



SK Inc. and its subsidiaries

Interim condensed consolidated financial statements
for the three-month periods ended March 31, 2022 and 2021
with the independent auditor's review report

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Report on review of interim condensed consolidated financial statements

SK Inc. The Shareholders and Board of Directors

We have reviewed the accompanying interim condensed consolidated financial statements of SK Inc. (the “Company”) and its subsidiaries (collectively referred to as, the “Group”), which comprise the interim condensed consolidated statement of financial position as of March 31, 2022, and the related interim condensed consolidated statements of comprehensive income, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for the three-month periods ended March 31, 2022 and 2021, and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the interim condensed consolidated financial statements

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

Auditor’s responsibility

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

We conducted our review in accordance with the review standards for interim financial statements in 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 Auditing Standards (“KGAAS”) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other matter

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



May 16, 2022

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

SK Inc. and its subsidiaries

Interim condensed consolidated financial statements
for the three-month periods ended March 31, 2022 and 2021

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

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

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

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

Notes	Korean won		Translation into U.S. dollar (Note 2)		
	March 31, 2022 (Unaudited)	December 31, 2021	March 31, 2022 (Unaudited)	December 31, 2021	
Assets					
Current assets:					
Cash and cash equivalents	5	₩ 13,823,834	₩ 12,317,555	\$ 11,417,109	\$ 10,173,072
Short-term financial instruments	5, 32	4,969,129	6,124,750	4,104,005	5,058,432
Trade receivables, net	5, 6, 27, 32, 34	13,009,798	11,387,442	10,744,795	9,404,891
Other receivables, net	5, 27, 31, 34	3,105,614	2,419,559	2,564,927	1,998,314
Inventories, net	7, 32	13,099,322	10,680,704	10,818,733	8,821,196
Short-term investment securities	5, 8, 32, 34	430,047	353,355	355,176	291,836
Other current assets	5, 18, 19, 32, 34	5,366,299	4,879,645	4,432,028	4,030,100
Assets held for sale	29	507,313	1,030,196	418,990	850,839
Total current assets		54,311,356	49,193,206	44,855,763	40,628,680
Non-current assets:					
Long-term financial instruments	5, 32	46,325	48,092	38,260	39,719
Long-term trade receivables, net	5, 6, 27, 34	424,622	391,739	350,695	323,537
Long-term other receivables, net	5, 27, 31, 34	285,370	318,884	235,687	263,366
Long-term investment securities	5, 8, 32, 34	9,577,304	9,546,185	7,909,898	7,884,196
Investments in associates and joint ventures	9, 32	27,271,625	26,050,445	22,523,641	21,515,069
Property, plant and equipment, net	10, 32	52,173,163	51,383,825	43,089,827	42,437,913
Right-of-use assets, net	11	5,097,685	5,034,316	4,210,179	4,157,843
Investment properties, net	12, 32	989,535	967,128	817,257	798,751
Goodwill	13	6,271,600	5,618,511	5,179,716	4,640,330
Intangible assets, net	14	12,540,206	12,681,890	10,356,959	10,473,976
Deferred tax assets		905,006	765,000	747,445	631,814
Other non-current assets	5, 18, 19, 27, 34	3,555,795	3,359,226	2,936,732	2,774,386
Total non-current assets		119,138,236	116,165,241	98,396,296	95,940,899
Total assets		₩ 173,449,592	₩ 165,358,447	\$ 143,252,059	\$ 136,569,579
Liabilities and equity					
Liabilities					
Current liabilities:					
Short-term borrowings	5, 15, 34	₩ 10,462,290	₩ 7,657,381	\$ 8,640,808	\$ 6,324,233
Trade payables	5, 27, 34	11,650,417	9,519,544	9,622,082	7,862,194
Other payables	5, 27, 34	6,110,773	7,049,872	5,046,889	5,822,491
Provisions	16	519,675	530,049	429,200	437,768
Current portion of long-term debt	5, 15, 34	7,262,928	7,828,071	5,998,454	6,465,206
Other current liabilities	5, 18, 19	12,532,530	11,991,798	10,350,619	9,904,029
Liabilities held for sale	29	36,621	398,144	30,245	328,827
Total current liabilities		48,575,234	44,974,859	40,118,297	37,144,748
Non-current liabilities:					
Bonds payable and long-term borrowings	5, 15, 34	43,695,117	42,620,141	36,087,807	35,199,984
Long-term other payables	5, 34	1,463,336	1,854,343	1,208,570	1,531,502
Defined benefit liabilities	17	373,503	283,938	308,476	234,504
Provisions	16	705,337	706,452	582,538	583,459
Deferred tax liabilities		4,437,049	3,807,437	3,664,560	3,144,563
Other non-current liabilities	5, 18, 19, 27, 34	5,855,265	5,568,542	4,835,865	4,599,060
Total non-current liabilities		56,529,607	54,840,853	46,687,816	45,293,072
Total liabilities		105,104,841	99,815,712	86,806,113	82,437,820
Equity					
Equity attributable to owners of the parent:					
Issued capital	1, 20	16,143	16,143	13,333	13,333
Other paid-in capital	20	6,450,423	6,445,296	5,327,406	5,323,171
Retained earnings	20	14,923,888	14,057,406	12,325,643	11,610,014
Other components of equity	20	835,283	721,262	689,859	595,690
Total equity attributable to owners of the parent		22,225,737	21,240,107	18,356,241	17,542,208
Non-controlling interests		46,119,014	44,302,628	38,089,705	36,589,551
Total equity		68,344,751	65,542,735	56,445,946	54,131,759
Total liabilities and equity		₩ 173,449,592	₩ 165,358,447	\$ 143,252,059	\$ 136,569,579

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

SK Inc. and its subsidiaries
Interim condensed consolidated statements of comprehensive income
for the three-month periods ended March 31, 2022 and 2021

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

	Notes	For the three-month period ended March 31			
		Korean won		Translation into U.S. dollar (Note 2)	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Sales	4, 27	₩ 30,764,058	₩ 22,012,784	\$ 25,408,043	\$ 18,180,363
Cost of sales	24, 27	26,084,329	19,068,267	21,543,053	15,748,486
Gross profit		4,679,729	2,944,517	3,864,990	2,431,877
Selling and administrative expenses	21, 24, 27	1,626,746	1,331,808	1,343,530	1,099,941
Operating profit	4	3,052,983	1,612,709	2,521,460	1,331,936
Finance income	22	2,088,395	961,991	1,724,806	794,509
Finance costs	22	2,891,948	1,332,102	2,388,461	1,100,183
Share of profit of associates and joint ventures, net	9	411,768	240,098	340,079	198,297
Other non-operating income	23	825,555	565,998	681,826	467,458
Other non-operating expenses	23	106,405	1,077,947	87,880	890,276
Profit from continuing operations before income tax expense	4	3,380,348	970,747	2,791,830	801,741
Income tax expense from continuing operations	25	1,008,978	469,261	833,315	387,563
Profit for the period from continuing operations	4	2,371,370	501,486	1,958,515	414,178
Gain from discontinued operations	28	629,834	74,857	520,180	61,824
Profit for the period		₩ 3,001,204	₩ 576,343	\$ 2,478,695	\$ 476,002
attributable to:					
Owners of the parent		1,222,729	231,037	1,009,852	190,814
Non-controlling interests		1,778,475	345,306	1,468,843	285,188
Other comprehensive income (loss):					
Items not to be reclassified to profit or loss in subsequent periods (net of tax):					
Remeasurement gain (loss) on defined benefit plans		17,363	(29,999)	14,340	(24,776)
Net gain (loss) on valuation of financial assets measured at FVOCI		(396,123)	238,121	(327,158)	196,664
Items to be reclassified to profit or loss in subsequent periods (net of tax):					
Equity adjustments of investments in associates and joint ventures		161,227	181,368	133,157	149,792
Net gain (loss) on valuation of derivative instruments		(48,038)	(12,019)	(39,675)	(9,926)
Net gain on translation of foreign operations		387,206	565,554	319,793	467,091
		121,635	943,025	100,457	778,845
Total comprehensive income for the period		₩ 3,122,839	₩ 1,519,368	\$ 2,579,152	\$ 1,254,847
attributable to:					
Owners of the parent		1,345,202	731,105	1,111,001	603,820
Non-controlling interests		1,777,637	788,263	1,468,151	651,027
Earnings per share (Korean won and U.S. dollar):	26				
Basic earnings per share		₩ 21,779	₩ 4,401	\$ 18	\$ 4
Diluted earnings per share		21,729	4,391	18	4
Basic earnings per share from continuing operations		16,779	3,759	14	3
Diluted earnings per share from continuing operations		16,741	3,751	14	3

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

SK Inc. and its subsidiaries
Interim condensed consolidated statements of changes in equity
for the three-month periods ended March 31, 2022 and 2021
(Korean won in millions)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	₩ 15,385	₩ 5,250,146	₩ 12,496,676	₩ (327,163)	₩ 17,435,044	₩ 34,424,874	₩ 51,859,918
As of January 1, 2021							
Total comprehensive income:							
Profit for the period	-	-	231,037	-	231,037	345,306	576,343
Remeasurement loss on defined benefit plans	-	-	(12,140)	-	(12,140)	(17,859)	(29,999)
Net gain on valuation of financial assets measured at FVOCI	-	-	3,939	86,308	90,247	147,874	238,121
Equity adjustments of investments in associates and joint ventures	-	-	-	120,803	120,803	60,565	181,368
Net gain (loss) on valuation of derivative instruments	-	-	-	(16,299)	(16,299)	4,280	(12,019)
Net gain on translation of foreign operations	-	-	-	317,457	317,457	248,097	565,554
Transaction with shareholders:							
Dividends	-	-	(317,256)	-	(317,256)	(603,965)	(921,221)
Equity transactions within consolidated entities	-	1,069,239	-	-	1,069,239	15,186	1,084,425
Changes in the scope of consolidation	-	-	-	-	-	28,107	28,107
Others	-	(28)	(409)	-	(437)	692	255
As of March 31, 2021 (Unaudited)	₩ 15,385	₩ 6,319,357	₩ 12,401,847	₩ 181,106	₩ 18,917,595	₩ 34,653,157	₩ 53,570,852
As of January 1, 2022	₩ 16,143	₩ 6,445,296	₩ 14,057,406	₩ 721,262	₩ 21,240,107	₩ 44,302,628	₩ 65,542,735
Total comprehensive loss:							
Profit for the period	-	-	1,222,729	-	1,222,729	1,778,475	3,001,204
Remeasurement gain on defined benefit plans	-	-	8,684	-	8,684	8,679	17,363
Net loss on valuation of financial assets measured at FVOCI	-	-	(232)	(76,322)	(76,554)	(319,569)	(396,123)
Equity adjustments of investments in associates and joint ventures	-	-	-	57,918	57,918	103,309	161,227
Net gain (loss) on valuation of derivative instruments	-	-	-	(98,785)	(98,785)	50,747	(48,038)
Net gain on translation of foreign operations	-	-	-	231,210	231,210	155,996	387,206
Transaction with shareholders:							
Dividends	-	-	(368,286)	-	(368,286)	(797,829)	(1,166,115)
Equity transactions within consolidated entities	-	29,147	-	-	29,147	289,438	318,585
Changes in the scope of consolidation	-	-	-	-	-	544,688	544,688
Others	-	(24,020)	3,587	-	(20,433)	2,452	(17,981)
As of March 31, 2022 (Unaudited)	₩ 16,143	₩ 6,450,423	₩ 14,923,888	₩ 835,283	₩ 22,225,737	₩ 46,119,014	₩ 68,344,751

SK Inc. and its subsidiaries
Interim condensed consolidated statements of changes in equity
for the three-month periods ended March 31, 2022 and 2021 (cont'd)
(U.S. dollar in thousands)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
As of January 1, 2021	\$ 12,706	\$ 4,336,097	\$ 10,321,008	\$ (270,204)	\$ 14,399,607	\$ 28,431,511	\$ 42,831,118
Total comprehensive income:							
Profit for the period	-	-	190,814	-	190,814	285,188	476,002
Remeasurement loss on defined benefit plans	-	-	(10,026)	-	(10,026)	(14,750)	(24,776)
Net gain on valuation of financial assets measured at FVOCI	-	-	3,253	71,282	74,535	122,129	196,664
Equity adjustments of investments in associates and joint ventures	-	-	-	99,771	99,771	50,021	149,792
Net gain (loss) on valuation of derivative instruments	-	-	-	(13,461)	(13,461)	3,535	(9,926)
Net gain on translation of foreign operations	-	-	-	262,188	262,188	204,903	467,091
Transaction with shareholders:							
Dividends	-	-	(262,022)	-	(262,022)	(498,815)	(760,837)
Equity transactions within consolidated entities	-	883,085	-	-	883,085	12,542	895,627
Changes in the scope of consolidation	-	-	-	-	-	23,214	23,214
Others	-	(23)	(338)	-	(361)	572	211
As of March 31, 2021 (Unaudited)	\$ 12,706	\$ 5,219,159	\$ 10,242,689	\$ 149,576	\$ 15,624,130	\$ 28,620,050	\$ 44,244,180
As of January 1, 2022	\$ 13,333	\$ 5,323,171	\$ 11,610,015	\$ 595,690	\$ 17,542,209	\$ 36,589,551	\$ 54,131,760
Total comprehensive loss:							
Profit for the period	-	-	1,009,852	-	1,009,852	1,468,843	2,478,695
Remeasurement gain on defined benefit plans	-	-	7,172	-	7,172	7,168	14,340
Net loss on valuation of financial assets measured at FVOCI	-	-	(192)	(63,034)	(63,226)	(263,932)	(327,158)
Equity adjustments of investments in associates and joint ventures	-	-	-	47,834	47,834	85,323	133,157
Net gain (loss) on valuation of derivative instruments	-	-	-	(81,587)	(81,587)	41,912	(39,675)
Net gain on translation of foreign operations	-	-	-	190,956	190,956	128,837	319,793
Transaction with shareholders:							
Dividends	-	-	(304,167)	-	(304,167)	(658,927)	(963,094)
Equity transactions within consolidated entities	-	24,073	-	-	24,073	239,047	263,120
Changes in the scope of consolidation	-	-	-	-	-	449,858	449,858
Others	-	(19,838)	2,963	-	(16,875)	2,025	(14,850)
As of March 31, 2022 (Unaudited)	\$ 13,333	\$ 5,327,406	\$ 12,325,643	\$ 689,859	\$ 18,356,241	\$ 38,089,705	\$ 56,445,946

SK Inc. and its subsidiaries
Interim condensed consolidated statements of cash flows
for the three-month periods ended March 31, 2022 and 2021
(Korean won in millions and U.S. dollar in thousands)

		For the three-month period ended March 31			
		Korean won		Translation into U.S. dollar (Note 2)	
Notes		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities:					
		₩ 3,001,204	₩ 576,343	\$ 2,478,695	\$ 476,002
		2,910,595	2,235,896	2,403,861	1,846,627
	30	(4,167,686)	(391,636)	(3,442,093)	(323,452)
		66,778	50,022	55,152	41,313
		(430,400)	(335,495)	(355,467)	(277,085)
		9,881	30,242	8,161	24,977
		(354,072)	(406,791)	(292,428)	(335,969)
Net cash provided by operating activities		1,036,300	1,758,581	855,881	1,452,413
Cash flows from investing activities:					
		1,097,449	463,049	906,383	382,432
		11,992	32,937	9,904	27,203
		(384)	53,810	(317)	44,442
		464,895	31,092	383,957	25,679
		6,880	142,872	5,682	117,998
		97,092	68,905	80,188	56,909
		10,872	7,192	8,979	5,940
		448,067	56,904	370,059	46,997
		(273,292)	(115,089)	(225,712)	(95,052)
		(707,112)	(1,968,086)	(584,004)	(1,625,443)
		(2,192,113)	(1,896,700)	(1,810,467)	(1,566,485)
		(132,429)	(90,370)	(109,373)	(74,637)
		(349,625)	(568,943)	(288,755)	(469,890)
		(156,314)	82,645	(129,100)	68,257
Net cash used in investing activities		(1,674,022)	(3,699,782)	(1,382,576)	(3,055,650)
Cash flows from financing activities:					
		3,150,082	(48,652)	2,601,653	(40,182)
		2,312,680	5,025,005	1,910,043	4,150,153
		(2,566,758)	(1,642,499)	(2,119,886)	(1,356,540)
		(400,245)	(426,245)	(330,562)	(352,036)
		(246,664)	(247,788)	(203,720)	(204,648)
		(157,696)	(99,938)	(130,241)	(82,539)
		74,643	1,052,143	61,648	868,965
		(38,173)	(16,216)	(31,527)	(13,393)
Net cash provided by financing activities		2,127,869	3,595,810	1,757,408	2,969,780
Net increase in cash and cash equivalents		1,490,147	1,654,609	1,230,713	1,366,543
Net foreign exchange effects		101,393	155,150	83,741	128,138
Cash and cash equivalents included in assets held for sale		(85,261)	58,246	(70,417)	48,105
Cash and cash equivalents at the beginning of the period		12,317,555	10,096,940	10,173,072	8,339,065
Cash and cash equivalents at the end of the period		₩ 13,823,834	₩ 11,964,945	\$ 11,417,109	\$ 9,881,851

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

SK Inc. and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2022 and 2021 (Unaudited)

1. Corporate information

1.1 Parent

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

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

As of March 31, 2022, the issued capital of the Company amounts to ₩16,143 million (including ₩113 million of preferred shares). Major shareholders and their equity ownership are Tae-won Chey, National Pension Service and Ki-won Choi each holding 17.50%, 8.67% and 6.50% respectively, as of March 31, 2022.

1.2 Consolidated subsidiaries

The Company and its subsidiaries (collectively, the “Group”) are engaged in petroleum refining, telecommunications, wholesale and retail, chemicals, construction and other industries. Subsidiaries whose accounts are included in the consolidated financial statements as of March 31, 2022 are as follows:

