	20,000
				CAD	21,000
DEXCEL LTD.	2022.05	Cenobamate	Israel, Palestine	USD	3,000
Eurofarma Laboratorios S.A	2022.07	Cenobamate	Latin America (*2)	USD	62,000
HIKMA MENA FZE	2023.08	Cenobamate	Middle East, North Africa(*3)	USD	3,000

(*1) Upfront and Milestone amounts

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

(*3) There are 16 countries in the Middle East and North Africa, including Jordan and Egypt.

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

31. Commitments and contingencies (cont'd)

34) 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.

35) SK Networks Co., Ltd., a subsidiary, decided at the board of directors on August 18, 2023, to issue 1.9188319 treasury stocks of the parent company to shareholders of SK Rent-a-Car Co., Ltd. as of the stock exchange date (scheduled on January 16, 2024).

(5) Hybrid bonds

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

Issue segment	Description	Issue date	Maturity date (*1)	Interest rate (%) (*2)	September 30, 2023	December 31, 2022
Group of SK Innovation	1st private equity bond type	2019.03.15	2049.03.15	4.20	₩ 600,000	₩ 600,000
Group of SK Telecom (*3)	2-1 private equity bond type	2018.06.07	2078.06.07	3.70	-	300,000
	2-2 private equity bond type	2018.06.07	2078.06.07	3.65	-	100,000
	3rd public equity bond type	2023.06.05	2083.06.05	4.95	400,000	-
Group of SK E&S	2nd Korean currency type	2019.10.11	2049.10.11	3.30	330,000	330,000
	3rd Korean currency type	2020.07.14	2050.07.14	3.60	400,000	400,000

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

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

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

(6) Others

As of September 30, 2023, 40 notes (including 38 blank notes) and 90 checks (including 89 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 September 30, 2023 (Korean won in millions and foreign currencies in thousands):

<u>Company</u>	<u>Asset</u>	<u>Currency</u>	<u>Collateralized amount (*1)</u>	<u>Provided to</u>	<u>Description</u>
SK Innovation Co., Ltd.	Investments in associates	KRW	-	Yemen LNG Company and others	Collateral for project financing
Netruck Co., Ltd.	Property, plant and equipment	KRW	1,430	Shinhan Bank and others	Collateral for borrowing
ONEPOL Co., Ltd.	Property, plant and equipment	KRW	3,360	Shinhan Bank	Collateral for borrowing
SK Broadband Co., Ltd.	Property, plant and equipment	KRW	1,228	Industrial Bank of Korea and others	Restricted real rights for office lease
Panasia Semiconductor Materials, LLC	Investment securities	KRW	22,750	Hana Securities Co., Ltd. and others	Collateral for borrowing
Incross Co., Ltd.	Financial instruction	KRW	21,710	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	391,200	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	259,626	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	32,500	Korea Development Bank	Collateral for borrowing
SK pucore Co., Ltd.	Property, plant and equipment	KRW	73,528	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	369,428	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	-	KEB Hana Bank	Collateral for pledging and others
SK E&S Co., Ltd.	Investments in subsidiaries	KRW	470,000	Korea Development Bank and others	Collateral for PF
		VND	1,059,600,000	Joint Stock Commercial Bank For Foreign Trade of Vietnam	Collateral for PF
	Investments in joint ventures	KRW	181,656	Korea Development Bank and others	Collateral for PF
		USD	14,000	BANGKOK BANK PUBLIC COMPANY LIMITED	Collateral for PF
	Investments in associates	KRW	18,621	Industrial Bank of Korea and others	Collateral for PF
Ko-one energy service Co., Ltd.	Investments in associates	KRW	2,711	Kookmin Bank and others	Collateral for PF
New Renewable Energy No.1 JSC	Investments in joint ventures	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	5,153	Shinhan Bank and others	Collateral for PF
Paju Energy Service Co., Ltd.	Property, plant and equipment	KRW	360,000	Kookmin Bank and others	Collateral for borrowing
Chonnam City Gas Co., Ltd.	Property, plant and equipment	KRW	81	LG Hello Vision Co., Ltd.	Collateral for deposits received
Narae Energy Service Co., Ltd.	Property, plant and equipment and others	KRW	505,000	Korea Development Bank and others	Collateral for borrowing
Yeoju Energy Service Co., Ltd.	Property, plant and equipment	KRW	601,200	Korea Development Bank and others	Collateral for PF
Busan Jungkwan Energy Co., Ltd.	Property, plant and equipment	KRW	100,800	NH Bank and others	Collateral for borrowing
IGE Co., Ltd.	Property, plant and equipment and others	KRW	493,800	Korea Development Bank	Collateral for borrowing
SK Ecoplant Co., Ltd.	Debt instrument	KRW	26,186	CAPE Investment & Securities Co., Ltd. and others	Collateral for borrowing and others
	Investments in the application of equity method	KRW	1,332,771	Korea Development Bank and others	Collateral for borrowing
Seongju Tech Co., Ltd.	Others	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	76,440	KB Securities	A pledge of insurance and others
Daewon Green Energy Co., Ltd.	Property, plant and equipment	KRW	5,280	Korea Development Bank	Collateral for borrowing
Green Environment Technology Co., Ltd.	Property, plant and equipment	KRW	9,600	Korea Development Bank	Collateral for borrowing
JA Green Co., Ltd.	Property, plant and equipment	KRW	14,400	Kyongnam Bank	Collateral for borrowing
DY Indus Co., Ltd.	Property, plant and equipment	KRW	6,222	Industrial Bank of Korea	Collateral for borrowing
DY Polymer Co., Ltd.	Property, plant and equipment	KRW	5,800	Industrial Bank of Korea and others	Collateral for borrowing
SK Oceanplant Co., Ltd.	Property, plant and equipment	KRW	274,580	Industrial Bank of Korea and others	Collateral for borrowing and others
	Financial instruction	KRW	9,000	Industrial Bank of Korea and others	Collateral for borrowing and others
		USD	554	Shinhan Bank	KEPPEL for guarantee
	Debt instrument	KRW	9,058	Korea Defense Guarantee Cooperative and others	Collateral for guarantee
	Others	USD	15	KEB Hana Bank	Collateral for guarantee
	Others	KRW	90,666	Seoul Guarantee Insurance and others	A pledge of Insurance and others

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32. Pledged assets (cont'd)