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SK Innovation Co., Ltd. (*2)	Korea	Resource development	SK Inc.	33.40%
SK Energy Co., Ltd.	Korea	Crude oil refining and sales	SK Innovation Co., Ltd.	100.00%
Netruck Co., Ltd.	Korea	gas station operation	SK Energy Co., Ltd.	100.00%
Jeju United FC Corporation	Korea	Sports association sponsoring	SK Energy Co., Ltd.	100.00%
Happy Didim Co., Ltd.	Korea	Service	SK Energy Co., Ltd.	100.00%
Green & Co. Asia Ltd.	Myanmar	Manufacturing	SK Energy Co., Ltd.	80.00%
SK Energy Hong Kong Co., Ltd.	Hong Kong	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Road Investment Co., Ltd.	Cayman	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Road Investment (HK) Co., Ltd.	Hong Kong	Investment	SK Energy Road Investment Co., Ltd.	100.00%
SK Asphalt (Shanghai) Co., Ltd.	China	the sale of asphalt	SK Energy Road Investment (HK) Co., Ltd.	100.00%
goodsFLOW Co., Ltd. (*2)	Korea	the information and communication	SK Energy Co., Ltd.	41.00%
goodsCORE Co., Ltd.	Korea	Business Support Service Industry	goodsFLOW Co., Ltd.	100.00%
goodsPOST Co., Ltd.	Korea	Transportation industry	goodsFLOW Co., Ltd.	100.00%
SK Geo Centric Co., Ltd.	Korea	Chemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%
SK Geo Centric (Beijing) Holding Co., Ltd. (formerly, SK Global Chemical (China) Holding Co., Ltd.)	China	Investment	SK Geo Centric Co., Ltd.	100.00%
SK Geo Centric China, Ltd. (formerly, SK Global Chemical China Limited)	Hong Kong	Investment	SK Geo Centric Co., Ltd.	100.00%
Sino-Korea Green New Material (JiangSu) Ltd.	China	Petrochemicals manufacture and sales	SK Geo Centric China, Ltd.	100.00%
SK Geo Centric International Trading (Shanghai) Co., Ltd. (formerly, SK Global Chemical International Trading (Shanghai) Co., Ltd.)	China	Petrochemicals sales	SK Geo Centric China, Ltd.	100.00%
SK Global Chemical International Trading (Guangzhou) Co., Ltd.	China	Petrochemicals sales	SK Geo Centric China, Ltd.	100.00%
SK GC Americas, Inc.	USA	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Primacor Americas, LLC	USA	Petrochemicals manufacture and sales	SK Global Chemical Americas, Inc.	100.00%
SK Primacor Europe, S.L.U.	Spain	Petrochemicals manufacture and sales	SK Global Chemical Americas, Inc.	100.00%
SK Saran Americas, LLC	USA	Petrochemicals manufacture and sales	SK Global Chemical Americas, Inc.	100.00%
SK Geo Centric Brazil LTDA	Brazil	Petrochemicals manufacture and sales	SK Global Chemical Americas, Inc.	100.00%
SK Geo Centric Japan Co., Ltd.	Japan	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Geo Centric Singapore Pte. Ltd.	Singapore	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Geo Centric Investment Hong Kong Ltd.	Hong Kong	Investment	SK Geo Centric Co., Ltd.	100.00%
Ningbo SK Performance Rubber Co., Ltd.	China	Manufacturing	SK Geo Centric Investment Hong Kong Ltd.	80.00%
Happymoem Co., Ltd.	Korea	Service	SK Geo Centric Co., Ltd.	100.00%
SK Functional Polymer, S.A.S	France	Petrochemicals manufacture and sales	SK Geo Centric Co., Ltd.	100.00%
Green & Connect Capital, Inc.	USA	Investment	SK Geo Centric Co., Ltd.	100.00%
SK Incheon Petrochem Co., Ltd.	Korea	Chemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%
SK Trading International Co., Ltd.	Korea	Trading business	SK Innovation Co., Ltd.	100.00%
SK Energy International Pte. Ltd.	Singapore	Trading business	SK Trading International Co., Ltd.	100.00%
SK Energy Europe, Ltd.	UK	Trading business	SK Energy International Pte. Ltd.	100.00%
SK Energy Americas, Inc.	USA	Trading business	SK Energy International Pte. Ltd.	100.00%
SK Terminal B.V.	Netherlands	Investment	SK Energy International Pte. Ltd.	100.00%
SK Lubricants Co., Ltd.	Korea	Lubricants oil manufacturing and sales	SK Innovation Co., Ltd.	60.00%
Yubase Manufacturing Asia Corporation	Korea	Lubricants oil processing	SK Lubricants Co., Ltd.	70.00%
SK Energy Lubricants (Tianjin) Co., Ltd.	China	Lubricants oil manufacturing and sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants Americas, Inc.	USA	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants Europe B.V.	Netherlands	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants Japan Co., Ltd.	Japan	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants & Oils India Pvt. Ltd.	India	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
Iberian Lube Base Oils, S.A.	Spain	Lubricants oil manufacturing and sales	SK Lubricants Co., Ltd.	70.00%
SK Lubricants Russia, LLC	Russia	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK ie technology Co., Ltd.	Korea	Manufacture of Separators for secondary Cells	SK Innovation Co., Ltd.	61.20%
SK Hi-tech Battery Materials(Jiang Su) Co., Ltd.	China	Separation membrane for secondary battery manufacturing	SK ie technology Co., Ltd.	100.00%
SK Hi-tech Battery Materials Poland Sp. Zo.o.	Poland	Separation membrane for secondary	SK ie technology Co., Ltd.	100.00%
SK Innovation Insurance (Bermuda), Ltd.	Bermuda	Insurance	SK Innovation Co., Ltd.	100.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SK USA, Inc.	USA	Management consulting services	SK Innovation Co., Ltd.	100.00%
Blue Dragon Energy Co., Limited.	Hong Kong	battery manufacturing		
Happy Kium Co., Ltd.	Korea	Investment	SK Innovation Co., Ltd.	100.00%
SK E&P Company, Ltd.	USA	Service	SK Innovation Co., Ltd.	100.00%
SK On Co., Ltd.	Korea	Crude oil development	SK Innovation Co., Ltd.	100.00%
SK On Hungary Kft.	Hungary	Lithium battery manufacturing	SK Innovation Co., Ltd.	100.00%
SK On(Jiangsu) Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	69.97%
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%
SK Battery Manufacturing Kft.	Hungary	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK Future Energy (Shanghai) Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
SK Mobile Energy Co., Ltd.	Korea	Lithium battery manufacturing	SK On Co., Ltd.	100.00%
Yancheng Yandu District M Energy Consulting Limited Company	China	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%
Mobile Energy Battery America, LLC	USA	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%
Happy Mideum Co., Ltd.	Korea	Service	SK On Co., Ltd.	100.00%
SK on Certification Center (Jiangsu) Co., Ltd. (formerly, Jiangsu SK Battery Certification Center)	China	Lithium cell certification	SK On Co., Ltd.	100.00%
SK Earthon Co., Ltd.	Korea	Oil development	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.	74.34%
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%
Broadband Nowon Broadcasting Corporation	Korea	Broadcasting business	SK Telecom Co., Ltd.	100.00%
SK Stoa Co., Ltd.	Korea	Other resale communication business	SK Telecom Co., Ltd.	100.00%
PS&Marketing Corp	Korea	Resale communication business	SK Telecom Co., Ltd.	100.00%
SK M & Service Co., Ltd.	Korea	Providing databases and online information	PS&Marketing Corp	100.00%
Serviceace Co., Ltd.	Korea	Call center and telemarketing business	SK Telecom Co., Ltd.	100.00%
Service Top Co., Ltd.	Korea	Call center and telemarketing business	SK Telecom Co., Ltd.	100.00%
SK O&S Co., Ltd.	Korea	Maintenance management	SK Telecom Co., Ltd.	100.00%
SK Communications Co., Ltd.	Korea	Internet portal service	SK Telecom Co., Ltd.	100.00%
Quantum Innovation Private Equity Joint Venture	Korea	Investment	SK Telecom Co., Ltd.	59.90%
Panasia Semiconductor Materials, LLC	Korea	Investment	Quantum Innovation Private Equity Joint Venture	66.42%
SK Telecom China Holding Co., Ltd.	China	Holding Company	SK Telecom Co., Ltd.	100.00%
SK Global Healthcare Business Group, Ltd.	Hong Kong	Investment	SK Telecom Co., Ltd.	100.00%
SKT Americas, Inc.	USA	Management consulting	SK Telecom Co., Ltd.	100.00%
YTK Investment, Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%
Atlas Investment, Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%
SK Telecom Innovation Fund, L.P.	USA	Investment	Atlas Investment, Ltd.	100.00%
SK Telecom China Fund I L.P.	Cayman	Investment	Atlas Investment, Ltd.	100.00%
SK Telecom Japan Inc.	Japan	Management consulting and information gathering	SK Telecom Co., Ltd.	100.00%
SK Planet Japan, K. K.	Japan	Digital contents sourcing and presenting	SK Telecom Japan Inc.	79.78%
Happy Hanool Co., Ltd.	Korea	Service	SK Telecom Co., Ltd.	100.00%
SK MENA Investment B.V.	Netherlands	Investment	SK Telecom Co., Ltd.	100.00%
SK Latin America Investment S.A.	Spain	Investment	SK Telecom Co., Ltd.	100.00%
Freedom Circle Capital, Inc	USA	Investment	SK Latin America Investment S.A.	100.00%
Montague ESG Capital, LLC	USA	Investment	Freedom Circle Capital, Inc	100.00%
SK Technology Innovation Company	Cayman	Research and development	SK Telecom Co., Ltd.	96.88%
SAPEON Korea Inc.	Korea	Non-memory and others Electronic Integrated circuit manufacturing	SK Telecom Co., Ltd.	100.00%
Sapeon Inc.	USA	Non-memory and others Electronic Integrated circuit manufacturing	SK Telecom Co., Ltd.	100.00%
SK Square Co., Ltd. (*2)	Korea	Holding Company	SK Inc.	30.56%
One store Co., Ltd. (*2)	Korea	Telecommunication service	SK Square Co., Ltd.	47.49%
Rokeu Media Co., Ltd.	Korea	Publication and telemarketing	One store Co., Ltd.	100.00%
11street Co., Ltd. (*3)	Korea	E-commerce	SK Square Co., Ltd.	98.10%
SK Shieldus Co., Ltd.	Korea	Information security service and automatic security	SK Square Co., Ltd.	63.13%
CAPSTEC Co., Ltd.	Korea	Manned security	SK Shieldus Co., Ltd.	100.00%
Infosec Information Technology (Wuxi) Co., Ltd. (formerly, SKinfosec Information Technology (Wuxi) Co., Ltd.)	China	System software development and supplying	SK Shieldus Co., Ltd.	100.00%
SK Shieldus America, Inc. (formerly, CAPS America Inc.)	USA	System software development and supplying	SK Shieldus Co., Ltd.	100.00%
SK Planet Co., Ltd.	Korea	Telecommunication service and system software development and supplying	SK Square Co., Ltd.	98.65%
SK Planet Global Holdings Pte, Ltd.	Singapore	Holding Company	SK Planet Co., Ltd.	100.00%
SKP America, LLC	USA	Digital contents sourcing and presenting	SK Planet Co., Ltd.	100.00%
K-Net Culture & Contents Venture Fund	Korea	Investment fund and information gathering	SK Planet Co., Ltd.	59.00%
SK Square Americas, Inc	USA	Investment	SK Square Co., Ltd.	100.00%
Dreamus Company Co., Ltd. (*2,4)	Korea	Video and audio equipment manufacturing	SK Square Co., Ltd.	51.44%
Iriver Enterprise Ltd.	Hong Kong	Chinese subsidiary management	Dreamus Company Co., Ltd.	100.00%
Iriver China Co., Ltd.	China	MP3,4 production and sales	Iriver Enterprise, Ltd.	100.00%
Dongguan iriver Electronics Co., Ltd.	China	Electronic book production and sales	Iriver Enterprise, Ltd.	100.00%
Life Design Company Inc.	Japan	Japan goods sales	Dreamus Company Co., Ltd.	100.00%
Studio Dolphin Co., Ltd.	Korea	Publishing	Dreamus Company Co., Ltd.	100.00%
Id Quantique SA	Swiss	Quantum information and communication business	SK Square Co., Ltd.	69.30%
Id Quantique Ltd.	Korea	Quantum information and communication business	Id Quantique SA	100.00%
ID Quantique Limited, UK	UK	Quantum information and communication	Id Quantique SA	100.00%
ID Quantique Inc, USA	USA	Quantum information and communication	Id Quantique SA	100.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity Ownership (*1)
FSK L&S Co., Ltd.	Korea	Cargo transport shipment and logistics consulting project	SK Square Co., Ltd.	60.00%
FSK L&S (Shanghai) Co., Ltd.	China	Transportation industry	FSK L&S Co., Ltd.	100.00%
FSK L&S(Hungary) Co., Ltd.	Hungary	Transportation industry	FSK L&S Co., Ltd.	100.00%
FSK L&S Vietnam Co., Ltd.	Vietnam	Transportation industry	FSK L&S Co., Ltd.	100.00%
FSK L&S (Jiangsu) Co., Ltd.	China	Transportation industry	FSK L&S Co., Ltd.	100.00%
Incross Co., Ltd. (*2)	Korea	Media agency	SK Square Co., Ltd.	34.60%
Infra Communications Co., Ltd.	Korea	Service operation business	Incross Co., Ltd.	100.00%
Mindknock Co., Ltd.	Korea	Software development	Incross Co., Ltd.	100.00%
Tmap Mobility Co., Ltd.	Korea	Mobility business	SK Square Co., Ltd.	66.26%
YLP Inc.	Korea	Cargo transport shipment business	Tmap Mobility Co., Ltd.	100.00%
Good service Co., Ltd.	Korea	Driving agency service	Tmap Mobility Co., Ltd.	100.00%
SK Networks Co., Ltd. (*2)	Korea	Distribution and trading business	SK Inc.	39.14%
SK Networks Service Co., Ltd.	Korea	Equipment repair service	SK Networks Co., Ltd.	86.50%
SK Magic Co., Ltd.	Korea	Household appliances manufacturing, sales and rent	SK Networks Co., Ltd.	100.00%
SK Magic Service Co., Ltd.	Korea	Household 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 Networks Retail Malaysia Sdn. Bhd.	Malaysia	Household appliances sales and rent	SK Magic Co., Ltd.	100.00%
SK Rent-a-Car Co., Ltd.	Korea	Car rental	SK Networks Co., Ltd.	72.95%
SK Rent-a-Car Service Co., Ltd.	Korea	Business support services	SK Rent-a-Car Co., Ltd.	100.00%
SK Networks (Shanghai) Co., Ltd.	China	Trading business	SK Networks Co., Ltd.	100.00%
POSK (Pinghu) Steel Processing Center Co., Ltd.	China	Steel processing and sales	SK Networks Co., Ltd.	80.00%
SK Networks Japan Co., Ltd.	Japan	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks Deutschland GmbH	Germany	Trading business	SK Networks Co., Ltd.	100.00%
SK BRASIL LTDA	Brazil	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks Trading Malaysia Sdn Bhd	Malaysia	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks America, Inc.	USA	Trading business	SK Networks Co., Ltd.	100.00%
Networks Tejarat Pars	Iran	Trading business	SK Networks Co., Ltd.	100.00%
MINTIT Co., Ltd.	Korea	Manufacturing and sales business	SK Networks Co., Ltd.	100.00%
MINTIT VINA	Vietnam	Manufacturing and sales business	MINTIT Co., Ltd.	100.00%
Hico Capital LLC (formerly TenX Capital)	USA	Investment	SK Networks Co., Ltd.	100.00%
SK Networks Hong Kong Ltd.	Hong Kong	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks (Xiamen) Steel Processing Center Co., Ltd.	China	Steel processing and sales	SK Networks Hong Kong Ltd.	100.00%
SK Networks Resources Australia (Wyong) Pty Ltd. (*5)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks Resources Pty Ltd. (*5)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks (China) Holdings Co., Ltd. (*5)	China	Holding Company	SK Networks Co., Ltd.	100.00%
Shenyang SK Bus Terminal Co., Ltd. (*5)	China	Bus terminal business	SK Networks (China) Holdings Co., Ltd.	75.00%
SK Networks (Dandong) Energy Co., Ltd. (*5)	China	Petroleum sales	SK Networks (China) Holdings Co., Ltd.	100.00%
Cartini Co., Ltd.	Korea	E-commerce retail business	SK Networks Co., Ltd.	100.00%
SKC Co., Ltd. (*2)	Korea	Petrochemicals manufacturing	SK Inc.	40.64%
Woori Fine Chem Co., Ltd.	Korea	Petrochemicals manufacturing	SKC Co., Ltd.	100.00%
SK Telesys Co., Ltd.	Korea	Communications equipment manufacturing and sales	SKC Co., Ltd.	81.40%
Techdream Co., Ltd.	Hong Kong	Semiconductor component	SK Telesys Co., Ltd.	100.00%
SK Telesys Corp.	USA	Manufacturing	SK Telesys Co., Ltd.	100.00%
SKC Solmics Co., Ltd.	Korea	Semiconductor component manufacturing	SKC Co., Ltd.	100.00%
Solmics Taiwan Co., Ltd.	Taiwan	Semiconductor component distribution	SKC Solmics Co., Ltd.	100.00%
Solmics Shanghai Co., Ltd.	China	Semiconductor component distribution	SKC Solmics Co., Ltd.	100.00%
SKC Solmics Hong kong Co., Ltd.	Hong Kong	SPC	SKC Solmics Co., Ltd.	100.00%
SKC Semiconductor Materials (Wuxi) Co., Ltd.	China	Semiconductor material cleaning	SKC Solmics Hong kong Co., Ltd.	100.00%
SKC-ENF Electronic Materials Ltd.	Hong Kong	SPC	SKC Co., Ltd.	75.10%
SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	China	Electronic materials manufacturing	SKC-ENF Electronic Materials Ltd.	100.00%
SE Electronic Materials LLC	China	Sales of raw chemical materials and chemical products related to semiconductor	SKC-ENF Electronic Materials Ltd.	100.00%
SKC (Jiangsu) High tech Plastics Co., Ltd.	China	Film manufacturing	SKC Co., Ltd.	100.00%
SKC, Inc.	USA	Manufacturing	SKC Co., Ltd.	100.00%
SKC Europe GmbH	Germany	Sales	SKC Co., Ltd.	100.00%
SKC Hi-Tech&Marketing Co., Ltd.	Korea	Film manufacturing	SKC Co., Ltd.	100.00%
SKC Hi-Tech&Marketing (Suzhou) Co., Ltd.	China	Film manufacturing	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC Hi-Tech&Marketing Polska SP.Z O.O	Poland	Film manufacturing	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC Hi-Tech&Marketing USA, LLC	USA	Film manufacturing	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC Hi-Tech&Marketing Vina Co., Ltd.	Vietnam	Film manufacturing	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC PU Specialty Co., Ltd.	Hong Kong	SPC	SKC Co., Ltd.	100.00%
SKC (Nantong) PU Specialty Co., Ltd.	China	Electronic materials manufacturing	SKC PU Specialty Co., Ltd.	100.00%
SK PIC Global Co., Ltd.	Korea	Petrochemicals sales	SKC Co., Ltd.	51.00%
SKCFTH Co., Ltd.	Korea	Professional, scientific technology services	SKC Co., Ltd.	100.00%
SK Nexilis Co., Ltd.	Korea	Manufacturing	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	Nexilis Management Malaysia Sdn. Bhd.	100.00%
SK Nexilis Poland sp.z o.o.	Poland	Manufacturing	SK Nexilis Co., Ltd.	100.00%
SK TBMGEOSTONE Co., Ltd.	Korea	Manufacturing	SKC Co., Ltd.	51.00%
Allnewone Co., Ltd.	Korea	Other engineering service	SKC Co., Ltd.	100.00%
Ecovance Co. Ltd.	Korea	Manufacturing	SKC Co., Ltd.	84.76%
Mitsui Chemicals & SKC Polyurethanes Inc. (*2)	Korea	Chemistry	SKC Co., Ltd.	50.00%
Beijing Mitsui Chemicals & SKC Polyurethanes Co., Ltd.	China	Chemistry	Mitsui Chemicals & SKC Polyurethanes Inc.	100.00%
MCNS Polyurethanes Europe Sp. zo. o.	Poland	Chemistry	Mitsui Chemicals & SKC Polyurethanes Inc.	100.00%
MCNS Polyurethanes USA Inc.	USA	Chemistry	Mitsui Chemicals & SKC Polyurethanes Inc.	100.00%
MCNS Polyurethanes Mexico, S. de R.L. de C.V.	Mexico	Chemistry	Mitsui Chemicals & SKC Polyurethanes Inc.	100.00%
MCNS Polyurethanes India Private Limited	India	Chemistry	Mitsui Chemicals & SKC Polyurethanes Inc.	100.00%
MCNS Polyurethanes RUS Limited Liability Company	Russia	Chemistry	Mitsui Chemicals & SKC Polyurethanes Inc.	100.00%
NEX Investment Limited	UK	Investment	SKC Co., Ltd.	80.01%
NEX UK Holdings Limited.	UK	Investment	NEX Investment Limited	51.00%
SK E&S Co., Ltd.	Korea	City gas business	SK Inc.	90.00%
Kangwon City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Yeongnam Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Ko-one Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
Narae Energy Service Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%
Pusan City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Jeonbuk Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Chonnam City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Chungcheong Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Paju Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	51.00%
Yeosu Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	100.00%
Shinanjeungdo Sunlight Co., Ltd.	Korea	New regeneration project	SK E&S Co., Ltd.	100.00%
SK E&S Hong Kong Co., Ltd.	Hong Kong	City gas business	SK E&S Co., Ltd., Pusan City Gas Co., Ltd.	100.00%
SK E&S Australia Pty. Ltd.	Australia	Resource development	SK E&S Co., Ltd.	100.00%
SK E&S Americas, Inc.	USA	Holding Company	SK E&S Co., Ltd.	100.00%
SK E&S LNG, LLC	USA	LNG business	SK E&S Americas, Inc.	100.00%
DewBlaine Energy, LLC	USA	Resource development	SK E&S Americas, Inc.	100.00%
CAILIP Gas Marketing, LLC	USA	LNG business	SK E&S Americas, Inc.	100.00%
Passkey, Inc.	USA	New regeneration project	SK E&S Americas, Inc.	100.00%
Mobility Solution I Inc.	USA	Holding Company	Passkey, Inc.	90.92%
Mobility Solution II Inc.	USA	Holding Company	Mobility Solution I Inc.	100.00%
EverCharge, Inc.	USA	Software development	Mobility Solution II Inc.	100.00%
EverCharge Services, LLC	USA	Electricity business and other electric wire installation business	EverCharge, Inc.	100.00%
LNG Americas, Inc.	USA	LNG business	SK E&S Americas, Inc.	100.00%
Rnes Holdings, LLC	USA	Renewable / electric power business	SK E&S Americas, Inc.	100.00%
Grid Solution, LLC	USA	New regeneration business	Rnes Holdings, LLC	100.00%
Key Capture Energy, LLC	USA	Energy solution	Grid Solution, LLC	96.87%
KCE Global Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE PF Holdings 2021, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE LAND Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 8, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 11, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 12, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 14, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 18, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 19, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 21, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 22, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 25, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 26, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 27, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 28, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 29, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 32, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE NY 33, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 7, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 8, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 9, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 11, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 12, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 13, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 14, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 15, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 16, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 17, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 19, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 20, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 21, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 22, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 24, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 25, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 26, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 27, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE TX 28, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 7, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE CT 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MD 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE MI 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE ME 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IL 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IN 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IN 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE IN 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE OK 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE OK 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE OK 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE OK 4, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Brushy Creek Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Texas Holdings 2020, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
Roughneck Storage LLC D/B/A KCE TX 23, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
KCE Market Operations, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%
Grid Solution II, LLC	USA	Investment	Rnes Holdings, LLC	100.00%
Pnes Investments, LLC	USA	Investment	SK E&S Americas, Inc.	100.00%
Prism Energy International China Limited.	China	LNG business	SK E&S Co., Ltd.	100.00%
Prism Energy International Zhoushan Limited.	China	LNG business	Prism Energy International China Limited.	100.00%
Prism Energy International Pte. Ltd.	Singapore	LNG business	SK E&S Co., Ltd.	100.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
Fajar Energy International Pte. Ltd.	Singapore	LNG business	Prism Energy International Pte. Ltd.	100.00%
Prism Energy International Hong Kong, Ltd.	Hong Kong	LNG business	Prism Energy International Pte. Ltd.	100.00%
Prism Darwin Pipeline Pty. Ltd.	Australia	LNG business	Prism Energy International Pte. Ltd.	100.00%
PT Prism Nusantara International	Indonesia	LNG business	SK E&S Co., Ltd.	100.00%
SK E&S Dominicana S.R.L	Dominica	LNG business	SK E&S Co., Ltd.	100.00%
Hae-Ssal Solar Power Co., Ltd.	Korea	New regeneration project	SK E&S Co., Ltd.	100.00%
Prism DLNG Pte. Ltd.	Singapore	LNG business	SK E&S Co., Ltd.	100.00%
BU12 Australia Pty. Ltd.	Australia	LNG business	SK E&S Co., Ltd.	100.00%
BU13 Australia Pty. Ltd.	Australia	LNG business	SK E&S Co., Ltd.	100.00%
Energy Solution Holdings Inc.	USA	Investment	SK E&S Co., Ltd.	100.00%
Ariul Solar Power Co., Ltd.	Korea	New regeneration project	SK E&S Co., Ltd.	100.00%
Busan Jungkwan Energy Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%
IGE Co., Ltd.	Korea	Hydrogen business	SK E&S Co., Ltd.	100.00%
New&Company Two Pte. Ltd.	Singapore	New Regeneration Project	SK E&S Co., Ltd.	100.00%
Dangjin Haengbok Solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%
Busaho haengboknanum solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	70.00%
SK Ecoplant Co., Ltd. (*2)	Korea	Construction	SK Inc.	44.48%
Seosuwon Development Company (*2)	Korea	Real estate development and construction	SK Ecoplant Co., Ltd.	19.90%
SKEC Nanjing Co., Ltd.	China	Construction	SK Ecoplant Co., Ltd.	100.00%
Changzhou SKY New Energy Co., Ltd.	China	Investment	SKEC Nanjing Co., Ltd.	100.00%
SKEC (Thai), Ltd.	Thailand	Construction	SK Ecoplant Co., Ltd.	100.00%
Thai Woo Ree Engineering Co., Ltd.	Thailand	Construction	SKEC (Thai), Ltd.	99.77%
SKEC Anadolu EC, LLC	Turkey	Construction	SK Ecoplant Co., Ltd.	100.00%
SK E&C Betek Corporation	USA	Real estate development and construction	SK Ecoplant Co., Ltd.	100.00%
Mesa Verde RE Ventures, LLC	USA	Real estate development	SK E&C Betek Corporation	100.00%
BT FC LLC	USA	Construction	SK E&C Betek Corporation	100.00%
SKEC Consultores Ecuador, S.A	Ecuador	Construction	SK Ecoplant Co., Ltd.	100.00%
Sunlake Co., Ltd.	Canada	Construction	SK Ecoplant Co., Ltd.	100.00%
SK HOLDCO PTE. LTD.	Singapore	Investment	SK Ecoplant Co., Ltd.	63.51%
Silvertown Investco Limited.	UK	Construction	SK Ecoplant Co., Ltd.	100.00%
Seongju Tech Co., Ltd.	Korea	Machinery manufacturing	SK Ecoplant Co., Ltd.	100.00%
DDS Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Samwon ENT Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Environment Management Corporation Co., Ltd.	Korea	Environmental facility operation project	SK Ecoplant Co., Ltd.	100.00%
YS TEC Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Seonam Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Honam Environmental Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Green Hwasun Inc.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Green Sunchang Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Gyeongsan Clear Mulgil Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Dalseong Maleummulgil Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Goksung Environment Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Chungcheong Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Gyeonggi Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Gyeongbuk Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Gyeongin Environment Energy Company	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%
Saehan Environment Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Daewon Green Energy Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Daewon HI-Teck Co., Ltd.	Korea	Construction waste collection and transportation	Daewon Green Energy Co., Ltd.	100.00%
KS Investment B.V.	Netherlands	Investment	SK Ecoplant Co., Ltd.	72.51%
E-MEDI One Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Emedione Logis Co., Ltd.	Korea	Designated waste collection and transportation	E-MEDI One Co., Ltd.	100.00%
City Environment Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
Green Environment Technology Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%
DongNam Offshore Windfarm Co. Ltd	Korea	Power generation	SK Ecoplant Co., Ltd.	100.00%
Gangdong Green Complex Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	86.63%
SK Materials Co., Ltd.	Korea	Special gas manufacturing and sales	SK Inc.	100.00%
SK Materials Japan Co., Ltd.	Japan	Special gas sales	SK Materials Co., Ltd.	95.00%
SK Materials Taiwan Co., Ltd.	Taiwan	Special gas sales	SK Materials Co., Ltd.	100.00%
SK Materials Jiagsu Co., Ltd.	China	Special gas manufacturing and sales	SK Materials Co., Ltd.	100.00%
SK Materials (Xian) Co., Ltd.	China	Trading business and warehouse operation	SK Materials Co., Ltd.	100.00%
SK Materials (Shanghai) Co., Ltd.	China	Special gas sales	SK Materials Co., Ltd.	100.00%
Happy Companion Co., Ltd.	Korea	Cleaning and laundry service	SK Materials Co., Ltd.	100.00%
SK Tri Chem Co., Ltd.	Korea	Manufacturing and sales of precursors and others	SK Inc.	65.00%
SK Showa Denko Co., Ltd.	Korea	Sales of raw chemical materials and chemical products related to semiconductor	SK Inc.	51.00%
SK Materials Airplus Inc.	Korea	Industrial gas sales	SK Inc.	100.00%
SK Materials Renewtech Co., Ltd.	Korea	Manufacturing industrial gas	SK Inc.	80.00%
SK Materials Performance Co., Ltd.	Korea	Semiconductor materials manufacturing and selling	SK Inc.	100.00%
SK Materials JNC Co., Ltd.	Korea	Manufacturing of organic light emitting diode material	SK Inc.	51.00%
SK JNC Japan Co., Ltd.	Japan	Manufacturing of organic light emitting diode material	SK Materials JNC Co., Ltd.	100.00%
SK Materials Group14 Co., Ltd.	Korea	Manufacturing	SK Inc.	75.00%
SK Siltron Co., Ltd.	Korea	Silicon wafer for electronic industry manufacturing and sales	SK Inc.	51.00%
SK Siltron America, Inc.	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron Japan, Inc.	Japan	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron Shanghai Co., Ltd.	China	Silicon wafer for electronic industry	SK Siltron Co., Ltd.	100.00%
SK Siltron USA, Inc.	USA	Investment	SK Siltron Co., Ltd.	100.00%
SK Siltron CSS, LLC	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron USA, Inc.	100.00%
Happyfilling Co., Ltd.	Korea	Service	SK Siltron Co., Ltd.	100.00%
Teraon Co., Ltd. (*2)	Korea	Manufacturing and service	Individual	10.77%
SK Biopharmaceuticals Co., Ltd.	Korea	Medicine and life science	SK Inc.	64.02%
SK Life Science, Inc.	USA	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%
SK Bio-Pharma Tech (Shanghai) Co., Ltd.	China	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%
SK S.E.Asia Pte. Ltd.	Singapore	Investment	SK Inc.	100.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
Essencore Limited	Hong Kong	Manufacturing and distribution of semiconductor modules	SK S.E.Asia Pte. Ltd.	100.00%
Essencore (ShenZhen) Limited	China	Consulting for computer system interation	Essencore Limited	100.00%
SK China Company, Ltd.	Hong Kong	Consulting and investment	SK Inc.	88.13%
SK Bio Energy Hong Kong Co., Ltd.	Hong Kong	Biomass electricity generation	SK China Company, Ltd.	69.40%
SK Property Investment Management Co., Ltd.	Hong Kong	Real estate investment	SK China Company, Ltd.	100.00%
SK Industrial Development China Co., Ltd.	Hong Kong	Investment	SK China Company, Ltd.	100.00%
Shanghai SKY Real Estate Development Co., Ltd.	China	Real estate investment	SK Industrial Development China Co., Ltd.	100.00%
Beijing Lizhi Weixin Technology Co., Ltd.	China	Investment	SK China Company, Ltd.	100.00%
SK China Investment Management Co., Ltd.	Hong Kong	Real estate investment	SK China Company, Ltd.	100.00%
SK Networks (Liaoning) Logistics Co., Ltd.	China	Logistics	SK China Investment Management Co., Ltd.	100.00%
SK International Agro-Products Logistics Development Co., Ltd.	Hong Kong	Agriculture product logistics	SK China Investment Management Co., Ltd.	100.00%
SK International Agro-Sideline Products Park Co., Ltd.	China	Agriculture product logistics	SK International Agro-Products Logistics Development Co., Ltd.	100.00%
SK Auto Service Hong Kong Co., Ltd.	Hong Kong	Holding Company	SK China Company, Ltd.	100.00%
Skyline Auto Financial Leasing Co., Ltd.	Hong Kong	Investment	SK Auto Service Hong Kong Co., Ltd.	100.00%
SK Financial Leasing Co., Ltd.	China	Financial lease	SK Auto Service Hong Kong Co., Ltd.	100.00%
SK China (Beijing) Co., Ltd.	China	Consulting	SK China Company, Ltd.	100.00%
SKY Property Management Ltd.	Virgin Islands	Investment	SK China Company, Ltd.	100.00%
SK China Real Estate Co., Ltd.	Hong Kong	Real estate investment	SKY Property Management Ltd.	100.00%
SKY Investment Co., Ltd.	China	Real estate management	SK China Company, Ltd.	100.00%
SKY (Zhuhai Hengqin) Technology Co., Ltd.	China	Investment	SK China Company, Ltd.	100.00%
SK C&C Beijing Co., Ltd.	China	Consulting for computer	SK Inc.	100.00%
SK C&C Chengdu Co., Ltd.	China	Consulting for computer system integration and others	SK C&C Beijing Co., Ltd.	100.00%
SK C&C India Pvt. Ltd.	India	Consulting for computer system integration and others	SK Inc.	100.00%
SK C&C USA, Inc.	USA	Consulting for computer system integration and others	SK Inc.	100.00%
S&G Technology	Saudi Arabia	Consulting for computer system integration and others	SK Inc.	51.00%
Saturn Agriculture Investment Co., Ltd.	Hong Kong	Investment	SK Inc.	81.00%
SK Investment Management Co., Ltd.	Hong Kong	Investment	SK Inc.	100.00%
SK Mobility Investments Company Limited	Hong Kong	Investment	SK Investment Management Co., Ltd.	100.00%
SK Semiconductor Investments Co., Ltd.	Hong Kong	Investment management	SK Investment Management Co., Ltd.	100.00%
Gemini Partners Pte. Ltd.	Singapore	Consulting	SK Inc., SK Innovation Co., Ltd. SK Telecom Co., Ltd., and SK E&S Co., Ltd.	80.00%
Solaris Partners Pte. Ltd.	Singapore	Consulting	Gemini Partners Pte. Ltd.	100.00%
Solaris GEIF Investment	USA	Investment	Solaris Partners Pte. Ltd.	100.00%
SK GI Management	Cayman	Investment	SK Inc.	100.00%
Plutus Capital NY, Inc.	USA	Investment	SK Inc.	100.00%
Hudson Energy NY, LLC	USA	Investment	Plutus Capital NY, Inc.	50.13%
Hudson Energy NY II, LLC	USA	Investment	Plutus Capital NY, Inc.	50.00%
Hudson Energy NY III, LLC	USA	Investment	Plutus Capital NY, Inc.	50.50%
Grove Energy Capital LLC	USA	Investment	Plutus Capital NY, Inc., Pnes Investments, LLC	100.00%
Plutus Capital NY II, Inc	USA	Investment	SK Inc.	100.00%
Grove Energy Capital II, LLC	USA	Investment	Plutus Capital NY II, Inc.	100.00%
Plutus Capital NY III, Inc	USA	Investment	SK Inc.	100.00%
Grove Energy Capital III, LLC	USA	Investment	Plutus Capital NY III, Inc.	50.10%
Plutus Fashion NY, Inc.	USA	Fashion	SK Inc.	100.00%
Wonderland NY, Inc.	USA	Investment	Plutus Fashion NY, Inc.	100.00%
Atlas NY, LLC	USA	Investment	Plutus Fashion NY, Inc.	61.24%
SK South East Asia Investment Pte. Ltd.	Singapore	Investment	SK Inc., SK Innovation Co., Ltd., SK Telecom Co., Ltd. and SK E&S Co., Ltd.	80.00%
SK Investment Vina I Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	50.01%
SK Investment Vina II Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	50.01%
SK Investment Vina III Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
MSN Investment Pte. Ltd.	Singapore	Investment	SK Investment Vina III Pte. Ltd.	100.00%
Imexpharm Corporation (*2)	Vietnam	pharmaceutical manufacturing	SK Investment Vina III Pte. Ltd.	46.70%
SK Investment Vina V Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
SK Investment Vina VI Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
SK Investment Vina IV Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
SK Malaysia Investment I Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
SK Pharmteco Inc.	USA	Investment	SK Inc.	100.00%
SK Biotek Co., Ltd.	Korea	Drug medicine	SK Pharmteco Inc.	100.00%
SK BIOTEK IRELAND LIMITED	Ireland	Pharmaceutical manufacturing	SK Pharmteco Inc.	100.00%
SK BIOTEK USA, Inc.	USA	Medicine and life science	SK Pharmteco Inc.	100.00%
Crest Acquisition LLC	USA	Investment	SK Pharmteco Inc.	100.00%
Yposkesi, SAS	France	Medicine manufacturing	Crest Acquisition LLC	70.00%
Abrasax Investment Inc.	USA	Investment	SK Pharmteco Inc.	100.00%
Fine Chemicals Holdings Corp.	USA	Investment	Abrasax Investment Inc.	100.00%
AMPAC Fine Chemicals, LLC	USA	Drug medicine	Fine Chemicals Holdings Corp.	100.00%
AMPAC Fine Chemicals Texas, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%
AMPAC Fine Chemicals Virginia, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%
Golden Pearl EV Solutions Limited	Hong Kong	Investment	SK Inc.	100.00%
Socar Mobility Malaysia, Sdn. Bhd.	Malaysia	Car sharing service	SK Inc.	83.51%
Future Mobility Solutions Sdn. Bhd.	Malaysia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%
PT Future Mobility Solutions	Indonesia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%
Einstein Cayman Limited	Cayman	Investment	SK Inc.	100.00%
I Cube Capital Inc.	USA	Investment	SK Inc.	100.00%
I Cube Capital Hong Kong 1. LP Limited.	USA	Investment	I Cube Capital Inc.	100.00%
Tellus Investment Partners, Inc.	USA	Investment	SK Inc.	100.00%
Primero Protein, LLC	USA	Investment	Tellus Investment Partners, Inc.	67.55%
Terra LLC	USA	Investment	Tellus Investment Partners, Inc.	100.00%
Castanea Bioscience Inc.	USA	Investment	SK Inc.	100.00%
SK Forest Co., Ltd.	Korea	Landscaping and planting business	SK Inc.	100.00%
Hweechan Co., Ltd.	Korea	Condo, resort operation	SK Inc.	100.00%
SK Pinx Co., Ltd.	Korea	Golf club operating	Hweechan Co., Ltd.	100.00%
SK REITs Co., Ltd.	Korea	Real estate developing and trading	SK Inc.	50.00%
Clean Energy REITs Co., Ltd.	Korea	Real estate developing and trading	SK REITs Co., Ltd.	100.00%
SK REITs Management Co., Ltd.	Korea	Real estate developing and trading	SK Inc.	100.00%
SK Japan Investment Inc.	Japan	Investment	SK Inc., SKC Co., Ltd., SK Materials Co., Ltd., and SK Siltron Co., Ltd.	100.00%
SK SIGNET Inc. (formerly, SIGNET EV Inc.) (*6)	Korea	Electric vehicle charger manufacturing and selling	SK Inc.	0.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SIGNET Energy Inc.	Korea	Electric vehicle charger maintenance and technical support	SIGNET Inc.	100.00%
SIGNET EV America Inc.	USA	Electric vehicle charger maintenance	SIGNET Inc.	100.00%
Auxo Capital Inc.	USA	Investment	SK Inc.	100.00%
SK Global Development Advisors LLC	USA	Investment	Auxo Capital Inc.	100.00%
Auxo Capital Managers LLC	USA	Investment	Auxo Capital Inc.	100.00%
SK Growth Opportunities Corporation	USA	Investment	Auxo Capital Managers LLC	100.00%
Tellus (HONG KONG) Investment Co., Ltd.	Hong Kong	Investment	SK Inc.	100.00%
Digital Center Capital Inc.	USA	Investment	SK Inc.	100.00%
Martis Capital, LLC	USA	Investment	Digital Center Capital Inc.	100.00%
Tillandsia, Inc.	USA	Investment	SK Inc.	100.00%