Company	Asset	Currency	Collateralized amount (*1)	Provided to	Description
Environment Management Corporation Co., Ltd.	Property, plant and equipment	KRW	16,720	KEB Hana Bank and others	Collateral for borrowing and others
	Investments in associates	KRW	529,311	KEB Hana Bank and others	Collateral for borrowing and others
	Investment securities	KRW	9,440	Korea Development Bank and others	Collateral for borrowing and others
	Others	KRW	1,621,204	KEB Hana Bank and others	Collateral for pledging and others
City Environment Co., Ltd.	Property, plant and equipment	KRW	4,300	JA Green Co., Ltd.	Collateral for borrowing and others
Clenko. Co., Ltd.	Property, plant and equipment	KRW	60,000	KEB Hana Bank and others	the right to the first priority beneficiary of the trust property
	Others	KRW	60,000	KEB Hana Bank and others	the right to purchase comprehensive property insurance
SK Industrial Development China Co., Ltd.	Investment property	CNY	1,600,000	Bank of China communications	Collateral for borrowing
	Others	CNY	2,000,000	Bank of China communications	Collateral for borrowing
SK Specialty Co., Ltd.	Property, plant and equipment	KRW	137,000	Korea Development Bank	Collateral for borrowing
		USD	3,500	Korea Development Bank	Collateral for borrowing
		JPY	3,690,000	Korea Development Bank	Collateral for borrowing
		KRW	1,668	Yeongju city and Gyeongsang Buk-do	Government subsidy
	Financial instruction	KRW	60	Kodit 2022 the 9th Securitization Specialty Co., Ltd.	Collateral for borrowing
		KRW	75	Kodit 2022 the 10th Securitization Specialty Co., Ltd.	Collateral for borrowing
SK Specialty Japan Co., Ltd.	Property, plant and equipment	KRW	165	Kodit Global 2022-1 Co., Ltd.	Collateral for borrowing
SK Materials Airplus Inc.	Property, plant and equipment	JPY	315,000	MUFG Bank	Collateral for borrowing
SK Tri Chem Co., Ltd.	Property, plant and equipment	KRW	208,200	Shinhan Bank and others	Collateral for borrowing
		KRW	3,692	Sejong City	Local investment promotion subsidy support collateral
SK Resonac Corporation SK Siltron Co., Ltd.	Property, plant and equipment and others	KRW	30,000	Korea Development Bank	Collateral for borrowing
		KRW	904,620	Korea Development Bank and others	Collateral for borrowing
SK Biotek Co., Ltd.	Property, plant and equipment	KRW	120,000	Korea Development Bank	Collateral for borrowing
SK REITs Co., Ltd.	Investment property	KRW	1,147,466	The lender and the lessor	Collateral for borrowing
Clean Energy REITs Co., Ltd.	Investment property	KRW	572,314	The lender and the lessor	Collateral for borrowing
SK South East Asia Investment Pte. Ltd.	Financial instruction	VND	3,000,000	ADB and Vietcombank	Collateral for borrowing and others
Total Value 1 REIT Co., Ltd.	Investment property	KRW	315,601	The lender and the lessor	Collateral for borrowing
Clean Industrial REITs Co., Ltd. Gangdong Green Complex Co., Ltd.	Investment property	KRW	804,360	The lender and the lessor	Collateral for borrowing
	Property, plant and equipment	KRW	3,840	Suwon-Hwaseong-Osan livestock industry cooperatives	Collateral for borrowing
Topsun Co., Ltd.	Property, plant and equipment	KRW	5,914	KEB Hana Bank	Collateral for borrowing
	Financial instruction	KRW	1,987	Industrial Bank of Korea, Woori Bank	Collateral for borrowing
	Others	KRW	3,500	Korea Development Bank, Shinhan Bank	Collateral for pledging
	Debt instrument	KRW	850	Electric Contractor's Financial Cooperative	Collateral for pledging
Evertech Enterprise Co., Ltd.	Property, plant and equipment	KRW	4,800	Industrial Bank of Korea	Collateral for pledging

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

Tmap Mobility Co., Ltd., a subsidiary, has signed a stock pledge establishment contract with the seller in connection with the acquisition of common shares of Seoul Airbus Co., Ltd. The seller has established the shares equivalent to 20% of the total number of shares issued by Seoul Airbus Co., Ltd. as the first priority in order to secure all debts to be borne in the future under Tmap Mobility Co., Ltd.'s stock trading contract and shareholder contract.

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33. Guarantees provided among the Group entities

Guarantees provided among the Group entities as of September 30, 2023 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantor	Guarantee	Currency	Amount	Description of guarantee
SK Inc.	Abrasax Investment Inc.	USD	315,000	Cash deficiency support of debt
	Hudson Energy NY, LLC	USD	226,000	Cash deficiency support of debt
SK Innovation Co., Ltd.	SK Battery America, Inc.	USD	1,220,000	Guarantee of debt
	SK On Hungary Kft.	USD	220,000	Guarantee of debt
	BlueOval SK, LLC	USD	125,000	Guarantee of debt
	SK Battery Manufacturing Kft.	USD	500,000	Guarantee of debt
	SK Earth On Co., Ltd.	HUF	34,194,000	Guarantee of local factory construction
		USD	34,000	Guarantee of mining area products mandatory work load
SK Innovation Co., Ltd. and SK On Co., Ltd.	SK On Hungary Kft.	HUF	9,810,000	Guarantee of local factory construction
SK On Co., Ltd.	SK Battery America, Inc.	USD	2,730,000	Loan-related payment guarantee
	SK On Hungary Kft.	USD	2,420,000	Loan-related payment guarantee
	SK Battery Manufacturing Kft.	USD	1,050,000	Loan-related payment guarantee
	SK On Yancheng	CNY	4,300,000	Loan-related payment guarantee
SK ie technology Co., Ltd.	SK Hi-Tech Battery Materials(Jiang Su) Co., Ltd.	CNY	1,180,000	Guarantee of debt
	SK hi-tech battery materials Poland sp. z o.o.	USD	719,200	Guarantee of debt
SK Geo Centric Co., Ltd.	SK GC Americas, Inc.	USD	140,000	Loan-related payment guarantee
	SK Functional Polymer, S.A.S	EUR	161,000	Loan-related payment guarantee
SK Networks Co., Ltd.	SK Networks Hong Kong Ltd.	USD	87,000	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	41,700	Local financial payment guarantee
		USD	7,000	Local financial payment guarantee
	SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	USD	2,600	Local financial payment guarantee
SK E&S Co., Ltd.	LNG Americas, Inc.	USD	932,576	Guarantee for derivative hedge and others
	Paju Energy Service Co., Ltd.	KRW	350,000	Guarantee of debt
	Narae Energy Service Co., Ltd.	KRW	270,000	Guarantee of debt
	Yeoju Energy Service Co., Ltd.	KRW	200,000	Guarantee of debt
	Prism Energy International Pte, Ltd.	USD	641,000	Guarantee for derivative hedge and others
	IGE Co., Ltd.	KRW	130,000	Guarantee of debt
	BU12 Australia Pty, Ltd.,	USD	318,476	Guarantee for Restoration costs
	BU13 Australia Pty, Ltd.			
	NEW RENEWABLE ENERGY NO.1 JOINT STOCK COMPANY	USD	20,000	Guarantee of debt
	Grid Solution, LLC	USD	39,600	Guarantee of L/C
SK E&S Americas, Inc.	LNG Americas, Inc.	USD	54,342	Performance guarantee for contract and others
	Grid Solution II, LLC	USD	100,000	Performance guarantee for contract
	PassKey, Inc.	USD	52,313	Performance guarantee for contract
SK Ecoplant Co., Ltd.	SKEC Anadolu, LLC	EUR	30,666	Performance guarantee for contract and others
	Silvertown Investco Limited	GBP	10,671	Guarantee of financial obligation
	Sunlake Co., Ltd.	CAD	6,000	Guarantee of financial obligation
	SK Ecoplant Americas Corporation	USD	112,000	Guarantee of debt and others
	Environment Management Corporation Co., Ltd.	KRW	34,831	Fund supplement agreement for loan agreement
	Samwon ENT Co., Ltd.	KRW	79,700	Conditional debt acquisition
	Eco Frontier (Singapore) Pte. Ltd.	USD	420,000	Guarantee of payment and others
	SK ecoengineering Co., Ltd.	KRW	336,644	Joint and Common Liability Debt
Environment Management Corporation Co., Ltd.	Gyeongsan Clean Water Way Co., Ltd.	KRW	8,200	Fund supplement agreement for loan agreement
Topsun Co., Ltd.	Honam Environment Energy Co., Ltd.	KRW	4,920	Guarantee of debt
SK Specialty Co., Ltd.	TS Energy 10Ho Co., Ltd.	KRW	130	Joint guarantee and others
	SK Specialty Jiangsu Co., Ltd.	CNY	58,800	Guarantee of debt
	SK Specialty Taiwan Co., Ltd.	USD	2,000	Guarantee of debt
	SK Specialty Japan Co., Ltd.	JPY	276,000	Guarantee of debt
SK Biotek Co., Ltd.	SK BIOTEK IRELAND LIMITED	USD	30,000	Guarantee for credit limit for overseas subsidiary
SK Siltron Co., Ltd.	SK Siltron CSS, LLC	USD	173,000	Guarantee of debt
SK Pharmteco Inc.	Center For Breakthrough Medicines Holdings, LLC	USD	20,000	Performance guarantee for contract
SK Enpulse Co., Ltd.	SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	USD	20,800	Local financial payment guarantee
		CNY	97,200	Local financial payment guarantee
	SKC Semiconductor Materials (Wuxi) Co., Ltd.	USD	3,000	Local financial payment guarantee
SK Pucore Co., Ltd.	SK Pucore India Pvt. Ltd.	CNY	154,061	Local financial payment guarantee
		USD	2,000	Local financial payment guarantee
		INR	350,000	Local financial payment guarantee
	SK Pucore Mexico, S. de R.L. de C.V.	USD	10,500	Local financial payment guarantee
	SK Pucore RUS LLC	RUB	300,000	Local financial payment guarantee
	SK Pucore USA Inc.	USD	7,600	Local financial payment guarantee