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

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1.4 Condensed financial information of significant consolidated subsidiaries

Details of condensed financial information of the significant subsidiaries as of and for the three-month period ended March 31, 2022 are as follows (Korean won in millions):

Subsidiaries	Total assets	Total liabilities	Sales	Net income (loss)
SK Innovation Co., Ltd.	₩ 18,685,916	₩ 2,779,961	₩ 731,808	₩ 446,428
SK Energy Co., Ltd.	16,826,875	12,257,238	10,349,864	648,371
SK Geo Centric Co., Ltd.	6,394,295	3,359,564	2,766,895	2,970
SK Incheon Petrochem Co., Ltd.	5,761,667	4,026,816	1,799,080	80,379
SK Trading International Co., Ltd.	2,082,720	1,420,996	3,811,751	42,117
SK Lubricants Co., Ltd.	3,083,866	2,198,358	973,447	125,206
SK ie technology Co., Ltd.	2,567,245	398,150	77,063	1,921
SK On Co., Ltd.	6,702,205	2,839,288	1,189,015	(129,247)
SK Geo Centric International Trading (Shanghai) Co., Ltd. (formerly, SK Global Chemical International Trading (Shanghai) Co., Ltd.)	227,348	140,201	451,399	9,400
SK Hi-Tech Battery Materials (Jiang Su) Co., Ltd.	998,273	573,954	67,860	26,330
SK Energy International Pte. Ltd.	3,025,078	2,358,974	6,790,164	22,430
SK Energy America, Inc.	469,998	386,498	1,735,561	(1,819)
SK Energy Europe, Ltd.	373,260	288,592	1,932,686	(813)
SK Telecom Co., Ltd.	26,090,781	15,309,451	3,077,393	252,018
SK Broadband Co., Ltd.	5,914,094	2,995,092	1,028,246	49,489
PS&Marketing Corp.	459,500	242,812	355,011	1,400
SK Square Co., Ltd.	7,456,542	286,534	277,044	254,391
SK Shieldus Co., Ltd. (*1)	3,261,875	2,877,690	399,807	8,725
11street. Co., Ltd.	880,657	546,685	139,980	(26,461)
SK Planet Co., Ltd.	535,178	207,347	60,435	50,092
SK Networks Co., Ltd.	5,486,701	3,452,726	1,803,102	14,255
SK Magic Co., Ltd.	1,220,904	837,158	251,908	18,236
SK Rent-a-Car Co., Ltd.	2,959,420	2,463,895	310,951	9,271
SKC Co., Ltd.	3,440,934	1,329,985	226,442	193,668
SK Nexilis Co., Ltd.	1,179,507	639,044	212,507	18,090
SK PIC Global Co., Ltd.	656,083	356,866	311,117	63,092
SK E&S Co., Ltd.	8,779,935	3,794,732	335,431	198,917
Yeongnam Energy Service Co., Ltd.	483,987	270,916	298,160	11,872
Ko-one Energy Service Co., Ltd.	846,473	505,522	517,211	16,521
Pusan City Gas Co., Ltd.	1,187,076	447,706	435,235	21,544
Chungcheong Energy Service Co., Ltd.	378,020	248,560	262,972	12,369
Paju Energy Service Co., Ltd.	1,958,056	1,142,914	604,623	214,466
Narae Energy Service Co., Ltd.	1,483,001	921,411	315,190	64,727
SK Ecoplant Co., Ltd.	7,180,471	5,903,034	1,107,580	301,210
SK Materials Co., Ltd.	1,073,311	693,736	186,255	39,341
SK Siltron Co., Ltd. (*1)	3,739,080	2,383,225	555,498	78,496
SK Biopharmaceuticals Co., Ltd.	622,202	172,594	50,283	(21,153)
SK REITs Co., Ltd.	1,403,465	632,706	10,288	9,377

(*1) The subsidiary's financial information is consolidated financial information.

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1.5 Disclosure of significant non-controlling interests in subsidiaries

Information about significant non-controlling interests in subsidiaries as of and for the three-month period ended March 31, 2022 are as follows (Korean won in millions):

	March 31, 2022						
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.
Percentage of the non-controlling ownership	63.26%	69.88%	69.80%	55.58%	57.10%	10.00%	55.47%
Current assets	₩ 25,286,875	₩ 6,544,841	₩ 2,994,791	₩ 3,006,851	₩ 2,372,778	₩ 4,138,515	₩ 4,443,080
Non-Current assets	29,252,893	24,029,827	19,653,825	6,357,348	4,571,850	12,134,633	4,504,791
Current liabilities	17,600,456	6,935,288	2,231,975	3,764,536	2,080,485	3,723,863	4,059,247
Non-current liabilities	16,345,860	11,369,913	3,220,870	3,197,596	2,122,974	6,218,721	2,953,508
Net assets	20,593,452	12,269,467	17,195,771	2,402,067	2,741,169	6,330,564	1,935,116
Book value of the non-controlling interests	13,793,140	7,653,433	12,093,326	1,402,340	1,869,162	4,014,294	1,202,449
Sales	16,261,508	4,277,208	1,321,070	2,500,718	1,120,605	3,564,181	1,270,570
Net income	863,299	220,345	465,008	29,472	90,159	532,436	676,972
Total comprehensive income	1,120,281	234,066	186,676	38,582	99,703	457,123	726,584
Net income of the non-controlling interests	579,711	149,282	335,299	17,204	62,624	177,461	370,939
Total comprehensive income of the non-controlling interests	709,113	126,253	88,336	22,392	68,877	166,433	399,800
Net cash flows from operating activities	(987,387)	1,294,700	(50,251)	179,982	(116,648)	923,001	(394,515)
Net cash flows from investing activities	117,350	(800,605)	(100,138)	(60,353)	169,446	(555,813)	353,001
Net cash flows from financing activities before dividends paid to the non-controlling interests	1,749,832	(469,872)	89,725	(233,729)	225,659	(216,109)	529,373
Dividends paid to the non-controlling interests	(6,300)	(3,692)	-	-	(73,500)	(68,770)	-
Net increase (decrease) in cash and cash equivalents	873,495	20,531	(60,664)	(114,100)	204,957	82,309	487,859

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

The accompanying interim condensed consolidated financial statements are stated in Korean won, the currency of the country in which the Group is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of the interim condensed consolidated financial statements and has been made at the rate of ₩1,210.8 to USD 1.00, the basic exchange rate in the Seoul Money Brokerage Service for cable transfers in Korean won on the last business day of the three-month period ended March 31, 2021. Such translations into U.S. dollars should not be construed as representations that the Korean won amounts could be converted into U.S. dollars at that or any other rate.