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 September 30, 2023 and December 31, 2022 is as follows (Korean won in millions):

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Financial assets measured at FVTPL	₩ 10,283,966	₩ 9,121,159
Financial assets measured at FVOCI	270,806	663
Financial assets measured at amortized cost	38,729,279	38,367,580
Derivatives designated as hedging instruments	576,397	563,170
	<u>₩ 49,860,448</u>	<u>₩ 48,052,572</u>

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

34.1.2.1 Trade and other receivables

The Group conducts transactions only with counterparties with sound credit status after performing credit verification procedures for counterparties who wish to make credit transactions. In addition, the Group continues to manage the balance of trade and other receivables by continuously reevaluating the creditworthiness so that the degree of exposure of the Group to the risk of bad debt remains immaterial.

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, trade receivables and contract assets were classified based on credit risk characteristics and past due dates.

34. Risk management (cont'd)

34.1.2.2 Guarantee

SK Ecoplant Co., Ltd., one of the subsidiaries, offers payment guarantees for loans of project financing. The financing liabilities related to the payment guarantees recognized are ₩26,826 million as of September 30, 2023. The Group recognizes the financial guarantee liabilities related to the payment guarantees contracted with the Group, such as SK Ecoplant Co., Ltd., as of September 30, 2023 and December 31, 2022 (Korean won in millions).

	September 30, 2023	December 31, 2022
SK Innovation Co., Ltd.	₩ 1,778	₩ 321
SK Ecoplant Co., Ltd.	26,826	23,772
SKC Co., Ltd.	-	563
SK Biotek Co., Ltd.	238	237
SK Resonac Corporation	11	15
	<u>₩ 28,853</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 consisting of long-term and short-term financial instruments, are caused by the counterparty's 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 Group's management believes that the impact of credit risk from financial institutions on the Group is limited because they are dealing with financial institutions with excellent credit ratings.

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 September 30, 2023 is as follows. Amounts include interests paid and presented at gross amounts (Korean won in millions):

	Book value	Contractual cash flow	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years
Borrowings	₩ 41,157,035	₩ 44,665,394	₩ 8,281,440	₩ 15,705,525	₩ 18,245,836	₩ 2,432,593
Bonds	38,042,941	42,515,479	2,294,070	7,289,237	26,405,538	6,526,634
Derivative financial liabilities	458,814	458,814	76,166	81,180	301,468	-
Trade payables	14,691,234	14,691,234	13,440,009	1,251,225	-	-
Lease liabilities	5,371,202	6,790,079	200,639	1,040,343	3,023,026	2,526,071
Other liabilities	13,786,246	13,869,785	7,635,733	4,264,997	1,855,172	113,883
	<u>₩ 113,507,472</u>	<u>₩ 122,990,785</u>	<u>₩ 31,928,057</u>	<u>₩ 29,632,507</u>	<u>₩ 49,831,040</u>	<u>₩ 11,599,181</u>

In addition to the above financial liabilities, the consolidated entity is exposed to liquidity risks under the financial guarantee contract, and the maximum amount of related liquidity risks is ₩3,429,912 million.

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

	Currency	September 30, 2023		December 31, 2022	
		Foreign currencies	Korean won equivalent	Foreign currencies	Korean won equivalent
Assets	USD	14,276,929	₩ 19,199,613	10,858,465	₩ 13,760,933
	JPY	13,840,329	124,870	15,508,882	147,828
	CNY	3,539,691	652,259	2,467,000	447,612
	EUR	430,821	612,507	428,677	579,228
	Others		535,114		851,123
			<u>₩ 21,124,363</u>		<u>₩ 15,786,724</u>
Liabilities	USD	19,817,608	₩ 26,650,719	15,930,325	₩ 20,188,501
	JPY	10,142,387	91,507	18,068,553	172,226
	CNY	6,974,196	1,285,135	7,443,749	1,350,594
	EUR	549,415	781,114	427,227	577,269
	Others		344,331		392,210
			<u>₩ 29,152,806</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	September 30, 2023		December 31, 2022	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ (745,111)	₩ 745,111	₩ (642,757)	₩ 642,757
JPY	3,336	(3,336)	(2,440)	2,440
CNY	(63,288)	63,288	(90,298)	90,298
EUR	(16,861)	16,861	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 161.8% as of September 30, 2023. The maturity of the debt is dispersed in the long term; so, debt-repayments are not demanding.

The Group's debt ratio as of September 30, 2023 and December 31, 2022 is as follows (Korean won in millions):

	September 30, 2023	December 31, 2022
Total liabilities	₩ 128,364,598	₩ 122,697,070
Total equity	79,311,749	71,808,790
Debt ratio	161.8%	170.9%

35. Business combination

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

(1) General information

The Group acquired control as its stake became 51.57% through the acquisition of additional shares in 8 Rivers Capital, LLC on April 30, 2023, to strengthen business in the clean energy sector. In addition, to secure targeted protein degradation (TPD) technology, it gained control as its stake became 100% through the acquisition of an additional stake in SK Life Science Labs, Inc. (ProteoVant Sciences, Inc.) in August 2023. In addition, it gained control as its stake became 54.62% through the acquisition of additional shares in Center For Breakthrough Medicine Holdings, LLC following the call option event in September 2023 to establish a global supply chain for cytogenetic treatments and synthetic drugs in the U.S. market.

SK Ecoplant Co., Ltd., a subsidiary, acquired a 52.65% stake in SK ecoengineering Co., Ltd. on April 1, 2023, to expand and strengthen its business portfolio. In addition, as it became possible to exercise the conversion right of convertible bonds issued by Topsun Co., Ltd., a subsidiary of SK Ecoplant Co., Ltd. during the period ended September 30, 2023, it was judged that it could exercise real control in consideration of potential voting rights. In addition, on July 31, 2023, we acquired a 100% stake in Clenco Co., Ltd. to expand and strengthen our business portfolio and gained control.

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

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35. Business combination (cont'd)

(2) Identifiable assets acquired and liabilities assumed

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

	Center For Breakthrough Medicines Holdings, LLC	SK Life Science Labs, Inc. (ProteoVant Sciences, Inc.)	Clenko, Co., Ltd.	8 Rivers Capital, LLC	SK ecoengineering Co., Ltd.	Topsun Co., Ltd.
Assets:						
Cash and cash equivalents	₩ 2,542	₩ 91,549	₩ 5,064	₩ 92,533	₩ 293,658	₩ 15,285
Trade and other receivables	60,152	1,130	3,977	602	512,091	90,538
Inventories	23,348	-	7	-	-	23,384
Property, plant and equipment	163,016	9,037	51,224	404	7,227	130,071
Right-of-use assets	326,987	11,340	73	359	12,945	36,380
Intangible assets	980	15,540	-	1,131	1,346	2,521
Deferred tax assets	-	-	1,320	-	-	3,570
Other assets	28,515	3,207	780	404,172	295,726	27,303
	<u>₩ 605,540</u>	<u>₩ 131,803</u>	<u>₩ 62,445</u>	<u>₩ 499,201</u>	<u>₩ 1,122,993</u>	<u>₩ 329,052</u>
Liabilities:						
Trade and Other payables	₩ 30,284	₩ 1,573	₩ 2,570	₩ -	₩ 228,586	₩ 16,697
Borrowing liabilities	67,354	-	49,013	5,025	82,624	157,448
Lease liabilities	334,656	10,986	79	570	14,882	17,607
Defined benefit liabilities	-	-	-	-	65,229	1,448
Deferred tax assets	-	3,263	2,064	-	9,281	1,608
Other liabilities	59,656	20,992	5,386	2,599	486,470	61,174
	<u>₩ 491,950</u>	<u>₩ 36,814</u>	<u>₩ 59,112</u>	<u>₩ 8,194</u>	<u>₩ 887,072</u>	<u>₩ 255,982</u>
Fair value of identifiable Net assets	<u>₩ 113,590</u>	<u>₩ 94,989</u>	<u>₩ 3,333</u>	<u>₩ 491,007</u>	<u>₩ 235,921</u>	<u>₩ 73,070</u>

As of September 30, 2023, the fair value of the assets acquired and liabilities assumed was determined tentatively because independent valuation was not completed.