2.2 Significant accounting policies

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

2.2.1 New and revised KIFRSs adopted in the current period

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

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to KIFRS 1016 The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment must be applied retrospectively to items of property plant, and equipment that are brought to the location and condition necessary for it to be capable of operating in the manner intended by management after the beginning of the earliest period presented.

The Group restated the comparative consolidated financial statements by retroactively applying the amendments to property, plant, and equipment that are brought to the location and condition necessary for it to be capable of operating in the manner intended by management after the beginning of the earliest period presented. As a result, property, plant and equipment decreased by ₩22,414 million as of December 31, 2021, and net income decreased by ₩3,331 million for the three months ended March 31, 2021.

2.2 Significant accounting policies (cont'd)

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

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

KIFRS 1103 - Business combinations (Amended)

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

Amendments to KIFRS 1116 Covid-19 Related Rent Concessions

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

Annual Improvements to KIFRS 2018-2020

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

2.2. Significant accounting policies (cont'd)

2.2.2 New and revised KIFRS issued, but not yet effective

KIFRS 1001 Presentation of Financial Statements (Amended)

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

KIFRS 1001 Presentation of Financial Statements (Amended)

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

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

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

KIFRS 1012 Income Taxes (Amended)

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

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

3. Significant accounting judgments, estimates and assumptions

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

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

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

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:

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

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4. Operating segments (cont'd)

(2) Details of financial information for each operating segment as of and for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in billions):

	As of and for the year ended March 31, 2022									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments (*1)	Total
Total sales	₩ 16,262	₩ 4,277	₩ 1,321	₩ 2,501	₩ 1,121	₩ 3,564	₩ 1,271	₩ 2,687	₩ (2,240)	₩ 30,764
Internal sales	(162)	(33)	(589)	(301)	(98)	(107)	(3)	(947)	2,240	-
Net sales	16,100	4,244	732	2,200	1,023	3,457	1,268	1,740	-	30,764
Profit (loss) from continuing operations before income tax expense	1,376	327	505	43	109	693	60	937	(670)	3,380
Profit (loss) for the year from continuing operations	863	220	465	31	91	532	45	826	(702)	2,371
Total assets	54,540	30,575	22,649	9,364	6,945	16,273	8,948	56,709	(32,553)	173,450
Total liabilities	33,946	18,305	5,453	6,962	4,203	9,943	7,013	20,747	(1,467)	105,105
Depreciation	380	724	68	210	53	112	21	174	(27)	1,715
Amortization	39	223	24	7	10	2	14	32	81	432

	As of and for the three-month period ended March 31, 2021								
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments (*1)	Total
Total sales	₩ 9,405	₩ 4,780	₩ 2,754	₩ 745	₩ 2,112	₩ 1,553	₩ 2,269	₩ (1,605)	₩ 22,013
Internal sales	(107)	(96)	(353)	(67)	(71)	(127)	(784)	1,605	-
Net sales	9,298	4,684	2,401	678	2,041	1,426	1,485	-	22,013
Profit (loss) from continuing operations before income tax expense	(465)	684	14	90	275	81	1,830	(1,538)	971
Profit (loss) for the period from continuing operations	(371)	572	6	58	216	49	1,490	(1,519)	501
Total assets	42,984	47,761	9,054	5,453	12,152	7,093	49,545	(28,780)	145,262
Total liabilities	27,670	23,192	6,763	3,526	8,188	6,135	16,140	77	91,691
Depreciation	330	787	202	43	92	16	272	(16)	1,726
Amortization	21	247	6	8	2	3	25	82	394

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

(3) Details of financial information by geographical location as of and for the three-month periods ended March 31, 2022 and 2021 (Korean won in billions):

	As of and for the three-month period ended March 31, 2022						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Total sales	₩ 37,913	₩ 9,738	₩ 2,932	₩ 2,970	₩ 179	₩ (22,968)	₩ 30,764
Operating profit (loss)	4,287	82	(95)	(45)	145	(1,321)	3,053
Profit (loss) from continuing operations before income tax expense	4,607	157	(178)	(127)	141	(1,220)	3,380
Profit (loss) for the period	3,459	125	(165)	(143)	131	(1,036)	2,371
Total assets	194,322	20,516	7,016	26,810	1,751	(76,965)	173,450
Total liabilities	97,232	7,601	3,563	6,380	471	(10,142)	105,105

	As of and for the three-month period ended March 31, 2021						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Total sales	₩ 25,883	₩ 5,851	₩ 883	₩ 1,217	₩ 16	₩ (11,837)	₩ 22,013
Operating profit (loss)	2,737	101	-	56	2	(1,283)	1,613
Profit (loss) from continuing operations before income tax expense	3,202	163	(9)	23	13	(2,421)	971
Profit (loss) for the period	2,998	139	(13)	24	13	(2,660)	501
Total assets	163,759	14,506	4,738	17,320	1,663	(56,724)	145,262
Total liabilities	83,724	4,824	2,302	4,973	55	(4,187)	91,691

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4. Operating segments (cont'd)

(4) Details of financial information by revenue from contracts with customers for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in billions):

		For the year ended March 31, 2022									
		SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments	Total
1. Total sales		₩ 16,262	₩ 4,277	₩ 1,321	₩ 2,501	₩ 1,121	₩ 3,564	₩ 1,271	₩ 2,687	₩ (2,240)	₩ 30,764
2. Revenue from contracts with customers		16,252	4,277	922	2,037	1,121	3,562	1,269	2,078	(1,235)	30,283
	Categories:										
	Service sales	60	3,913	704	94	-	-	1,250	600	(482)	6,139
	Finished goods sales	15,181	-	8	102	1,021	1,478	-	1,225	(334)	18,681
	Merchandise sales	448	260	145	1,840	94	2,062	13	252	(392)	4,722
	Other sales	563	104	65	1	6	22	6	1	(27)	741
		<u>16,252</u>	<u>4,277</u>	<u>922</u>	<u>2,037</u>	<u>1,121</u>	<u>3,562</u>	<u>1,269</u>	<u>2,078</u>	<u>(1,235)</u>	<u>30,283</u>
	Timing of revenue recognition:										
	Recognition at a point in time	16,192	364	218	1,943	1,121	439	19	1,478	(753)	21,021
	Recognition over a period of time	60	3,913	704	94	-	3,123	1,250	600	(482)	9,262
		<u>16,252</u>	<u>4,277</u>	<u>922</u>	<u>2,037</u>	<u>1,121</u>	<u>3,562</u>	<u>1,269</u>	<u>2,078</u>	<u>(1,235)</u>	<u>30,283</u>
3. Revenue from other sources		10	-	399	464	-	2	2	609	(1,005)	481

		For the year ended March 31, 2021									
		SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments	Total	
1. Total sales		₩ 9,405	₩ 4,780	₩ 2,754	₩ 745	₩ 2,112	₩ 1,553	₩ 2,269	₩ (1,605)	₩ 22,013	
2. Revenue from contracts with customers		9,397	4,780	2,304	745	2,110	1,552	1,801	(1,147)	21,542	
	Categories:										
	Service sales	67	4,278	78	-	-	1,537	666	(505)	6,121	
	Finished goods sales	8,834	7	114	675	697	-	875	(230)	10,972	
	Merchandise sales	255	363	2,112	59	1,395	12	252	(408)	4,040	
	Other sales	241	132	-	11	18	3	8	(4)	409	
		<u>9,397</u>	<u>4,780</u>	<u>2,304</u>	<u>745</u>	<u>2,110</u>	<u>1,552</u>	<u>1,801</u>	<u>(1,147)</u>	<u>21,542</u>	
	Timing of revenue recognition:										
	Recognition at a point in time	9,330	502	2,226	745	199	15	1,135	(642)	13,510	
	Recognition over a period of time	67	4,278	78	-	1,911	1,537	666	(505)	8,032	
		<u>9,397</u>	<u>4,780</u>	<u>2,304</u>	<u>745</u>	<u>2,110</u>	<u>1,552</u>	<u>1,801</u>	<u>(1,147)</u>	<u>21,542</u>	
3. Revenue from other sources		8	-	450	-	2	1	468	(458)	471	

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5. Financial instruments

5.1 Financial assets

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

	March 31, 2022				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	₩ 2,629,483	₩ -	₩ 11,194,351	₩ -	₩ 13,823,834
Short-term financial instruments	4,136,316	-	832,813	-	4,969,129
Trade receivables (*1)	55,207	-	11,983,689	-	12,038,896
Other receivables	207,872	-	2,897,742	-	3,105,614
Short-term loans	-	-	98,307	-	98,307
Accrued income	-	-	160,583	-	160,583
Short-term investment securities	430,002	-	45	-	430,047
Guarantee deposits	-	-	398,595	-	398,595
Derivative financial assets	104,706	-	-	124,066	228,772
Lease receivables	-	-	19,622	-	19,622
	<u>7,563,586</u>	<u>-</u>	<u>27,585,747</u>	<u>124,066</u>	<u>35,273,399</u>
Non-current assets					
Long-term financial instruments	13,750	-	32,575	-	46,325
Long-term trade receivables	-	-	424,622	-	424,622
Long-term other receivables	250,847	-	34,523	-	285,370
Long-term loans	-	-	431,948	-	431,948
Long-term investment securities	2,177,500	7,398,786	1,018	-	9,577,304
Guarantee deposits	-	-	703,301	-	703,301
Derivative financial assets	559,784	-	-	339,236	899,020
Lease receivables	-	-	44,655	-	44,655
	<u>3,001,881</u>	<u>7,398,786</u>	<u>1,672,642</u>	<u>339,236</u>	<u>12,412,545</u>
	<u>₩ 10,565,467</u>	<u>₩ 7,398,786</u>	<u>₩ 29,258,389</u>	<u>₩ 463,302</u>	<u>₩ 47,685,944</u>

(*1) Contract assets (unbilled receivables) amounting to ₩970,902 million as of March 31, 2022 are not included in the financial assets.

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5. Financial instruments (cont'd)

5.1 Financial assets

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

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

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5. Financial instruments (cont'd)

5.2 Financial liabilities

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

	March 31, 2022			Total
	Financial liabilities measured at FVTPL	Other financial liabilities	Financial liabilities designated as hedging instruments	
Current liabilities:				
Short-term borrowings	₩ -	₩ 10,462,290	₩ -	₩ 10,462,290
Trade payables	-	11,650,417	-	11,650,417
Other payables	34,860	6,075,913	-	6,110,773
Current portion of long-term debt	-	7,262,928	-	7,262,928
Accrued expenses	-	3,824,787	-	3,824,787
Dividends payable	-	986,278	-	986,278
Leasehold deposits received	-	183,198	-	183,198
Derivative financial liabilities	83,599	-	283,081	366,680
Lease liabilities	-	1,280,209	-	1,280,209
Finance guarantee liabilities	-	613	-	613
Financial liabilities at fair value through profit or loss	135,874	-	-	135,874
	<u>254,333</u>	<u>41,726,633</u>	<u>283,081</u>	<u>42,264,047</u>
Non-current liabilities:				
Bonds payable and long-term borrowings	-	43,695,117	-	43,695,117
Long-term other payables	-	1,463,336	-	1,463,336
Long-term accrued expenses	-	41,437	-	41,437
Leasehold deposits received	-	313,083	-	313,083
Derivative financial liabilities	649,425	-	642	650,067
Lease liabilities	-	3,879,711	-	3,879,711
Financial guarantee liabilities	-	16,626	-	16,626
Financial liabilities at fair value through profit or loss	59,123	-	-	59,123
	<u>708,548</u>	<u>49,409,310</u>	<u>642</u>	<u>50,118,500</u>
	<u>₩ 962,881</u>	<u>₩ 91,135,943</u>	<u>₩ 283,723</u>	<u>₩ 92,382,547</u>

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5. Financial instruments (cont'd)

5.2 Financial liabilities

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

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5. Financial instruments (cont'd)

5.3 Fair values of financial instruments by hierarchy level

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

	March 31, 2022		December 31, 2021	
	Book value	Fair value	Book value	Fair value
Bonds payable	₩ 34,798,771	₩ 34,566,276	₩ 34,856,002	₩ 34,967,026
Borrowings	26,621,564	26,353,339	23,249,591	23,196,353

The fair value of bonds payable and borrowings was measured as the present value of the contractually determined stream of future cash flows discounted at the market interest rate (1.41% ~ 6.00%) regarding residual market risks. As the book values of other financial assets and other financial liabilities are reasonable approximations to fair values, the fair values have not been disclosed.

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

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

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

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 676,366	₩ 7,238,268	₩ 1,986,343	₩ 9,900,977
Financial assets measured at FVOCI	4,490,424	-	2,908,362	7,398,786
Derivative financial assets	15,025	656,169	456,598	1,127,792
	<u>₩ 5,181,815</u>	<u>₩ 7,894,437</u>	<u>₩ 5,351,303</u>	<u>₩ 18,427,555</u>
Financial liabilities:				
Financial liabilities measured at FVTPL	₩ -	₩ -	₩ 229,857	₩ 229,857
Derivative financial liabilities	7,368	353,937	655,442	1,016,747
	<u>₩ 7,368</u>	<u>₩ 353,937</u>	<u>₩ 885,299</u>	<u>₩ 1,246,604</u>
	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 462,531	₩ 8,518,311	₩ 1,915,389	₩ 10,896,231
Financial assets measured at FVOCI	5,260,168	-	2,312,472	7,572,640
Derivative financial assets	7,219	417,876	447,153	872,248
	<u>₩ 5,729,918</u>	<u>₩ 8,936,187</u>	<u>₩ 4,675,014</u>	<u>₩ 19,341,119</u>
Financial liabilities:				
Financial liabilities measured at FVTPL	₩ -	₩ -	₩ 253,784	₩ 253,784
Derivative financial liabilities	600	96,891	663,314	760,805
	<u>₩ 600</u>	<u>₩ 96,891</u>	<u>₩ 917,098</u>	<u>₩ 1,014,589</u>

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6. Trade receivables

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

	March 31, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
Trade receivables:				
Trade receivables (*1)	₩ 12,587,759	₩ 442,888	₩ 11,182,015	₩ 407,641
Contract assets (unbilled receivables)	970,902	-	737,104	-
Loss allowance:				
Trade receivables	(548,863)	(18,266)	(531,677)	(15,902)
	<u>₩ 13,009,798</u>	<u>₩ 424,622</u>	<u>₩ 11,387,442</u>	<u>₩ 391,739</u>

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

(2) Details of contract assets and liabilities related to the contract with the customer as of March 31, 2022 and December 31, 2021 are as follows (Korean won in millions):

	March 31, 2022	December 31, 2021
Contract assets: (*1)		
Construction business	₩ 760,536	₩ 572,283
Telecommunication business	113,788	118,278
Others	259,637	200,349
	<u>₩ 1,133,961</u>	<u>₩ 890,910</u>
Contract liabilities: (*2)		
Construction business	₩ 1,018,465	₩ 973,020
Telecommunication business	199,583	202,967
Others	966,739	890,405
	<u>₩ 2,184,787</u>	<u>₩ 2,066,392</u>

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

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

(3) Details of construction profit variation by changes of accounting estimates related to construction contracts as of March 31, 2021 are as follows (Korean won in millions):

	March 31, 2021				
	Change in estimated construction revenue	Change in estimated cost	Impact on current period loss	Impact on future period profit	Change in unbilled (overbilled) receivables
SK Ecoplant Co., Ltd. and its subsidiaries	₩ 163,657	₩ 94,039	₩ 27,344	₩ 42,274	₩ 27,344
Others	11,402	12,138	(1,831)	1,095	(1,831)
	<u>₩ 175,059</u>	<u>₩ 106,177</u>	<u>₩ 25,513</u>	<u>₩ 43,369</u>	<u>₩ 25,513</u>

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

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6. Trade receivables (cont'd)

(4) Details of the construction contracts where the contract revenue exceeds 5% of the preceding year's revenue under the percentage-of-completion method as of March 31, 2022 are as follows (Korean won in millions):

Subsidiaries	Project	Contract date	Completion date	Percentage (%)	Unbilled receivables		Trade receivables (*1)	
					Amount	Impairment	Amount	Loss allowance
SK Ecoplant Co., Ltd.	RRE Project	2009.12	2016.05	99.97	₩ -	₩ -	₩ -	₩ -
	Goseong high fire power construction	2014.07	2022.01	99.01	63,452	-	-	-

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

7. Inventories

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

	March 31, 2022			December 31, 2021		
	Cost	Valuation allowance	Book value	Cost	Valuation allowance	Book value
Merchandise	₩ 1,081,115	₩ (29,313)	₩ 1,051,802	₩ 1,031,635	₩ (36,524)	₩ 995,111
Finished goods	3,777,269	(193,646)	3,583,623	2,997,935	(151,075)	2,846,860
Semifinished goods and work in progress	1,670,816	(128,036)	1,542,780	1,388,745	(118,721)	1,270,024
Raw materials and sub-materials	3,099,500	(39,556)	3,059,944	2,327,476	(89,613)	2,237,863
Materials in transit	3,124,807	-	3,124,807	2,765,034	-	2,765,034
Supplies	706,227	(3,627)	702,600	538,897	(4,033)	534,864
Uncompleted contracts	17,767	-	17,767	17,415	-	17,415
Others	16,200	(201)	15,999	13,533	-	13,533
	<u>₩ 13,493,701</u>	<u>₩ (394,379)</u>	<u>₩ 13,099,322</u>	<u>₩ 11,080,670</u>	<u>₩ (399,966)</u>	<u>₩ 10,680,704</u>

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8. Investment securities

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

	March 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	₩ 676,366	₩ 4,490,424	₩ -	₩ 5,166,790
Non-marketable equity instruments	181,167	2,906,497	-	3,087,664
	<u>857,533</u>	<u>7,396,921</u>	<u>-</u>	<u>8,254,454</u>
Bond instruments:				
Beneficiary securities and others	996,151	662	-	996,813
Debt securities	753,818	1,203	1,063	756,084
	<u>1,749,969</u>	<u>1,865</u>	<u>1,063</u>	<u>1,752,897</u>
	<u>₩ 2,607,502</u>	<u>₩ 7,398,786</u>	<u>₩ 1,063</u>	<u>₩ 10,007,351</u>
Current investment securities	₩ 430,002	₩ -	₩ 45	₩ 430,047
Non-current investment securities	2,177,500	7,398,786	1,018	9,577,304
	December 31, 2021			Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI (*1)	Financial assets measured at amortized cost	
Equity instruments:				
Marketable equity instruments	₩ 462,531	₩ 5,260,168	₩ -	₩ 5,722,699
Non-marketable equity instruments	170,478	2,304,673	-	2,475,151
	<u>633,009</u>	<u>7,564,841</u>	<u>-</u>	<u>8,197,850</u>
Bond instruments:				
Beneficiary securities and others	716,254	663	-	716,917
Debt securities	976,569	7,136	1,068	984,773
	<u>1,692,823</u>	<u>7,799</u>	<u>1,068</u>	<u>1,701,690</u>
	<u>₩ 2,325,832</u>	<u>₩ 7,572,640</u>	<u>₩ 1,068</u>	<u>₩ 9,899,540</u>
Current investment securities	₩ 353,310	₩ -	₩ 45	₩ 353,355
Non-current investment securities	1,972,522	7,572,640	1,023	9,546,185

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

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9. Investments in associates and joint ventures

(1) Investments in associates and joint ventures

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

Company	Domicile	Equity ownership (*1)	March 31, 2022		December 31, 2021
			Acquisition cost	Book value	Book value
Associates:					
SK Hynix Inc.	Korea	20.1%	₩ 5,420,310	₩ 13,971,589	₩ 13,746,931
Vingroup Joint Stock Company (*2)	Vietnam	6.1%	957,882	1,005,794	984,778
Eureka Midstream Holdings	USA	40.0%	465,582	540,153	523,829
VCM Services And Trading Development Joint Stock Company (*2)	Vietnam	16.0%	465,019	464,810	454,794
Masan Group Corporation (*2)	Vietnam	9.3%	457,718	428,897	419,935
SK Eco Engineering Co., Ltd.(*3)	Korea	50.0%	487,863	493,953	-
Darwin LNG Pty Ltd.	Australia	25.0%	419,675	441,993	438,090
Center For Breakthrough Medicines Holdings, LLC	USA	40.0%	409,059	416,455	237,277
Shenzhen Londian Wason Holdings Group. Co., Ltd.	China	26.0%	383,369	463,489	443,661
The CrownX Corporation (*2)	Vietnam	4.9%	348,648	374,069	361,163
FR BR Aggregator	USA	39.0%	350,718	307,097	301,159
Huizhou EVE United Energy Co., Ltd.	China	49.0%	344,465	439,975	430,164
Peru LNG Company, LLC	USA	20.0%	331,144	284,163	258,037
Daehan Oil Pipeline Corporation	Korea	41.0%	311,372	313,421	317,050
NHIP II Bison Holdings, LLC	USA	24.5%	297,511	297,131	265,634
Hana Card Co., Ltd. (*2)	Korea	15.0%	253,707	358,163	349,866
Yemen LNG Company Ltd. (*2,4)	Yemen	6.9%	252,813	-	-
Canakkale Highway And Bridge	Turkey	25.0%	277,885	293,124	276,853
Korea IT Fund (*5)	Korea	63.3%	242,170	340,002	339,976
ProteoVant Sciences, Inc.	USA	40.0%	222,370	207,256	212,874
Joyvio (*2)	China	14.0%	213,793	243,674	240,006
Content Wavve Corp	Korea	36.4%	165,341	132,799	141,142
Best Oil Company Limited	Myanmar	35.0%	153,024	135,721	132,430
TBM Co., Ltd. (*2)	Japan	10.1%	141,971	132,495	138,602
ENN (Zhoushan) LNG Co., Ltd. (*2)	China	10.0%	133,234	137,227	130,473
8 Rivers Capital LLC (*2,6)	USA	12.5%	120,495	121,080	-
Others				<u>1,896,543</u>	<u>1,894,323</u>
				<u>24,241,073</u>	<u>23,039,047</u>
Joint ventures (*7):					
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	China	35.0%	676,332	1,179,194	1,140,152
Mitsui Chemicals & SKC Polyurethanes Inc. (*8)	Korea	-	-	-	397,417
Beijing BESK Technology Co., Ltd.	China	49.0%	247,427	260,837	261,564
Lunar Energy, Inc.	USA	50.0%	181,620	156,622	73,042
ZETA CAYMAN Limited	Cayman	50.0%	178,774	106,133	108,562
Ignis Therapeutics	Cayman	46.9%	177,525	100,228	93,980
Eurasia Tunnel	Turkey	50.0%	174,215	334,339	323,192
Parkingcloud Corp.	Korea	47.0%	160,038	158,648	160,038
Boryeong LNG Terminal Co., Ltd.	Korea	50.0%	133,323	152,277	146,686
SABIC SK Nexlene Company Pte. Ltd.	Singapore	50.0%	112,670	141,252	125,952
Others				<u>441,022</u>	<u>180,813</u>
				<u>3,030,552</u>	<u>3,011,398</u>
				<u>₩27,271,625</u>	<u>₩ 26,050,445</u>

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

- (*1) Equity ownership includes indirect investments held by the consolidated subsidiaries.
- (*2) The Group retains significant influence on the associate despite having less than 20% equity interests.
- (*3) During the current period, the Group lost control by selling part of SK Eco Engineering Co., Ltd. Therefore, it has been transferred to investment in affiliates from investment in subsidiaries.
- (*4) Impairment losses on investments in associates were fully recognized as there was an indication of impairment prior to the current period.
- (*5) These companies were not included as consolidated subsidiaries as the Group does not have control over more than half of the voting rights by agreements.
- (*6) It was newly acquired during the current period.
- (*7) All joint arrangements that the Group has joint control over are structured by a consolidated entity. The parties that have joint control with respect to the joint agreements hold the rights to the net assets of the agreements and accordingly, they are classified as joint ventures.
- (*8) Although the Group's stake in Mitsui Chemicals & SKC Polyurethanes Inc. does not exceed 50%, it was transferred from joint venture investment to investment in subsidiary during the three month period ended March 31, 2022 as the Group exercises substantial control at the board.

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

Changes in investments in associates and joint ventures accounted for using the equity method for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

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

		For the three-month period ended March 31, 2021							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other comprehensive income	Dividends received	Others (*1)	Ending balance
Associates		₩ 18,147,495	₩ 2,076,332	₩ (17,705)	₩ 178,719	₩ 67,757	₩ (189,253)	₩ 116,340	₩ 20,379,685
Joint ventures		₩ 2,661,623	₩ 6,684	₩ -	₩ 61,379	₩ 120,109	₩ (13,904)	₩ (231,969)	₩ 2,603,922
		<u>₩ 20,809,118</u>	<u>₩ 2,083,016</u>	<u>₩ (17,705)</u>	<u>₩ 240,098</u>	<u>₩ 187,866</u>	<u>₩ (203,157)</u>	<u>₩ (115,629)</u>	<u>₩ 22,983,607</u>

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

(3) Details of unrecognized changes in equity method caused by discontinuing the application of equity method as of March 31, 2022 are as follows (Korean won in millions):

	Beginning balance	Changes	Ending balance
Pentaport Development Co., Ltd.	₩ 79,347	₩ -	₩ 79,347
Korea Consortium Kazakh B.V.	175,694	-	175,694
Yemen LNG Company Ltd. and others	75,168	(163)	75,005

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

(4) Condensed financial information of significant investments in associates and joint ventures as of March 31, 2022 are as follows (Korean won in millions):

	As of and for the year ended March 31, 2022						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income (loss)	Total comprehensive income (loss)
Associates:							
SK Hynix Inc.	₩ 26,536,369	₩ 71,698,295	₩ 15,427,856	₩ 19,408,170	₩ 12,155,653	₩ 1,982,928	₩ 2,301,432
Vingroup Joint Stock Company	8,552,836	14,151,540	7,761,602	6,485,466	1,808,167	(481,865)	(481,865)
Eureka Midstream Holdings	41,429	1,027,876	19,125	334,068	23,691	11,526	11,526
VCM Services And Trading Development Joint Stock Company	474,506	396,401	501,365	248,319	358,325	(6,943)	(6,943)
Masan Group Corporation	2,312,399	4,370,555	1,831,035	2,608,076	1,236,663	369,469	361,267
SK Eco Engineering Co., Ltd.	561,929	25,168	402,506	23,470	208,379	14,972	13,503
Darwin LNG Pty Ltd.	358,872	34,432	260,515	25,488	533,715	15,427	15,427
Center For Breakthrough Medicines Holdings, LLC	339,563	64,599	49,415	11,747	1,106	(18,401)	(18,401)
Shenzhen Londian Wason Holdings Group Co., Ltd.	1,300,861	986,323	1,215,936	171,843	345,452	35,635	35,635
The CrownX Corporation	1,420,259	1,352,168	1,173,471	487,676	859,867	77,937	77,937
FR BR Aggregator	4,016	1,354,953	44	570,922	-	(1,246)	(1,246)
Huizhou EVE United Energy Co., Ltd.	785,820	679,758	483,233	82,516	344,119	(21,899)	(21,899)
Peru LNG Company, LLC	931,484	2,409,510	654,918	1,265,034	1,479,523	113,902	113,902
Daehan Oil Pipeline Corporation	144,432	901,828	61,703	256,231	45,522	13,842	13,842
NHIP II Bison Holdings, LLC	22,262	1,179,837	-	1,401	-	104,996	104,996
Hana Card Co., Ltd.	9,263,558	444,735	2,189,626	5,430,168	293,141	54,594	57,938
Canakkale Highway And Bridge Korea IT Fund	51,280	4,084,448	109,091	2,854,156	47,920	(3,293)	52,783
ProteoVant Sciences, Inc.	120,426	416,419	-	-	-	41	41
Joyvio	214,984	4,955	24,589	20,748	90	(17,966)	(18,053)
Content Wavve Corp	2,040,234	2,570,632	1,583,694	1,296,586	733,546	(44,934)	(50,938)
Best Oil Company Limited	220,465	134,745	70,926	332,122	62,666	(29,139)	(29,139)
TBM Co., Ltd.	227,184	205,499	196,148	15,112	253,439	8,755	8,755
ENN (Zhoushan) LNG Co., Ltd.	125,064	59,670	5,823	51,994	5,691	(6,975)	(6,975)
Joint ventures:	55,269	1,048,819	32,274	492,779	46,351	19,969	19,969
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	1,125,662	4,621,541	1,175,989	1,427,485	2,679,429	40,805	40,805
Beijing BESK Technology Co., Ltd.	366,848	488,813	289,751	35,904	119,691	(19,599)	(19,599)
ZETA CAYMAN Limited	1,166	211,550	450	-	-	(450)	(9,444)
Ignis Therapeutics	113,803	213,005	523	567	-	(2,293)	(2,339)
Eurasia Tunnel	169,973	1,530,745	211,942	837,495	2,259	9,037	9,081
Parkingcloud Corp	120,012	86,377	30,158	59,846	15,958	(2,516)	(2,516)
Boryeong LNG Terminal Co., Ltd.	131,858	1,545,198	72,177	1,323,927	117,148	11,055	11,055
SABIC SK Nexlene Company Pte. Ltd.	300,633	497,615	109,495	332,895	153,475	32,674	22,183

10. Property, plant and equipment

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

	March 31, 2022	December 31, 2021
Acquisition cost	₩ 75,832,561	₩ 73,850,563
Accumulated depreciation and accumulated impairment loss	(23,659,398)	(22,466,738)
	₩ 52,173,163	₩ 51,383,825

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10. Property, plant and equipment (cont'd)

(2) Changes in property, plant and equipment for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2022						
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	Ending balance
Land	₩ 9,294,248	₩ 1,856	₩ 4,931	₩ (35,191)	₩ -	₩ 20,713	₩ 9,286,557
Buildings	6,003,660	26,060	5,035	(3,209)	(63,118)	598,140	6,566,568
Structures	1,986,791	4,869	830	(427)	(35,123)	24,091	1,981,031
Machinery and equipment	20,825,354	59,887	75,197	(10,853)	(1,023,355)	946,951	20,873,181
Vehicles	180,594	316	2,110	(322)	(8,317)	(766)	173,615
Operating lease asset	1,942,319	-	164,264	(6,651)	(110,493)	(50,493)	1,938,946
Others	4,447,473	9,324	307,631	(1,467)	(194,665)	22,876	4,591,172
Construction-in-progress	6,703,386	4,932	1,498,127	(2,015)	-	(1,442,337)	6,762,093
	<u>₩ 51,383,825</u>	<u>₩ 107,244</u>	<u>₩ 2,058,125</u>	<u>₩ (60,135)</u>	<u>₩ (1,453,071)</u>	<u>₩ 119,175</u>	<u>₩ 52,173,163</u>

	For the three-month period ended March 31, 2021						
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	Ending balance
Land	₩ 8,527,871	₩ 824,972	₩ 1,436	₩ (4,931)	₩ -	₩ (7,336)	₩ 9,342,012
Buildings	4,568,817	223,527	805	(814)	(52,876)	43,656	4,783,115
Structures	1,660,194	47,413	1,278	(262)	(28,684)	6,549	1,686,488
Machinery and equipment	20,261,529	62,621	52,962	(18,837)	(970,140)	951,572	20,339,707
Vehicles	199,411	83	2,620	(370)	(8,440)	2,084	195,388
Operating lease asset	1,786,789	-	255,805	(7,255)	(111,205)	(66,266)	1,857,868
Others	3,382,742	12,904	128,574	(671)	(171,311)	673,859	4,026,097
Construction-in-progress	5,523,271	3,300	1,021,944	(120)	-	(1,035,269)	5,513,126
	<u>₩ 45,910,624</u>	<u>₩ 1,174,820</u>	<u>₩ 1,465,424</u>	<u>₩ (33,260)</u>	<u>₩ (1,342,656)</u>	<u>₩ 568,849</u>	<u>₩ 47,743,801</u>

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

11. Right-of-use assets and lease liabilities

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

	March 31, 2022	December 31, 2021
Acquisition cost	₩ 7,399,109	₩ 7,234,373
Accumulated depreciation and accumulated impairment losses	(2,301,424)	(2,200,057)
	<u>₩ 5,097,685</u>	<u>₩ 5,034,316</u>

(2) Changes in right-of-use assets for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

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

	For the three-month period ended March 31, 2021						
	Beginning balance	Business combination	Increase	Decrease	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 3,230,719	₩ 17	₩ 188,440	₩ (85,681)	₩ (240,440)	₩ (757,973)	₩ 2,335,082
Tank	217,252	-	2,071	(763)	(17,263)	675	201,972
Ships and vessels	1,013,186	-	-	-	(22,917)	11,520	1,001,789
Vehicles	1,264,696	103	33,600	(43,851)	(72,302)	25,561	1,207,807
Others	452,627	-	26,534	(182)	(27,203)	(143,190)	308,586
	<u>₩ 6,178,480</u>	<u>₩ 120</u>	<u>₩ 250,645</u>	<u>₩ (130,477)</u>	<u>₩ (380,125)</u>	<u>₩ (863,407)</u>	<u>₩ 5,055,236</u>

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

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11. Right-of-use assets and lease liabilities (cont'd)

(3) Changes in lease liabilities for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

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

	For the three-month period ended March 31, 2021							Ending balance
	Beginning balance	Business combination	Increase	Interest expenses	Decrease	Transfer	Others (*1)	
Lease liabilities	₩ 5,665,951	₩ 120	₩ 245,906	₩ 28,373	₩ (276,161)	₩ -	₩ (1,087,064)	₩ 4,577,125

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

The Group recognized lease payments of ₩54,860 million (₩33,781 million as of March 31, 2021) in relation to short-term lease, ₩3,734 million (₩2,413 million as of March 31, 2021) in relation to leases of low-value assets, and ₩42,592 million (₩36,701 million as of March 31, 2021) in relation to variable lease payments in cost of sales and selling and administrative expenses during the period ended March 31, 2022. The total cash outflow of leases during the period ended March 31, 2022 is ₩370,052 million (₩349,056 million as of March 31, 2021).

12. Investment properties

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

	March 31, 2022	December 31, 2021
Acquisition cost	₩ 1,157,881	₩ 1,125,221
Accumulated depreciation and accumulated impairment loss	(168,346)	(158,093)
	₩ 989,535	₩ 967,128

(2) Changes in investment properties for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2022						Ending balance
	Beginning balance	Acquisitions	Disposals	Depreciation	Others (*1)		
Land	₩ 544,584	₩ 75	₩ (385)	₩ -	₩ 26,748	₩ 571,022	
Buildings	417,545	2,379	(1,463)	(4,217)	(1,074)	413,170	
Structures	4,999	5	-	(38)	377	5,343	
	₩ 967,128	₩ 2,459	₩ (1,848)	₩ (4,255)	₩ 26,051	₩ 989,535	

	For the three-month period ended March 31, 2021						Ending balance
	Beginning balance	Acquisitions	Disposals	Depreciation	Others (*1)		
Land	₩ 501,811	₩ -	₩ (4,682)	₩ -	₩ (17,683)	₩ 479,446	
Buildings	64,915	467	(3,147)	(2,788)	26,539	85,986	
Structures	3,828	-	-	(19)	-	3,809	
	₩ 570,554	₩ 467	₩ (7,829)	₩ (2,807)	₩ 8,856	₩ 569,241	

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

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13. Goodwill

(1) Changes in goodwill for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Beginning balance	₩ 5,618,511	₩ 4,755,455
Business combination (see Note 35 Business combination)	530,884	589,594
Others (*1)	122,205	(92,581)
Ending balance	₩ 6,271,600	₩ 5,252,468

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

14. Intangible assets

(1) Details of intangible assets for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

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

	For the three-month period ended March 31, 2021							Ending balance
	Beginning balance	Business combination	Acquisitions	Disposals	Amortization	Others (*2)		
Development costs	₩ 219,166	₩ 1,848	₩ 17,691	₩ (1,660)	₩ (13,112)	₩ 10,243	₩ 234,176	
Facility usage rights	66,014	-	180	(3)	(2,312)	956	64,835	
Industrial property rights	87,019	16,171	1,688	(4)	(2,047)	380	103,207	
Frequency usage rights	1,932,765	-	-	-	(124,526)	-	1,808,239	
Customer-related assets	2,842,553	-	-	(57)	(63,323)	9,585	2,788,758	
Membership (*1)	284,835	-	6,152	(4,850)	-	(45)	286,092	
Development costs for petroleum resource	1,149,011	-	34,029	-	(7,241)	(605,522)	570,277	
Brand-related assets (*1)	2,631,393	-	-	-	-	951	2,632,344	
Developed technology	989,587	-	-	-	(38,717)	8,349	959,219	
Others (*3)	1,702,097	22,749	7,299	(520)	(142,396)	63,185	1,652,414	
	₩ 11,904,440	₩ 40,768	₩ 67,039	₩ (7,094)	₩ (393,674)	₩ (511,918)	₩ 11,099,561	

(*1) Membership and brand-related assets are classified as intangible assets with infinite useful lives and are not amortized.

(*2) This comprises intangible assets recognized through business combination, software, usable and profitable donation assets and others.

(*3) This includes exclusion from the scope of consolidation, impairment loss, net translation differences, transfer to intangible assets or property, plant and equipment from construction-in-progress and others.

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15. Borrowings and bonds payable

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

	March 31, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
Short-term borrowings (*1)	₩ 10,462,290	₩ -	₩ 7,657,381	₩ -
Bonds and long-term borrowings:				
Bonds payable	5,037,818	29,760,953	5,613,715	29,242,287
Long-term borrowings (*1)	<u>2,225,110</u>	<u>13,934,164</u>	<u>2,214,356</u>	<u>13,377,854</u>
	<u>7,262,928</u>	<u>43,695,117</u>	<u>7,828,071</u>	<u>42,620,141</u>
	<u>₩ 17,725,218</u>	<u>₩ 43,695,117</u>	<u>₩ 15,485,452</u>	<u>₩ 42,620,141</u>

(*1) It includes borrowings collateralized for trade receivables of ₩105,509 million and ₩89,423 million as of March 31, 2022 and December 31, 2021, respectively, which were transferred but not derecognized.

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

	March 31, 2022	December 31, 2021
SK Inc.	₩ 6,835,000	₩ 6,735,000
SK Innovation Co., Ltd.	1,265,400	1,252,750
SK Energy Co., Ltd.	3,220,000	3,360,000
SK Geo Centric Co., Ltd.	1,750,000	1,750,000
SK Incheon Petrochem Co., Ltd.	2,037,000	2,110,000
SK Lubricants Co., Ltd.	720,000	720,000
SK Battery America, Inc.	1,210,800	1,185,500
SK On Co., Ltd.	700,000	700,000
SK Earthon Co., Ltd.	150,000	150,000
SK Telecom Co., Ltd.	6,572,960	6,822,600
SK Broadband Co., Ltd.	1,583,240	1,625,650
SK Shieldus Co., Ltd.	297,823	297,823
SK Networks Co., Ltd.	1,040,000	1,040,000
SK Magic Co., Ltd.	420,000	360,000
SK Rent-a-Car Co., Ltd.	720,000	720,000
SKC Co., Ltd.	397,682	398,807
SK Telesys Co., Ltd.	30,000	30,000
SKC Hightech & Marketing Co., Ltd.	10,000	10,000
SK E&S Co., Ltd.	1,380,000	1,380,000
Paju Energy Service Co., Ltd.	730,000	730,000
Narae Energy Service Co., Ltd.	360,000	360,000
Yeosu Energy Service Co., Ltd.	200,000	200,000
EverCharge, Inc.	3,481	-
SK Ecoplant Co., Ltd.	1,708,000	1,558,000
SK Materials Co., Ltd.	460,000	460,000
SK Materials Airplus Incorporated.	100,000	100,000
SK Siltron Co., Ltd.	881,000	779,000
Teraon Co., Ltd.	10	10
SK Signet Inc.	500	2,800
	<u>34,782,896</u>	<u>34,837,940</u>
Addition: premium on bonds payable	15,875	18,062
Less: current portion	<u>(5,037,818)</u>	<u>(5,613,715)</u>
	<u>₩ 29,760,953</u>	<u>₩ 29,242,287</u>

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15. Borrowings and bonds payable (cont'd)

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

Financial institution	Description	Interest rate (%)	March 31, 2022	December 31, 2021
Korea Development Bank and others	General	0.00 ~ 4.75	₩ 6,384,483	₩ 7,062,438
Korea Development Bank and others	Fund for facility	0.00 ~ 4.90	4,634,877	4,300,193
Standard Chartered Bank and others	Foreign borrowings	0.00 ~ 8.00	3,414,313	2,463,366
Korea Energy Agency (*1)	Fund for mine exploration	0.00 ~ 8.75	63,123	61,804
Econg 1st Co., Ltd. and others	Callable preferred share	2.40 ~ 3.09	100,439	100,420
Korea Development Bank and others	Fund for operation	0.00 ~ 3.43	202,412	252,276
KEB Hana Bank	Fund for reasonable energy consumption	1.75	3,386	3,477
Korea Development Bank and others	Takeover	LIBOR(3M) + 1.60	169,512	165,970
Mizuho Bank and others	Takeover	EURIBOR(3M) + 0.70	217,532	216,117
MD Prime 1st Co., Ltd. and others	Others	3.07, 3.20	1,007,818	1,007,818
			16,197,895	15,633,879
Addition (less): premium (discount)			(38,621)	(41,669)
Less: current portion			(2,225,110)	(2,214,356)
			<u>₩ 13,934,164</u>	<u>₩ 13,377,854</u>

(*1) As of March 31, 2022 and December 31, 2021, the group holds a loan amounting to ₩54,560 million and ₩53,420 million from Korea Energy Agency for the purpose of oil exploration and development in which there is no repayment obligation in case for failure in exploration.

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

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16. Provisions

Changes in the provisions for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

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

	For the three-month period ended March 31, 2021					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for sale warranties	₩ 91,319	₩ 7,630	₩ (3,128)	₩ 95,821	₩ 4,970	₩ 90,851
Provision for service / construction warranties	101,415	5,181	(4,173)	102,423	101,989	434
Provision for restoration	166,855	10,476	(4,391)	172,940	49,985	122,955
Provision for onerous contracts	353,075	2,341	(20,135)	335,281	280,303	54,978
Other provisions	224,737	42,761	(53,956)	213,542	198,285	15,257
	<u>₩ 937,401</u>	<u>₩ 68,389</u>	<u>₩ (85,783)</u>	<u>₩ 920,007</u>	<u>₩ 635,532</u>	<u>₩ 284,475</u>

17. Defined benefit liabilities

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

	March 31, 2022	December 31, 2021
Present value of defined benefit obligation	₩ 3,664,104	₩ 3,609,349
Fair value of plan assets (*1)	(3,322,626)	(3,381,561)
	<u>₩ 341,478</u>	<u>₩ 227,788</u>

(*1) The Group has recognized ₩32,025 million and ₩56,150 as defined benefit assets as of March 31, 2022 and December 31, 2021.

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18. Other assets and liabilities

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Current assets:		
Short-term loans	₩ 98,307	₩ 94,031
Accrued income	160,583	114,924
Advanced payments	1,319,790	1,280,959
Prepaid expenses	2,829,429	2,695,879
Guarantee deposits	398,595	276,658
Derivative financial assets	228,772	131,631
Lease receivables	19,622	19,016
Other contract assets	123,670	112,226
Others	187,531	154,321
	<u>₩ 5,366,299</u>	<u>₩ 4,879,645</u>
Non-current assets:		
Long-term prepaid expenses	₩ 1,174,157	₩ 1,187,057
Long-term loans	431,948	411,711
Guarantee deposits	703,301	711,104
Derivative financial assets	899,020	740,617
Long-term lease receivables	44,655	36,175
Other long-term contract assets	39,389	41,580
Others (*1)	263,325	230,982
	<u>₩ 3,555,795</u>	<u>₩ 3,359,226</u>

(*1) Includes defined benefit assets amounting to ₩32,025 million and ₩56,150 million as of March 31, 2022 and December 31, 2021. The excess amount of certain plans in the Group has not been offset because the amount was not entitled and intended to settle the defined benefit liabilities of other plans (see Note 17).