(3) Goodwill

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

	Center For Breakthrough Medicines Holdings, LLC	SK Life Science Labs, Inc. (ProteoVant Sciences, Inc.)	Clenko, Co., Ltd.	8 Rivers Capital, LLC	SK ecoengineering Co., Ltd.	Topsun Co., Ltd.
a. The total consideration transferred (*1)	₩ 415,995	₩ 101,808	₩ 216,946	₩ 373,658	₩ 504,023	₩ 41,947
b. Fair value of proportionate share of acquired net assets:						
Fair value of the net identifiable assets	113,590	94,989	3,333	491,007	235,921	73,070
Non-controlling Interests (*2)	(51,550)	-	-	(255,625)	(111,510)	(58,634)
	62,040	94,989	3,333	235,382	124,411	14,436
c. Goodwill (c=a-b)	<u>₩ 353,955</u>	<u>₩ 6,819</u>	<u>₩ 213,613</u>	<u>₩ 138,276</u>	<u>₩ 379,612</u>	<u>₩ 27,511</u>

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

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

36. Subsequent events

36.1 SK Energy Co., Ltd. Resolution to Set Up Split

SK Energy Co., Ltd., a subsidiary, decided at the board of directors' meeting on November 10, 2023, to establish SK Tank Terminal Co., Ltd. (tentative name) by dividing the tank terminal business into a personnel division method as of January 1, 2024. The split plan will be finalized with the approval of the extraordinary general shareholders' meeting to be held on November 27, 2023.

36.2 SK Incheon Petrochemical Co., Ltd.'s decision to issue new capital securities

SK Incheon Petrochemical Co., Ltd., a subsidiary, decided to issue the second public offering bond-type new capital securities by resolution of the board of directors on September 7, 2023, and issued a total of ₩140 billion on October 19, 2023. The funds raised will be used for refinancing and operating funds.

36.3 SKON Co., Ltd.'s resolution to issue bonds

SKON Co., Ltd., a subsidiary, resolved to issue 200 billion won in non-guaranteed general bonds (green bonds) as of October 31, 2023 at the board of directors held on September 22, 2023, and the payment was completed on October 31, 2023.

36.4 SKON Co., Ltd.'s Signs Borrowing Contract

SKON Co., Ltd., a subsidiary, entered into a borrowing contract (limit: ₩2 trillion) with Hyundai Motor Co., Ltd. and Kia Co., Ltd. on October 30, 2023 to secure financial resources for a joint venture in a battery production plant in Georgia, the United States, according to a resolution of the board of directors held on May 23, 2023. Meanwhile, SKON Co., Ltd., a subsidiary, performed payment guarantees for related borrowings and borrowed ₩869.5 billion as of November 6, 2023.

36.5 SKON Co., Ltd.'s Establishment of a special purpose corporation

SKON, a subsidiary, established Route On Delaware, Inc. as a special purpose corporation for the joint venture of a battery production plant in Georgia, USA, and invested USD 644 million in Route On Delaware, Inc. as of November 13, 2023.

36.6 SK Telecom Co., Ltd.'s Quarterly Dividend Resolution

SK Telecom Co., Ltd., a subsidiary, decided on a quarterly dividend at its board of directors meeting on October 25, 2023, and the main contents are as follows.