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Current liabilities:		
Accrued expenses	₩ 3,824,787	₩ 4,845,940
Dividends payable	986,278	887
Advances received	1,457,472	1,464,756
Unearned revenue	104,994	99,749
Withholdings	2,167,513	2,061,187
Leasehold deposits received	183,198	198,776
Income tax payable	1,631,341	1,244,891
Derivative financial liabilities	366,680	321,570
Lease liabilities	1,280,209	1,250,891
Finance guarantee liabilities	613	642
Financial liabilities at fair value through profit or loss	135,874	160,528
Other contract liabilities	314,125	293,715
Others	79,446	48,266
	<u>₩ 12,532,530</u>	<u>₩ 11,991,798</u>
Non-current liabilities:		
Long-term accrued expenses	₩ 41,437	₩ 34,035
Long-term unearned revenue	637,673	640,133
Leasehold deposits received	313,083	298,478
Derivative financial liabilities	650,067	439,235
Long-term lease liabilities	3,879,711	3,803,999
Financial guarantee liabilities	16,626	16,910
Financial liabilities at fair value through profit or loss	59,123	59,123
Other long-term contract liabilities	49,009	51,220
Others (*1)	208,536	225,409
	<u>₩ 5,855,265</u>	<u>₩ 5,568,542</u>

(*1) Includes long-term employee benefit liabilities amounting to ₩124,629 million and ₩125,102 million as of March 31, 2022 and December 31, 2021, respectively.

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19. Derivative financial assets and liabilities

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

	March 31, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
Firm contracts	₩ 14,704	₩ (91,354)	₩ 20,966	₩ (92,236)
Swap contracts	(57,981)	(136,799)	(218,791)	(53,910)
Forward contracts	(45,126)	16,711	9,007	11,170
Futures contracts	(21,929)	-	8,794	-
Options contracts	(27,576)	460,395	(9,915)	436,358
	₩ (137,908)	₩ 248,953	₩ (189,939)	₩ 301,382
Derivative financial assets	₩ 228,772	₩ 899,020	₩ 131,631	₩ 740,617
Derivative financial liabilities	(366,680)	(650,067)	(321,570)	(439,235)

20. Equity

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

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

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

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

	March 31, 2022	December 31, 2021
Additional paid-in capital (*1)	₩ 6,609,167	₩ 6,609,167
Treasury shares (*2)	(1,809,317)	(1,812,774)
Others	1,650,573	1,648,903
	₩ 6,450,423	₩ 6,445,296

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

(*2) As of March 31, 2022, treasury shares consist of those acquired to increase the enterprise value and to stabilize share price (6,999,080 ordinary shares) and those acquired from repurchase of shares from dissenting shareholders on business combination and shares arising from odd lot shares (11,024,731 ordinary shares and 1,787 preferred shares) during the year 2015.

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20. Equity (cont'd)

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Legal reserve (*1)	₩ 8,072	₩ 7,693
Voluntary reserve	62,897	62,897
Unappropriated retained earnings	14,852,919	13,986,816
	<u>₩ 14,923,888</u>	<u>₩ 14,057,406</u>

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

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Net loss on valuation of financial assets measured at FVOCI	₩ 207,763	₩ 284,085
Equity adjustments of investments in associates and joint ventures	30,871	(27,047)
Net gain on valuation of derivative instruments	(85,397)	13,388
Net gain on translation of foreign operation	682,046	450,836
	<u>₩ 835,283</u>	<u>₩ 721,262</u>

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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.	1-1(*1)	1-2(*2)	1-3(*2)	2(*2)
Grant date	2017-03-24			2020-03-25
Type of shares to be issued	Ordinary shares			
Grant method	Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.			
Number of shares (shares)	41,429	41,430	41,431	214,038
Exercise price (Korean won) ₩	226,290	244,400	263,950	153,450
Contractual life of options	2019.03.25 ~2022.03.24	2020.03.25 ~2023.03.24	2021.03.25 ~2024.03.24	2023.03.26 ~2027.03.25
Vesting conditions	2 year service from the grant date	3 year service from the grant date	4 year service from the grant date	2 year service from the grant date
	1(*3)	2(*3)	1(*2,3)	2(*2,3)
Grant date	2018-03-29		2020-03-31	
Type of shares to be issued	Ordinary shares			
Grant method	Reissue of treasury shares		Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.	
Number of shares (shares)	18,607	18,607	39,098	19,551
Exercise price (Korean won) ₩	100,884	108,959	89,204	89,204
Contractual life of options	2020.03.29 ~2023.03.28	2021.03.29 ~2024.03.28	2023.03.31 ~2027.03.30	2023.03.31 ~2027.03.30
Vesting conditions	2 year service from the grant date	3 year service from the grant date	2 year service from the grant date	3 year service from the grant date

(*1) All were exercised during the three-month period ended March 31, 2022

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

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

Share compensation expenses recognized during the three-month period ended March 31, 2022 are ₩193 million (total : ₩565 million), and ₩5,559 million of the accumulated compensation expenses recognized have been derecognized due to the change to cash-settled. The liability recognised in relation to the cash-settled share option for the three-month period ended March 31, 2022 is ₩20,839 million.

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20. Equity (cont'd)

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

	1-2		1-3		2		1(*1)	
Risk-free interest rate		1.81%		2.37%		2.86%		2.44%
Option life		6 years		7 years		7 years		5 years
Expected price (Closing price on the preceding day in Korean won)	₩	242,000	₩	242,000	₩	242,000	₩	94,116
Expected volatility		25.70%		25.70%		25.70%		23.50%
Rate of returns		3.30%		3.30%		3.30%		2.39%
Exercise price (Korean won)	₩	244,440	₩	263,950	₩	153,450	₩	100,884
Fair value per share	₩	21,499	₩	23,514	₩	92,021	₩	15,587
		2(*1)		1		2		
Risk-free interest rate		2.44%				2.86%		2.86%
Option life		6 years				7 years		7 years
Expected price (Closing price on the preceding day in Korean won)	₩	94,116		₩	242,000		₩	242,000
Expected volatility		23.50%				25.70%		25.70%
Rate of returns		2.39%				3.30%		3.30%
Exercise price (Korean won)	₩	108,959		₩	89,204		₩	89,204
Fair value per share	₩	14,797		₩	146,710		₩	146,710

(*1) Equity-settled and assumption and variables of the grant date. Stock price (closing price) of the evaluation date is the stock price on the expected grant date.

Changes in stock option granted by the Company for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won):

	March 31, 2022		March 31, 2021	
	Quantities	Weighted average exercise price	Quantities	Weighted average exercise price
Beginning balance	434,191	₩ 166,785	338,328	₩ 145,743
Granted	-	-	-	-
Exercised	(41,429)	(226,290)	-	-
Ending balance	392,762	₩ 160,508	338,328	₩ 145,743

In addition, the Group has entered into a Stock Grant that pays treasury stocks to employees for free apart from the above stock options. In the case of such Stock Grant, there is no requirement for vesting condition, and may not be transferred during the term of the stock. As of March 31, 2022, the recognized stock compensation costs related to the Stock Grant is ₩ 340 million.

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

	Current(reversal)	Accumulated	Remaining	Total
Group of SK Innovation Co., Ltd.	₩ 796	₩ 5,000	₩ 4,936	₩ 9,936
Group of SK Telecom Co., Ltd.	74,246	151,225	5,135	156,360
Group of SK Square Co., Ltd.	6,685	23,337	68,347	91,684
Group of SK Networks Co., Ltd.	309	1,981	1,234	3,215
Group of SKC Co., Ltd.	(3,256)	70	7,914	7,984
Group of SK E&S Co., Ltd.	-	496	14	510
Group of SK Ecoplant Co., Ltd.	65	65	7,547	7,612
Others	360	2,593	1,341	3,934
	₩ 79,205	₩ 184,767	₩ 96,468	₩ 281,235

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21. Selling and administrative expenses

Details of selling and administrative expenses for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Salaries	₩ 411,219	₩ 341,228
Provision for pension benefits	40,041	39,268
Employee welfare benefits	110,044	89,068
Travel	15,145	7,460
Bad debt expenses	18,442	17,125
Communications	1,956	1,847
Utilities	14,489	8,818
Taxes and dues	35,168	21,492
Supplies	13,233	9,258
Rents	39,502	31,968
Depreciation	137,250	110,625
Amortization	84,212	69,671
Repairs	6,241	7,022
Insurance	14,564	13,078
Advertising	146,444	110,930
Research and development	138,234	104,329
Education and examination	17,624	14,756
Outsourcing technology services	195,165	205,656
Transport	130,381	87,152
Others	57,392	41,057
	<u>₩ 1,626,746</u>	<u>₩ 1,331,808</u>

22. Finance income and costs

Details of finance income and costs for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Finance income:		
Interest income	₩ 72,857	₩ 36,074
Gain on foreign currency transactions	304,746	257,069
Gain on foreign currency translation	147,351	201,546
Gain on transactions of derivatives	1,156,569	217,561
Gain on valuation of derivatives	273,295	167,654
Others	133,577	82,087
	<u>₩ 2,088,395</u>	<u>₩ 961,991</u>

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Finance costs:		
Interest expenses	₩ 400,090	₩ 337,833
Loss on foreign currency transactions	360,705	261,936
Loss on foreign currency translation	220,803	310,158
Loss on transactions of derivatives	1,038,314	269,199
Loss on valuation of derivatives	532,732	110,358
Others	339,304	42,618
	<u>₩ 2,891,948</u>	<u>₩ 1,332,102</u>

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23. Other non-operating income and expenses

(1) Details of other non-operating income for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Other non-operation income:		
Dividend income	₩ 7,742	₩ 4,723
Rental income	320	251
Gain on disposal of trade receivables	1,043	11,951
Gain on disposal of investments in associates and joint ventures	470,243	373,819
Gain on disposal of property, plant and equipment	10,741	44,668
Gain on disposal of intangible assets	79,213	1,733
Others	256,253	128,853
	<u>₩ 825,555</u>	<u>₩ 565,998</u>

(2) Details of other non-operating expenses for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Other non-operation expenses:		
Loss on disposal of trade receivables	₩ 6,207	₩ 5,554
Loss on impairment of investments in associates and joint ventures	-	1,730
Loss on disposal of property, plant and equipment	10,922	7,143
Loss on impairment of property, plant and equipment	1,028	1,018
Loss on disposal of intangible assets	845	139
Loss on impairment of intangible assets	-	21,543
Donations	11,589	7,107
Others	75,814	1,033,713
	<u>₩ 106,405</u>	<u>₩ 1,077,947</u>

24. Expense classified based on nature of expense

Details of classification based on nature of expenses for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Employee benefits	₩ 2,157,633	₩ 1,905,734
Depreciation and amortization	2,142,713	2,115,964
Network connection	221,780	218,942
Transport	311,259	181,042
Advertising	150,906	116,678
Lease payments and rents	132,258	107,009
Others	4,715,039	3,828,806
Use of raw materials and purchase of finished goods and merchandise	18,902,609	12,528,397
Changes in finished goods and semi-finished goods	(1,023,122)	(602,497)
	<u>₩ 27,711,075</u>	<u>₩ 20,400,075</u>

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25. Income taxes

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

The average effective tax rates for continuing operations for the three-month periods ended March 31, 2022 and 2021 are 28.07% and 46.14% respectively.

26. Earnings per share

(1) Basic and diluted earnings per share

Basic earnings per share for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Profit for the period attributable to owners of the parent	₩ 1,222,729	₩ 231,037
Less: preferred share dividends	(924)	(854)
Profit for the period attributable to ordinary share owners of the parent	₩ 1,221,805	₩ 230,183
Weighted-average number of ordinary shares outstanding (*1)	56,101,125	52,306,892
Basic earnings (losses) per ordinary share (Korean won)	₩ 21,779	₩ 4,401

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

The basis of calculating weighted-average number of ordinary shares for the three-month periods ended March 31, 2022 and 2021 is as follows:

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Weighted-average number of issued shares outstanding	74,149,329	70,360,297
Weighted-average number of treasury shares	(18,048,204)	(18,053,405)
Weighted-average number of ordinary shares outstanding	56,101,125	52,306,892

Diluted earnings per share for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Diluted profits	₩ 1,221,805	₩ 230,183
Weighted-average number of treasury shares diluted ordinary share outstanding	56,229,206	52,420,132
Diluted earnings per share	₩ 21,729	₩ 4,391

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26. Earnings per share (cont'd)

The basis of calculating weighted-average number of diluted ordinary shares for the three-month periods ended March 31, 2022 and 2021 is as follows:

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Weighted-average number of ordinary shares outstanding	56,101,125	52,306,892
Effect of exercise of stock option	128,081	113,240
Weighted-average number of diluted ordinary shares outstanding	<u>56,229,206</u>	<u>52,420,132</u>

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

Basic earnings per share from continuing operations for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions, except basic earnings per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Profit for the period attributable to owners of the parent	₩ 1,221,805	₩ 230,183
Less: profit from discontinued operations	280,483	33,571
Profit for the period from continuing operations	₩ 941,322	₩ 196,612
attributable to ordinary share owners of the parent		
Weighted-average number of ordinary shares outstanding	<u>56,101,125</u>	<u>52,306,892</u>
Basic earnings per share		
from continuing operations (Korean won)	<u>₩ 16,779</u>	<u>₩ 3,759</u>

Diluted earnings per share from continuing operations for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Profit for the period from continuing operations	₩ 941,322	₩ 196,612
attributable to ordinary share owners of the parent		
Weighted-average number of diluted ordinary shares outstanding	<u>56,229,206</u>	<u>52,420,132</u>
Diluted earnings per share		
from continuing operations (Korean won)	<u>₩ 16,741</u>	<u>₩ 3,751</u>

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

Basic and earnings per share from discontinued operations for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions, except basic earnings (losses) per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Profit for the period from discontinued operations	₩ 280,483	₩ 33,571
attributable to share owners of the parent		
Weighted-average number of ordinary shares outstanding	<u>56,101,125</u>	<u>52,306,892</u>
Basic earnings per share		
from discontinued operations (Korean won)	<u>₩ 5,000</u>	<u>₩ 642</u>

Diluted and earnings per share from discontinued operations for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions, except basic earnings per share and weighted-average number of ordinary shares outstanding):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Profit for the period from discontinued operations	₩ 280,483	₩ 33,571
attributable to share owners of the parent		
Weighted-average number of ordinary shares outstanding	<u>56,229,206</u>	<u>52,420,132</u>
Diluted earnings per share		
from discontinued operations (Korean won)	<u>₩ 4,988</u>	<u>₩ 640</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 interim condensed consolidated financial statements as of and for the three-month periods ended March 31, 2022 and 2021.

(1) Details of significant transactions with the related parties for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	Company name	For the three-month period ended			
		Sales and others		Expenses and others	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Other related parties	Daehan Oil Pipeline Corporation	₩ 9,873	₩ 4,453	₩ 17,686	₩ 15,362
	SABIC SK Nexlene Company Pte. Ltd.	136	135	73,266	48,078
	Korea Nexlene Company	59,543	38,078	66	4
	Best Oil Company Limited	310,008	182,756	31	253
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	291	336	222,484	133,285
	Baic Electronics SK(Jiangsu) Technology Co., Ltd.	14,270	14,399	80,616	85,426
	Xinglu (HongKong) Ltd.	48,617	16,253	-	-
	Huizhou EVE United Energy Co., Ltd.	28,519	26,259	144,062	151,331
	Peru LNG Company LLC	189,804	57,643	-	-
	Asia Bitumen Trading Pte. Ltd.	7,504	2,545	5,125	-
	Ignis Therapeutics	2,505	-	-	-
	F&U Credit Information Co., Ltd.	980	995	12,602	12,715
	SK Hynix Inc.	1,004,685	917,362	12,472	8,560
	SK Hynix Semiconductor (China) Ltd.	97,943	77,259	332	358
	SK Hynix Semiconductor (Chongqing) Ltd.	9,127	9,058	-	-
	SK Hynix Semiconductor HK Ltd.	1	-	181,782	201,895
	SK Hynix System IC Co., Ltd.	5,399	16,425	-	17
	Happyrae Co., Ltd.	3,098	4,211	62,878	67,308
	SKC Evonik Peroxide Korea Co., Ltd.	1,108	3,894	16,942	11,915
	Boryeong LNG Terminal Co., Ltd.	50,310	14,503	66,788	22,986
	Darwin LNG Pty Ltd.	91,940	-	-	-
	Eurasia Tunnel	750	693	-	-
	Xe-Pian Xe-Namnoy Power Company	436	4,144	-	-
	SK Eco Engineering Co., Ltd.	121	-	123,553	-
	Goseong Green Power Co., Ltd.	50,779	-	-	-
	DAEWON GREEN ENERGY CO.,LTD.	2,102	-	-	-
	Others	128,759	99,792	56,798	28,766
Others (*1)	SK D&D Co., Ltd.	994	695	278	421
	Ulsan Aromatics Co., Ltd.	21,199	12,583	27,704	16,243
	SK Chemicals Co., Ltd.	23,988	20,320	3,605	5,140
	SK Gas Co., Ltd.	50,301	9,764	135,397	50,080
	Ubins Co., Ltd.	136	354	15,497	11,494
	Others	36,810	55,027	30,779	43,191
		₩ 2,252,036	₩ 1,589,936	₩ 1,290,743	₩ 914,828

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

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27. Transactions with related parties (cont'd)

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

	Company name	March 31, 2022		December 31, 2021	
		Receivables		Receivables	
		(*1)	Payables	(*1)	Payables
Other	Daehan Oil Pipeline Corporation	₩ 9,815	₩ 7,709	₩ 75	₩ 9,443
related parties	SABIC SK Nexlene Company Pte. Ltd.	1,068	60,171	5,127	58,538
	Korea Nexlene Company	23,344	70	19,941	146
	Best Oil Company Limited	233,306	34,860	145,233	33,455
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	338	16,793	363	10,883
	Baic Electronics SK(Jiangsu) Technology Co., Ltd.	20,267	80,781	5,514	174,332
	Xinglu (HongKong) Ltd.	48,865	-	19,097	-
	Huizhou EVE United Energy Co., Ltd.	28,704	144,766	36,143	179,264
	Korea Consortium Kazakh B.V. (*2)	113,900	-	111,520	-
	F&U Credit Information Co., Ltd.	19	5,164	65	5,265
	HanaCard Co., Ltd.	1,733	13,160	529	48,020
	Wave City Development Co., Ltd.	3,901	-	5,753	-
	SK Hynix Inc.	1,084,624	75,139	694,254	66,600
	SK Hynix Semiconductor (China) Ltd.	60,179	603	57,369	853
	SK Hynix Semiconductor (Chongqing) Ltd.	15,380	123	5,084	138
	SK Hynix Semiconductor HK Ltd.	-	67,816	-	60,528
	SK Hynix System IC Co., Ltd.	2,034	44	5,474	99
	Happynarae Co., Ltd.	1,432	29,633	9,344	73,563
	SKC Evonik Peroxide Korea Co., Ltd.	2	6,380	-	6,353
	Boryeong LNG Terminal Co., Ltd.	1,432	-	5,345	7,577
	Darwin LNG Pty Ltd.	28,867	-	120,235	-
	Eurasia Tunnel	26,494	-	25,823	-
	Xe-Pian Xe-Namnoy Power Company	92,088	26,004	113,282	26,004
	SK Eco Engineering Co., Ltd.	471	131,010	-	-
	Goseong Green Power Co., Ltd.	1,998	13,187	1,873	13,416
	Pentaport Development Co., Ltd.	71,679	-	71,679	-
	SK E&C JURONG Investment Singapore Pte. Ltd.	59,914	-	59,914	-
	Godeok Clean Energy Co., Ltd.	-	62,136	-	62,136
Others	216,827	168,530	228,111	120,917	
Others (*3)	Ulsan Aromatics Co., Ltd.	6,603	10,563	3,841	9,958
	SK Chemicals Co., Ltd.	17,485	4,809	22,563	1,465
	SK Gas Co., Ltd.	31,900	241,247	23,965	227,816
	Ubins Co., Ltd.	30	11,354	199	14,977
	Others	3,292	16,654	1,332	23,655
		<u>₩ 2,207,991</u>	<u>₩ 1,228,706</u>	<u>₩ 1,799,047</u>	<u>₩ 1,235,401</u>

(*1) The Group recognized written off amounts related to loss allowance amounting to ₩(-)2,500 million for the three-month period ended March 31, 2022. The Group recognized losses from bad debt expense and amounts written off amounting to ₩1 million and ₩(-)1 million, respectively, for the three-month period ended March 31, 2021. The Group recognized the loss allowance amounting to ₩332,133 million and ₩334,633 million as of March 31, 2022 and December 31, 2021, respectively.

(*2) As of March 31, 2022 and 2021, the Group recognized loss allowances in full amount of corresponding receivables.

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

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27. Transactions with related parties (cont'd)

(3) Details of significant financial transactions with related-parties for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

Company	Currency	March 31, 2022		March 31, 2021	
		Loans	Collection	Loans	Collection
Yemen LNG Company Ltd.	KRW	671	-	625	-
Eurasia Tunnel	KRW	-	-	-	11,243
Yongin Iiban Industry Danji Co., Ltd.	KRW	-	-	5,072	-
Xe-Pian Xe-Namnoy Power Company	KRW	10,502	-	-	-
PT REGAS ENERGITAMA INFRASTRUKTUR	KRW	-	-	783	-

(4) There were additional capital contribution transactions for investments in associates and joint ventures for the three-month periods ended March 31, 2022 and 2021 (see Note 9 'Investments in associates and joint ventures').