	<u>Description</u>
Dividends	₩830 per share (total amount : ₩179,623 million)
Market dividend rate	1.63%
Dividend base date	September 30, 2023
Dividend payout date	Payment is expected within November 15, 2023 based on Article 165-12 (3) of the Capital Markets and Financial Investment Business Act

36. Subsequent events (cont'd)

36.7 SK E&S Co., Ltd.'s Issuance of redeemable convertible preferred stock

SK E&S Co., Ltd., a subsidiary, issued 625,000 shares of Type 2 non-voting convertible preferred stock on November 1, 2023, and the total amount of the shares issued is ₩367,500 million. SK E&S Co., Ltd. has the right to repay all of its preferred shares in cash or other assets at the choice of SK E&S Co., Ltd. by resolution of the board of directors. If the preferred stockholder notifies the consolidating entity in writing of the planned conversion claim within the conversion claim period, and if the consolidating entity does not exercise the right to repay or does not exercise the right to repay within two months from the date of receipt of the notice of the conversion claim, the preferred stockholder may exercise the right to convert.

36.8 SK E&S Co., Ltd.'s interim dividend on redeemable convertible preferred shares

SK E&S Co., Ltd., a subsidiary, decided at the board of directors on October 30, 2023, after the end date of the reporting period, to conduct an interim dividend on Class 1 non-voting convertible preferred stocks of ₩14,663 million, and paid on October 31, 2023.

36.9 SKC Co., Ltd.'s Acquisition of Shares in Other Corporations

On July 7, 2023, SKC Co., Ltd., a subsidiary, signed a contract to acquire 6,221,758 shares of ISC for ₩55,850 per share from two other persons other than Helios No. 1 private equity joint venture, and to acquire 3,322,889 shares of ISC for ₩52,665 per share through participation in a capital increase in third-party allocation. On October 4, 2023, the acquisition of 9,544,647 shares of Inc. ISC under the same contract was completed, and the consolidated entity's stake in Inc. ISC after the acquisition was 45.03%.

36.10 SKC Co., Ltd.'s Resolution to Dispose Shares

SKC Co., Ltd., a subsidiary, decided at its board meeting on October 12, 2023, to transfer the entire amount of shares issued by SKC Co., Ltd. (7,000,640 shares) to Korea PU Holdings Co., Ltd. for ₩410,300 million. The scheduled disposal date is December 29, 2023.

36.11 SKC Co., Ltd. Resolution on Business Transfer

SKC Co., Ltd., a subsidiary, decided at its board of directors on October 12, 2023, to transfer its optical materials business division, including all shares issued by SKC Co., Ltd., to its subsidiary SK Pucore Co., Ltd. for ₩16,531 million. The scheduled transfer date is November 30, 2023.

SKC, a subsidiary, decided at its board meeting on October 30, 2023, to transfer SKN Pulse's fine ceramic business unit to Han & Co. 22 Limited for ₩360,000 million. The scheduled transfer date is January 31, 2024.

36.12 NEXILIS MANAGEMENT EUROPE B.V'S Paid-in Capitalization

NEXILIS MANAGEMENT EUROPE B.V., a subsidiary of SK Nexilis Co., Ltd., increased 1,111,180 shares to a third party for a paid-in capitalization of ₩71,996 per share (total ₩ 80,000 million) as of October 27, 2023.

SK Nexilis Poland sp. zo.o., a subsidiary of SK Nexilis Inc., issued new shares of 37,688,569 to parent NEXILIS MANAGEMENT EUROPE B.V. for ₩16,192 (total ₩ 80,000 million) per share through a board resolution on November 2, 2023.

36. Subsequent events (cont'd)

36.13 SK Networks Co., Ltd. Acquires Shares of ENCORE Co., Ltd

In accordance with a resolution of the board of directors on July 21, 2023, SK Networks Co., Ltd. decided to acquire a stake in Encore Inc., a related company, to enter the data management consulting and solution business, and on October 5, 2023, it acquired 213,304 shares, or 88.47%, for ₩95,112 million.

36.14 SK Ecoplant Co., Ltd. Sold Its Stake in Samwon ENT Co., Ltd

SK Ecoplant Co., Ltd., a subsidiary, sold 10,000 shares of Samwon ENT Co., Ltd. to Environmental Facilities Management Co., Ltd. for ₩36,845 million on November 1, 2023 (the board of directors' resolution on October 25).