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

Key management personnel consists of registered executives who are responsible for the planning, operation and control of the Company's business activities. Details of compensation for them for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Salaries	₩ 4,169	₩ 4,056
Provision for pension benefits	7,700	6,179
Share-based payment expenses	533	340
	<u>₩ 12,402</u>	<u>₩ 10,575</u>

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28. Discontinued operations

(1) Details of discontinued operations

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

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

SKC Co., Ltd., a subsidiary of the Group, sold EVA and Back Sheet solar power business and PVDF business for construction during the prior period. In addition, SK Telesys Co., Ltd. and SKC Infra Services Co., Ltd. were sold in accordance with the board's decision on June 24, 2021 for the purpose of concentrating on their core businesses through reorganization of the business structure.

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

(2) Gain and loss from the discontinued operation for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2022					Total
	Oil retail business in SK Networks Co., Ltd.	SKC Infra Service Co., Ltd. and others	SK Ecoplant Co., Ltd. K-solutions Business Group, etc			
Revenue	₩ 8,978	₩ -	₩ 1,061,523	₩	₩	1,070,501
Expenses	9,728	922	267,729			278,379
Gain (loss) before income tax expense	(750)	(922)	793,794			792,122
Income tax expense (benefit)	488	-	161,800			162,288
Gain (loss) from discontinued operations	₩ (1,238)	₩ (922)	₩ 631,994	₩	₩	629,834
Attributable to :						
Owners of the parent	(550)	(396)	281,429			280,483
Non-controlling interests	(688)	(526)	350,565			349,351

	For the three-month period ended March 31, 2021							Total
	Petroleum development business in SK innovation Co., Ltd.	Oil retail business in SK Networks Co., Ltd.	EVA solar business in SKC Co., Ltd.	SKC Infra Service Co., Ltd. and others	SK Ecoplant Co., Ltd. K-solutions Business Group, etc	SK TNS Co., Ltd.		
Revenue	₩ 8,070	₩ 96,375	₩ 793	₩ 40,055	₩ 363,139	₩ 90,591	₩	599,023
Expenses	9,947	16,658	1,019	36,910	346,502	88,597		499,633
Gain (loss) before income tax expense	(1,877)	79,717	(226)	3,145	16,637	1,994		99,390
Income tax expense (benefit)	(516)	20,227	-	299	4,026	497		24,533
Gain (loss) from discontinued operations	₩ (1,361)	₩ 59,490	₩ (226)	₩ 2,846	₩ 12,611	₩ 1,497	₩	74,857
Attributable to :								
Owners of the parent	(503)	26,431	(97)	1,225	5,828	687		33,571
Non-controlling interests	(858)	33,059	(129)	1,621	6,783	810		41,286

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28. Discontinued operations (cont'd)

(3) Details of cash flows relating to discontinued operations for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2022				Total
	Oil retail business in SK Networks Co., Ltd.	SKC Infra Service Co., Ltd. and others	SK Ecoplant Co., Ltd. K-solutions Business Group, etc		
Cash flows from operating activities	₩ 2,791	₩ (802)	₩ (82,652)	₩	(80,663)
Cash flows from investing activities	(926)	-	444,905		443,979
Cash flows from financing activities	993	-	(78)		915

	For the three-month period ended March 31, 2021							Total
	Petroleum development business in SK innovation Co., Ltd.	Oil retail business in SK Networks Co., Ltd.	EVA solar business in SKC Co., Ltd.	SKC Infra Service Co., Ltd. and others	SK Ecoplant Co., Ltd. K-solutions Business Group, etc	SK TNS Co., Ltd.		
Cash flows from operating activities	₩ (1,453)	₩ (7,904)	₩ (204)	₩ (2,306)	₩ 156,465	₩ (57,950)	₩	86,648
Cash flows from investing activities	42,976	70,517	30	-	(1,826)	(204)		111,493
Cash flows from financing activities	(27,851)	2,584	(41)	(98)	(98)	103		(25,401)

29. Assets and liabilities held for sale

Details of assets and liabilities held for sale as of March 31, 2022 are as follows (Korean won in millions):

		March 31, 2022	
		Assets	Liabilities
Investment securities	ESR Cayman Limited (*1)	₩ 369,191	₩ -
Business segment	China business segment (*2)	90,813	22,052
	Resources business segment (*2)	22,893	14,569
Associates	Zhejiang Shenxin SK Packaging Co., Ltd.	15,648	-
Property, plant and equipment	Back Sheet, EVA, PVDF and others	8,768	-
		₩ 507,313	₩ 36,621

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

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

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30. Cash flow information

(1) Details of non-cash adjustments for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Provision for pension benefits	₩ 120,101	₩ 118,819
Depreciation	1,715,449	1,725,588
Amortization	431,519	393,674
Bad debt expenses	35,801	17,756
(Reversal of) Valuation loss on inventories	(5,587)	(24,681)
Interest expenses	402,223	341,132
Loss on foreign currency translation	220,803	316,679
Loss on valuation of derivatives	532,732	111,264
Loss on disposal of trade receivables	6,207	5,554
Loss on impairment of investments in associates and joint ventures	-	1,730
Loss on disposal of property, plant and equipment	10,922	7,143
Loss on impairment of property, plant and equipment	1,028	1,018
Loss on disposal of intangible assets	845	3,207
Loss on impairment of intangible assets	-	23,931
Income tax expense (benefit)	1,171,266	493,794
Share of profit of associates and joint ventures	(411,768)	(240,098)
Interest income	(73,008)	(57,332)
Gain on foreign currency translation	(147,351)	(208,328)
Gain on valuation of derivatives	(273,295)	(169,133)
Dividend income	(7,742)	(4,723)
Gain on disposal of trade receivables	(1,043)	(11,951)
Gain on disposal of investments in associates and joint ventures	(470,243)	(373,819)
Gain on disposal of property, plant and equipment	(10,741)	(44,668)
Gain on disposal of intangible assets	(79,213)	(3,438)
Gain on disposal of assets held for sale	(785,828)	-
Others	527,518	(187,222)
	<u>₩ 2,910,595</u>	<u>₩ 2,235,896</u>

(2) Details of working capital adjustments for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Inventories	₩ (2,413,031)	₩ (1,244,686)
Trade receivables	(1,506,435)	(954,369)
Other receivables	(142,380)	265,346
Trade payables	3,063,781	1,714,007
Other payables	(2,583,894)	34,433
Advances received	74,559	155,352
Retirement benefits	(77,787)	(81,940)
Plan assets	94,210	57,435
Others	(676,709)	(337,214)
	<u>₩ (4,167,686)</u>	<u>₩ (391,636)</u>

(3) Significant non-cash transactions for the three-month periods ended March 31, 2022 and 2021 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Decrease in other payables due to acquisition of property, plant and equipment and others	₩ (341,586)	₩ (706,020)

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31. Commitments and contingencies

(1) Guarantees provided for the Group as of March 31, 2022 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantee	Guarantor	Currency	Amount	Description of guarantee
SK Inc.	Korea Software Financial Corporation	KRW	456,977	Performance guarantees for contract and others
	Seoul Guarantee Insurance	KRW	10,115	Performance guarantees for contract and others
Netruck Co., Ltd.	Seoul Guarantee Insurance	KRW	912	Performance insurances for warranties and others
SK Telink Co., Ltd.	Seoul Guarantee Insurance	KRW	2,389	Performance guarantees for contract
SK Planet Co., Ltd.	Seoul Guarantee Insurance	KRW	10,413	Performance guarantees for contract and others
SK Broadband Co., Ltd.	Seoul Guarantee Insurance	KRW	24,284	Guarantee of warranties-contract
	Korea Content Financial Cooperative	KRW	34,273	Guarantee of warranties-contract
SK Square Co., Ltd.	KEB Hana Bank	USD	497	Guarantee of foreign currencies
Tmap Mobility Co., Ltd.	Seoul Guarantee Insurance	KRW	357	Performance guarantees
	Korea Technology Finance Corporation	KRW	41	Performance guarantees
SK Shieldus Co., Ltd.	Korea Software Financial Cooperative	KRW	125,822	Guarantee of bid payment and others
SK M & Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,722	Performance guarantees for contract and others
	Shinhan Bank	KRW	700	Guarantee of Korean won
PS&Marketing Corp.	Seoul Guarantee Insurance	KRW	1,634	Performance guarantees
Dreamus Company Co., Ltd.	Seoul Guarantee Insurance	KRW	2,306	Performance guarantees for contract
One store Co., Ltd.	Seoul Guarantee Insurance	KRW	2,408	Guarantee for E-commerce and others
	KEB Hana Bank	KRW	100	Guarantees for prepayment method and payment of Korean won
Home&Service Co., Ltd.	Seoul Guarantee Insurance	KRW	2	Specific debt guarantee
SK Store Co., Ltd.	Kookmin Bank	KRW	1,540	Performance guarantees and others
11 street Co., Ltd.	KEB Hana Bank	KRW	2,000	Performance guarantees and others
	Seoul Guarantee Insurance	KRW	29,707	Guarantee of deposit on lease and others
FSK L&S Co., Ltd.	Seoul Guarantee Insurance	KRW	5,178	Performance guarantees for contract and others
Service Top Co., Ltd.	Seoul Guarantee Insurance	KRW	15	Performance guarantees for contract
SK Networks Co., Ltd.	KEB Hana Bank	KRW	2,000	Guarantee of payment for goods
	Seoul Guarantee Insurance	KRW	10,895	Performance guarantees for contract
	Korea Trade Insurance Corporation	KRW	11,406	Guarantee of debt
SK Networks Service Co., Ltd.	Seoul Guarantee Insurance	KRW	19,471	Performance guarantees for sales contract
	KEB Hana Bank	KRW	1,200	Performance guarantees for contract
SK Magic Co., Ltd.	Seoul Guarantee Insurance	KRW	19,626	Performance insurances for warranties and others
	Machinery Financial Cooperative	KRW	91	Performance insurances for warranties and others
SK Magic Service Co., Ltd.	Seoul Guarantee Insurance	KRW	551	Guarantee of payment for home shopping
SK Rent-a-Car Co., Ltd.	Seoul Guarantee Insurance	KRW	9,950	Performance guarantees for contract
MINTIT Co., Ltd.	Seoul Guarantee Insurance	KRW	29	Performance guarantees for contract
SK Nexilis Co., Ltd.	Seoul Guarantee Insurance	KRW	55	Guarantee of payment
SK E&S Co., Ltd.	Seoul Guarantee Insurance	KRW	114,485	Performance guarantees for contract and others
	Kookmin Bank	USD	80,000	Guarantee of debt
	Shinhan Bank	USD	80,000	Guarantee of debt
	BNP Paribas	USD	10,500	Guarantee of bid payment of manzanillo PPA
Yeongnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,495	Guarantee of warranties and approval
Chonnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	398	Guarantee of warranties and payment
Busan City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	2,808	Guarantee of seizure contract and others
Jeonbuk Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	244	Performance guarantees and warranties
Chungcheong Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	921	Performance insurances for warranties and others
Ko-one Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,767	Performance guarantees for contract
Paju Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	428	Performance guarantees for approval and others
Narae Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	5,292	Guarantee of license to use state property and others
	KEB Hana Bank	KRW	763	Guarantee of heat piping construction
Yeosu Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	4,036	Performance guarantees for deposit on approval
Prism Energy International. Zhoushan Limited	KEB Hana Bank Beijing Branch	USD	30,000	Guarantee of Terminal fee
BU12 Australia Pty. Ltd., BU13 Australia Pty. Ltd.	ANZ Bank	USD	261,950	BU gas field restoration costs

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31. Commitments and contingencies (cont'd)

Guarantee	Guarantor	Currency	Amount	Description of guarantee	
SK Ecoplant Co., Ltd.	HSBC and others	USD	513,463	Performance guarantees for overseas construction and others	
		KWD	89,171	Performance guarantees for overseas construction and others	
		QAR	396,605	Performance guarantees for overseas construction and others	
		TRY	30,703	Performance guarantees for overseas construction and others	
		SAR	8,117	Performance guarantees for overseas construction and others	
		THB	278,254	Performance guarantees for overseas construction and others	
		KZT	7,568,929	Performance guarantees for overseas construction and others	
		VND	637,357,614	Performance guarantees for overseas construction and others	
		HKD	20,061	Performance guarantees for overseas construction and others	
		AED	86,080	Performance guarantees for overseas construction and others	
		NOK	370,295	Performance guarantees for overseas construction and others	
		KEB Hana Bank	USD	172,873	Performance guarantees for overseas construction and others
			SAR	182,198	Performance guarantees for overseas construction and others
			EUR	95,138	Performance guarantees for overseas construction and others
			GBP	18,900	Performance guarantees for overseas construction and others
		Korea Eximbank	USD	90,969	Performance guarantees for overseas construction and others
			EUR	24	Performance guarantees for overseas construction and others
			NOK	137,341	Performance guarantees for overseas construction and others
		Environment Management Corporation Co., Ltd.	Korea Housing Guarantee Co., Ltd.	KRW	2,528,314
Seoul Guarantee Insurance	KRW			303,301	Performance guarantees for domestic construction and others
Engineering Financial Cooperative Construction Guarantee Cooperative	KRW		805,305	Domestic construction contract	
	KRW		5,259,200	Performance guarantees for domestic construction and others	
Korea Trade Insurance Corporation	KRW		115,026	Insurance of overseas investment	
Construction Guarantee Cooperative	KRW		31,506	Performance guarantees for business, construction, warranties and others	
	Seoul Guarantee Insurance		KRW	47,887	Performance guarantees for contract, payment, construction, advance payment and others
Engineering Financial Cooperative	KRW		92,654	Guarantees for contract, advance payment, warranties and others	
SK Materials Co., Ltd.	Seoul Guarantee Insurance		KRW	201	Performance guarantees
	SK Materials Performance Co., Ltd.		Korea Trade Insurance Corporation.	USD	3,500
SK Biopharmaceuticals Co., Ltd.	Hupis Co., Ltd.	KRW	1,904	Guarantee of deposit on lease	
SIGNET EV Inc.	Seoul Guarantee Insurance	KRW	4,303	Performance guarantees for contract, payment, warranties and deposits	
SK Pinx Co., Ltd.	Seoul Guarantee Insurance	KRW	284	Performance guarantees for sales contract	
SK Forest Co., Ltd.	Seoul Guarantee Insurance	KRW	24,707	Performance guarantees for contract	
SK Siltron Co., Ltd.	Shinhan Bank	USD	19,000	Guarantee of foreign currencies	
Hweechan Co., Ltd.	Seoul Guarantee Insurance	KRW	66	Guarantee of supply and others	

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31. Commitments and contingencies (cont'd)

(2) Guarantees provided to others as of March 31, 2022 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantee	Guarantor	Currency	Amount	Description of guarantee
SK Geo Centric Co., Ltd.	Sabic SK Nexlene Company Pte. Ltd.	USD	220,000	Guarantee of debt
Iberian Lube Base Oils S.A.	Puertos del Estado	EUR	863	Guarantees for construction
	Railway Administration and others	EUR	265	Guarantee for installing facilities and others
SK Telink Co., Ltd.	IOT Wave Co., Ltd. and others	KRW	981	Performance guarantees for insurance and others
SK Communications Co., Ltd.	Green umbrella	KRW	20	Performance guarantees for contract
	Purchaser or right holder of electronic payment method	KRW	650	Protection of user funds from electronic financiers
Dreamus Company Co., Ltd.	Youngkwang Precision Industry Co., Ltd.	KRW	269	Performance guarantees for contract
SKC Co., Ltd.	PI Advanced Materials Co., Ltd.	USD	7,836	Guarantee for litigation
SK E&S Co., Ltd.	Boryeong LNG Terminal Co., Ltd.	KRW	320,000	Guarantee of debt
Environment Management Corporation Co., Ltd.	Dongbugwon Puleunmul Co., Ltd. and others	KRW	18,245	Guarantee of debt
	Geochang Malgunmool Sarang Co., Ltd. and others	KRW	17,526	Guarantee for loan agreement
SK Ecoplant Co., Ltd.	SBC General Trading & Contracting Co. WLL and others	KWD	861	Performance guarantees for contract and others
	Pohang Clean Water Co., Ltd. and others	KRW	758,227	Cash deficiency support agreement
	Gweonseon District 6 redevelopment maintenance business association and others	KRW	198,572	Guarantees for reconstruction project financing
	Customers of Gwanggyo SK view	KRW	649,032	Guarantee of debt
	Lu 1 City SK leaders view and others	KRW	2,961,089	Guarantee of completion
	Callable preferred share investor	KRW	130,000	Cash deficiency support agreement
	Fuel cell power generation project	KRW	119,391	Performance assurance related to long-term maintenance contracts
	Contractor issuing guarantee for sale	KRW	2,256,880	Joint surety

In addition, SK Ecoplant Co., Ltd., a subsidiary of the Group, provides other construction companies with performance guarantees for domestic construction, and the amount of the guarantees is ₩1,246,162 million as of March 31, 2022.

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31. Commitments and contingencies (cont'd)

(3) The Group's significant pending litigations as of March 31, 2022, in which the Group is a plaintiff are as follows (Korean won in millions):

Plaintiff	Defendant	Description	Claim	Status
SK Shieldus Co., Ltd.	Individual and others	Claim for damages for breach Of contract and others	KRW 525	Third trial in progress and others
Dreamus Compay Co., Ltd.	Starroad Entertainment	Claim for the cost of a performance and others	KRW 1,000	First trial in progress and others
PS&Marketing Corp.	Individual and others	Claim for payment and others	KRW 4,378	First trial in progress and others
SK Networks Co., Ltd.	Individual and others	Claim for payment and others	KRW 1,468	First trial in progress and others
SK Magic Co., Ltd.	Namdaemun Tax Office Chief and others	Claim for cancellation the imposition of corporate tax and others	KRW 2,640	Second trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for payment and others	KRW 43	First trial in progress and others
SK Telesys Co., Ltd.	YOOJIN21 Co., Ltd. and others	Claim for payment and others	KRW 1,161	First trial in progress and others
SK E&S Co., Ltd.	Governor of JeollaNamdo province	Claim for cancellation of warning disposition and others	KRW 2	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 2,073	Third trial in progress and others
CAILIP Gas Marketing, LLC	ChevronU.S.A.Inc	Claim for compensation for loss of natural gas supply	USD 84,531	First trial in progress
SK E&S LNG, LLC	Hidalgo Wind FarmII,LLC and 2 others	Claim for compensation for electricity purchase settlement	USD 11,774	First trial in progress
SK Ecoplant Co., Ltd.	Korea Rail Network Authority	Claim for payment of construction and others	KRW 4,279	Second trial in progress
	Korea Specialty Contractor Financial Cooperative	Claim for deposit of construction performance and others	KRW 4,147	Second trial in progress and others
	Plant & Mechanical Contractors Financial Cooperative and others	Claim for payment and others	KRW 5,403	Third trial in progress
	Korea National Oil Corporation	Claim for payment of construction	KRW 16,242	First trial in progress
	Korea Land & Housing Corporation	Claim for payment of construction	KRW 1,090	First trial in progress
	Individual and others	Claim related to performance guarantee and others	KRW 107,058	First trial in progress and others
	Legal manager of Seobon Construction Co., Ltd.	A final and conclusive bond investigation trial of KNPCCFP	KRW 1,942	First trial in progress
Environment Management Corporation Co., Ltd.	Siheung City and others	Claim related to settlement of operating and management expenses and others	KRW 24,757	First trial in progress and others
Green Environment Technology Co., Ltd.	Da Moa Machinery	Claim related to balance Of machine sales	KRW 90	Second trial in progress and others

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31. Commitments and contingencies (cont'd)

The Group's significant pending litigations as of March 31, 2022, in which the Group is a defendant are as follows (Korean won in millions and foreign currencies in thousands):

Defendant	Plaintiff	Description	Claim	Status
SIGNET EV Inc.	World Factory CO., Ltd.	Claim for service charge	KRW 68	Second trial in progress
SK Shieldus Co., Ltd.	Individual and others	Claim for damages and others	KRW 1,502	First trial in progress and others
PS & Marketing Corp.	Individual	Litigation for affirmation of non-existence of debt	KRW 44	Second trial in progress
SK Networks Co., Ltd.	Individual and others	Claim for damages and others	KRW 3,619	First trial in progress and others
SK Magic Co., Ltd.	Piltech Korea Co., Ltd. and others	Claim for confirmation of the scope of trademark rights and others	KRW 277	First trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for compensation and others	KRW 670	First trial in progress and others
SKC Co., Ltd.	Nak smart energy Co., Ltd.	Claim for compensation	KRW 70	First trial in progress
SK Nexilis Co., Ltd.	Individual and others	Claim for damages	KRW 2,900	First trial in progress
Ko-one Energy Service Co., Ltd.	Korea Land & Housing corporation	Claim for cancellation of allotted charges	KRW 323	Second trial in progress
Chungcheong energy Service Co., Ltd.	Korea Land & Housing corporation	Claim for cancellation of allotted charges	KRW 1,104	Second trial in progress
Narae energy service Co., Ltd.	Korea Electric Power Corporation	Claim for Contract amount reduction confirmation	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 and others
	Incheon Metropolitan City	Claim for design compensation cost return and others	KRW 7,804	Third trial in progress and others
	Hanwha Engineering & Construction Corp.	Claim for cost share	KRW 5,087	First trial in progress
	Woori Bank	Claim for payment of construction	KRW 12,096	First trial in progress
	Suwon Sky View resident's representative and others	Claim for damages and others	KRW 27,126	First trial in progress and others
	Individual and others	Claim for apartment	KRW 229,276	First trial in progress and others
	Korea Gas Corporation	Claim for damages and others	KRW 11,314	First trial in progress and others
	Republic of Korea	Claim for damages and others	KRW 6,045	Second trial in progress and others
	Busan Transportation Corporation	Claim for design compensation cost return and others	KRW 519	Third trial in progress
	Environment Management Corporation Co., Ltd.	Siheung City and others	Claim for damage and others	KRW 26,860

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

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

E&P business in 8th block of Peru, a subsidiary of SK Innovation Co., has been suspended due to the liquidation of operator (Pluspetrol Norte S.A.) and the business is in progress of closing. The Perupetro S.A., a Peruvian state-owned oil Company and mining rights management agency, received an injunction from the local judiciary to suspend the liquidation procedure of the operator for the period ended December 31, 2021 and the Peruvian Environmental Assessment and Supervision Authority (OEFA) granted a fine to the operator related to the restoration of the workplace and environmental pollution charge for period ended December 31, 2021. Accordingly, SK Innovation Co., Ltd. paid expenses of ₩1,527 million at the request of the operator and the amount was reflected as non-operating expenses for period ended December 31, 2021.

31. Commitments and contingencies (cont'd)

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

SKC Co., Ltd., a subsidiary of the Group, guarantees 50% of claim amounts related to the patent litigation filed by Kaneka Corporation against PI Advanced Materials Co., Ltd. As of March 31, 2022, the appeal of the lawsuit in the U.S. was rejected and the jury's verdict determined damages, but the final ruling was not made because some of the compensation for damages were not confirmed. Meanwhile, during the prior period, Kaneka Corporation filed a lawsuit against PI Advanced Materials Co., Ltd. in Korea based on a portion of final judgment on the U.S. jury's verdict. Accordingly, the Group paid PI Advanced Materials Co., Ltd. USD 7,836 thousand which is 50% of USD 15,671 thousand in damages. Based on the final results of litigation, the Group may have to pay more according to the ratio as specified by the payment arrangement. As of March 31 2022, 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 Lubricants Co., Ltd., SK Incheon Petrochem Co., Ltd., SK Trading International Co., Ltd., SK ie technology Co., Ltd., SK On Co., Ltd, and SK Earthon Co., Ltd. are collectively responsible for any obligations of the Company arising before the spin-off. The Company and SK Biopharmaceuticals Co., Ltd. are collectively responsible for any obligations of the Company that occurred before the spin-off on April 1, 2011.
- 2) The Company has signed a lease contract for the head office building from SK REIT Co., Ltd. The lease contract period under this lease contract is until July 5, 2026, and we have the option of extending the lease contract by five years before the end of the contract. On the other hand, we have been granted preferential purchase rights for landlords to purchase at fair prices when selling the building.
- 3) The Company holds IT outsourcing and IT system maintenance agreements to provide hardware and information systems maintenance and development service entered into between the Company and SK Group companies and others.
- 4) The Company entered into a contract with Gyeonggi province on May 31, 2011 to purchase land located in Pangyo Land Development District. The total agreement amount is ₩82,964 million (the Company's portion: ₩45,536 million (54.9%)), which will be used for the construction of urban infrastructure facilities ("designated purpose" of the land). The contract includes requirements to be complied with and restrictions in transfer of ownership of the land. Should there be non-compliance, the contract may be terminated or cancelled.

31. Commitments and contingencies (cont'd)

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

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

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

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

31. Commitments and contingencies (cont'd)

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

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

As of March 31, 2022, the value of the agreements amounting to ₩169,131 million is recognized in current portion of long-term borrowings (see Note 15).

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

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

As of March 31, 2022, the value of the agreements amounting to ₩677,775 million is recognized in current portion of long-term borrowings (see Note 15).

31. Commitments and contingencies (cont'd)

- 8) The Company entered into a cash deficiency support agreement with Hudson Energy NY, LLC, a subsidiary of Plutus Capital NY, Inc., to lend funds for the shortfall of payment for loans and credit limit of USD 226,000 thousand.
- 9) The Company entered into a cash deficiency support agreement with Abrasax Investment Inc., a subsidiary of SK Pharmteco Inc. (formerly, Alchemy Acquisition Corp.), to lend funds for the shortfall of payment for loans and credit of up to USD 315,000 thousand.
- 10) The Company has a shareholder-to-share agreement with Showa Denko K.K. in relation to the investment of subsidiary SK Showa Denko Co., Ltd., and Showa Denko K.K. has the right to sell 630,000 shares (15%) of SK Showa Denko Co., Ltd. at ₩ 5,000 per share in the event of a specific case of this agreement.
- 11) The Company have signed a contract between shareholders that allows certain shareholders to sell their shares to us for ₩50,000 per share if certain conditions are met for shares held by certain shareholders of its subsidiary Signet EV Co., Ltd.
- 12) As of March 31, 2022, Prism Energy International Pte., Ltd., a subsidiary, provides LOU (Letter of Understanding) to ship owners HHIENS1 Shipholding S.A., HHIENS2 Shipholding S.A. and HHIENS3 Shipholding S.A. in connection with LNG carriers. Accordingly, if SK Shipping Co., Ltd. fails to fulfill the contract (BBCHP) signed with the shipping Company, SK E&S Co., Ltd. will assume all obligations related to the execution of the contract.
- 13) SK E&S LNG, LLC, one of the subsidiaries, is scheduled to be provided with liquefaction service for 20 years from FLNG Liquefaction 3, LLC, which plans to operate natural gas liquefaction plants in Texas starting from 2019. As of March 31, 2022, SK E&S Co., Ltd., one of the subsidiaries, is responsible for performance guarantee in case of SK E&S LNG, LLC's inability to make payments for service or for claims against breach of obligation. In regard to this, the Company provides performance guarantee for SK E&S Co., Ltd.'s guarantee.
- 14) As of March 31, 2022, details of contracts of the subsidiaries of SK E&S Co., Ltd. are as follows:

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

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31. Commitments and contingencies (cont'd)

<u>Contracting parties</u>	<u>Description of contract</u>	<u>Counterparty</u>	<u>Term of contract</u>
Yeoju Energy Service Co., Ltd.	Integrated Environmental Management Licensing Service Contract for LTSA	SK Eco Engineering Co., Ltd.(*2) Siemens Gas & Power Gmbh Siemens Energy Ltd.	2019.1 ~ 2023.10 (estimated) 2019.12 ~ 2047.12 (estimated)
Busan City Gas Co., Ltd.	Rental contract	Megamart Co., Ltd. and others	Until 2022
SK E&S LNG, LLC	Contract for the liquefaction and storage of natural gas Contract for the use pipeline of natural gas	FLNG Liquefaction 3, LLC Kinder Morgan, Inc.	20 years from 2020 20 years from 2020
Prism Energy International Pte. Ltd.	Contract of supply for natural gas Time charter contract	SHELL EASTERN TRADING PTE LTD and others SK Shipping Co., Ltd.	2019.6 ~ 2033.3 20 years from ship delivery date
	Contract of supply for LNG	Generadora San Felipe Limited Partnership	10 years from commencement date
SK E&S Australia Pty. Ltd.	Contract for FPSO Contract for the liquefaction service of natural gas	BW Offshore Singapore Pte. Ltd. (Australia Branch) Darwin LNG Pty. Ltd. and others	15 years from service date 2020.12 (contract) 15 years from service date (estimated)
Prism Energy International Zhoushan Limited	Contract for the storage and vaporization service of natural gas	ENN (Zhoushan) LNG Co., Ltd.	2020.7 ~ 2030.7

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

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

15) As of March 31, 2022, details of construction contracts about the subsidiaries of SK E&S Co., Ltd. are as follows (Korean won in millions):

<u>Description of contract</u>	<u>Name of subsidiaries</u>	<u>Contract opponent</u>	<u>Term of contract</u>	<u>Amount</u>
Contract for heat piping and others	Narae Energy Service Co., Ltd.	Eulmyo general construction Co., Ltd. and others	2021.02 ~ 2022.10	₩ 11,117
Contract for Yeoju natural gas power plant 154kV connection facility construction	Yeoju Energy Service Co., Ltd.	Korea Electric Power Corporation	2019.12 ~ 2022.06	₩ 18,160
Yeoju natural gas power Plant EPC contract(*1)	Yeoju Energy Service Co., Ltd.	SK Eco Engineering Co., Ltd.(*2)	2019.12 ~ 2022.07	₩ 664,091

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

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

16) As of March 31, 2022, details of material contracts of resource development by the subsidiaries of SK E&S Co., Ltd. are as follows:

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

17) SK Energy Co., Ltd., SK Incheon Perochemical Co., Ltd. and SK On Co., Ltd., subsidiaries of the Group, pay electricity bills and tariffs through B2B corporate purchase agreement contracts and national tax cards signed with some financial institutions, and pay the bill to the credit card Company at the end of the credit donation period under the agreement. As of March 31, 2022, the related amount payable is ₩1,338,943 million.

31. Commitments and contingencies (cont'd)

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

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

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

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

Details of rights granted to investor are as follows.

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

31. Commitments and contingencies (cont'd)

SK Battery America Inc., a subsidiary, has signed a project agreement with Jackson County Industrial Development Authority and the Georgia Department of Economic Development (hereinafter referred to as "contract") to provide incentives such as property tax reduction. Under the contract, SK Battery America, Inc. transferred legal ownership of assets subject to property tax reduction to state agencies and received bonds issued by state agencies. The Group recognized the bonds and financial liabilities generated in the transaction as net amounts as they meet the offsetting criteria of KIFRS 1032, and the amount of bonds and financial liabilities set off as of the end of the current year is USD 2,396 million, and the book value after offset is ₩0.

- 20) SK Telecom Co., Ltd., a subsidiary of the Group, sells its mobile handsets to customers on an installment payment plan through agents. SK Telecom Co., Ltd. entered into transfer agreements with the agents for the receivables of handset's installment payments, under which all the rights and obligations of the receivables are transferred to SK Telecom Co., Ltd. Then, SK Telecom Co., Ltd. entered into an asset securitization contract with a special purpose Company for the receivables, and accordingly, the balance of the receivables as of the end of the current reporting period is ₩495,860 million which is recorded as other receivables and long-term other receivables.
- 21) SK Siltron Co., Ltd., a subsidiary, has entered into an agreement between its existing shareholders and shareholders regarding the acquisition of shares in Teraon Co., Ltd., a related Company investment during the period ended March 31, 2022. Under the agreement, SK Siltron Co., Ltd., a subsidiary, has a call option to hold 75.28% of Teraon Co., Ltd.'s shares and can be exercised between October 1, 2021 and September 30, 2022.
- 22) SK Ecoplant Co., Ltd., a subsidiary, entered into a share subscription agreement in order to acquire Sam Kang M&T Co., Ltd. The details are as follows (Korean won in millions):

	Expected date of acquisition	Estimated acquisition share (%)	Estimated acquisition price
Sam Kang M&T Co., Ltd.	June, 2022	32%	₩ 342,600

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

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

31. Commitments and contingencies (cont'd)

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

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

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

(5) Hybrid bonds

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

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

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

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

(6) Others

As of March 31, 2022, 44 notes (including 41 blank notes) and 83 checks (including 82 blank checks) are provided to financial institutions as collateral for borrowings.

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32. Pledged assets

The following assets were pledged as collateral for the Group's borrowings and others as of March 31, 2022 (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	4,500	Shinhan Bank	Collateral for borrowing
SK Broadband Co., Ltd.	Property, plant and equipment	KRW	1,513	Lessor	Restricted real rights for office lease
Incross Co., Ltd.	Financial instruction	KRW	24,710	Naver Co., Ltd. and others	Performance guarantees for contract
One store Co., Ltd.	Investment property and others	KRW	612	Shinhan Bank	Collateral for borrowing
SK Networks Co., Ltd.	Property, plant and equipment	KRW	391,188	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	375,139	Korea Development Bank and others	Collateral for borrowing
SKC Solmics Co., Ltd.	Property, plant and equipment	KRW	91,100	Korea Development Bank and others	Collateral for borrowing
Mitsui Chemicals & SKC Polyurethanes Inc.	Property, plant and equipment	KRW	100,000	Korea Development Bank	Collateral for borrowing
Woori Fine Chem Co., Ltd.	Property, plant and equipment	KRW	2,520	Shinhan Bank	Collateral for borrowing
SKCFTH Co., Ltd.	Investment subsidiaries	KRW	690,000	Korea Development Bank and others	Collateral for borrowing
SK Nexilis Co., Ltd.	Property, plant and equipment	KRW	396,000	Korea Development Bank and others	Collateral for borrowing
SK PIC Global Co., Ltd.	Property, plant and equipment	KRW	33,600	Korea Development Bank	Collateral for borrowing
SKC, Inc.	Property, plant and equipment	USD	70,000	Standard Chartered Bank	Collateral for borrowing
SK E&S Co., Ltd.	Investments in subsidiaries	KRW	300,000	Korea Development Bank and others	Collateral for PF
	Investments in joint ventures	KRW	150,319	Korea Development Bank and others	Collateral for PF
		USD	14,000	BANGKOK BANK PUBLIC COMPANY LIMITED	Collateral for PF
	Investments in associates	KRW	18,621	Industrial Bank of Korea and others	Collateral for PF
Ko-one energy service Co., Ltd.	Investments in associates	KRW	2,711	Kookmin Bank and others	Collateral for PF
Busan City Gas Co., Ltd.	Investments in associates	KRW	5,153	Shinhan Bank and others	Collateral for PF
Paju Energy Service Co., Ltd.	Investment property	KRW	3,990	Megamart Co., Ltd. and others	Leasehold deposits
Chonnam City Gas Co., Ltd.	Property, plant and equipment	KRW	360,000	Kookmin Bank and others	Collateral for borrowing
	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	589,000	Korea Development Bank and others	Collateral for borrowing
Yeosu Energy Service Co., Ltd.	Property, plant and equipment	KRW	601,200	Korea Development Bank and others	Collateral for PF
Busan Jungkwan Energy Co., Ltd.	Property, plant and equipment	KRW	100,800	NH Bank and others	Collateral for borrowing
IGE Co., Ltd.	Property, plant and equipment	KRW	24,000	Korea Development Bank	Collateral for borrowing
Key Capture Energy, LLC.	Financial instruction	KRW	129,099	RABOBANK and others	Collateral for service use
SK Ecoplant Co., Ltd.	Investment securities and others	KRW	569,069	Pledge establishment and others	Collateral for borrowing and others
	Investment property	KRW	396,384	Korea Development Bank and others	Collateral for borrowing
Seongju Tech Co., Ltd.	Property, plant and equipment	KRW	10,206	Woori Bank	Collateral for borrowing
DDS Co., Ltd.	Property, plant and equipment	KRW	3,000	Korea Development Bank	Collateral for borrowing
Samwon ENT Co., Ltd.	Cash equivalents	KRW	700	KB Securities	Collateral for borrowing
Daewon Green Energy Co., Ltd.	Property, plant and equipment	KRW	5,280	Korea Development Bank	Collateral for borrowing
Green Environment Technology Co., Ltd.	Property, plant and equipment	KRW	9,600	Korea Development Bank	Collateral for borrowing
Environment Management Corporation Co., Ltd.	Property, plant and equipment	KRW	33,973	KEB Hana Bank and others	Collateral for borrowing
	Investments in subsidiaries	KRW	531,100	KEB Hana Bank and others	Collateral for borrowing
	Investment securities and others	KRW	64,980	Korea Development Bank and others	Collateral for borrowing
	Others	KRW	999,695	KEB Hana Bank and others	Establishing pledge and others
SK Industrial Development China Co., Ltd.	Others	CNY	2,000,000	Bank of China communications	Collateral for borrowing
SK Materials 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
SK Materials Japan Co., Ltd.	Property, plant and equipment	JPY	315,000	MUFG Bank	Collateral for borrowing
SK Materials Airplus Inc.	Property, plant and equipment	KRW	684,000	Kyungnam Bank and others	Collateral for borrowing
SK Tri Chem Co., Ltd.	Property, plant and equipment	KRW	3,692	Sejong City	Local investment promotion subsidy support collateral
SK Showa Denko Co., Ltd.	Property, plant and equipment	KRW	30,000	Korea Development Bank	Collateral for borrowing
SK Siltron Co., Ltd.	Property, plant and equipment	KRW	526,253	Korea Development Bank and others	Collateral for borrowing
SK Biotek Co., Ltd.	Property, plant and equipment	KRW	120,000	Korea Development Bank	Collateral for borrowing
Hweechan Co., Ltd.	Property, plant and equipment	KRW	13,440	KEB Hana Bank	Collateral for borrowing
SK REITs Co., Ltd.	Investment property	KRW	722,160	The lender and the lessor	Collateral for borrowing
Clean Energy REITs Co., Ltd.	Investment property	KRW	540,120	The lender and the lessor	Collateral for borrowing
Signet EV Inc.	Property, plant and equipment and others	KRW	12,000	Woori Bank	Collateral for borrowing

SK Inc. and its subsidiaries
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32. Pledged assets (cont'd)

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

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

33. Guarantees provided among the Group entities

Guarantees provided among the Group entities as of March 31, 2022 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantor	Guarantee	Currency	Amount	Description of guarantee
SK Inc.	Abrasax Investment Inc.	USD	315,000	Cash deficiency support of debt
	Hudson Energy NY, LLC	USD	226,000	Cash deficiency support of debt
SK Innovation Co., Ltd.	SK Battery America, Inc.	USD	1,680,000	Guarantee of debt
	SK On Hungary Kft.	USD	250,000	Guarantee of debt
	SK Hi-tech Battery Materials (Jiangsu) Co., Ltd.	USD	50,000	Guarantee of debt
	SK Hi-Tech Battery Materials Poland Sp. Zo.o.	CNY	500,000	Guarantee of debt
	SK Hi-Tech Battery Materials Poland Sp. Zo.o.	USD	130,000	Guarantee of debt
	SK Battery Manufacturing Kft.	USD	500,000	Guarantee of debt
SK Innovation Co., Ltd. and SK On Co., Ltd.	SK On Hungary Kft.	HUF	9,810,000	Guarantee of local factory construction
SK Geo Centric Co., Ltd.	SK Ningbo Performance Rubber Co., Ltd.	USD	14,000	Guarantee of payment for license agreement
	SK Global Chemical Americas, Inc.	USD	160,000	Guarantee of payment for principal of debt
	SK Functional Polymer, S.A.S	EUR	216,000	Guarantee of payment for principal of debt
SK ie technology Co., Ltd.	SK Hi-Tech Battery Materials(Jiang Su) Co., Ltd.	CNY	700,000	Guarantee of financial obligation
SK Networks Co., Ltd.	SK Networks Deutschland GmbH	EUR	1,000	Standing surety for investee
	SK Networks Hong Kong Ltd.	USD	90,600	Standing surety for investee
	SK Networks (Shanghai) Co., Ltd.	USD	24,000	Standing surety for investee
		CNY	54,000	Standing surety for investee
	SK Networks America, Inc.	USD	10,000	Standing surety for investee
	SK Networks (Xiamen) Steel Processing Center Co., Ltd.	CNY	68,000	Standing surety for investee
	SK Networks Resources Australia Pty. Ltd.	AUD	8,000	Standing surety for investee
SKC Co., Ltd.	SKC, Inc.	USD	109,000	Guarantee of payment
	SKC (Jiangsu) High Tech Plastics Co., Ltd.	USD	69,725	Guarantee of payment
		CNY	210,000	Guarantee of payment
	SK Telesys Co., Ltd.	KRW	30,000	Guarantee of financial obligation
	SKC (Natong) PU Specialty Co., Ltd.	CNY	119,705	Guarantee of payment
		USD	7,000	Guarantee of payment
	SKC (Natong) Semiconductor Materials Technology Co., Ltd.	USD	5,200	Guarantee of payment
SK E&S Co., Ltd.	Caillip GAS Marketing, LLC	USD	210,000	Guarantee for derivative hedge and others
	Paju Energy Service Co., Ltd.	KRW	400,000	Guarantee of debt and others
	Narae Energy Service Co., Ltd.	KRW	270,000	Guarantee of debt and others
	Yeouju Energy Service Co., Ltd.	KRW	200,000	Guarantee of payment for principal of debt
	Prism Energy International Pte. Ltd.	USD	661,000	Guarantee for derivative hedge and others
	SK E&S LNG, LLC	USD	63,000	Guarantee for derivative hedge and others
SK E&S Americas, Inc.	Caillip Gas Marketing, LLC	USD	40,000	Performance guarantee for purchase contract of Feed Gas
SK Ecoplant Co., Ltd.	SKEC Anadolu, LLC	EUR	62,330	Performance guarantees for contract and others
	Silvertown Investco Limited.	GBP	10,671	Guarantee of financial obligation
	Sunlake Co., Ltd.	CAD	6,000	Guarantee of financial obligation
	SK E&C Betek Corporation Environment Management Corporation Co., Ltd.	USD	28,500	Guarantee of financial obligation
		KRW	63,455	Fund supplement agreement for loan agreement
	Samwon ENT Co., Ltd.	KRW	69,000	Conditional debt acquisition
Environment Management Corporation Co., Ltd	Gyeounbuk Environment Energy Co., Ltd.	KRW	2,500	Guarantee of debt and others
	Gyeongsan Clean Water Way Co., Ltd.	KRW	5,974	Guarantee of debt and others
	Dalseong Maleunmulgil Co., Ltd.	KRW	335	Guarantee of debt and others
	Honam Environment Energy Co., Ltd.	KRW	8,000	Guarantee of debt
SK Materials Co., Ltd.	SK Materials Jiangsu Co., Ltd.	USD	29,000	Guarantee of debt
	SK Materials Taiwan Co., Ltd.	USD	2,000	Guarantee of debt
	SK Materials Japan Co., Ltd.	JPY	276,000	Guarantee of debt
SK Biotek Co., Ltd.	SK Biotek Ireland Limited.	USD	30,000	Guarantee for credit limit
		EUR	10,000	Performance guarantees
SK Siltron Co., Ltd.	SK Siltron CSS, LLC	USD	55,000	Guarantee of debt

34. Risk management

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

34.1 Financial risk management

34.1.1 Risk management activities

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

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

34.1.2 Credit risk

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Financial assets measured at FVTPL	₩ 9,707,934	₩ 10,871,691
Financial assets measured at FVOCI	1,865	7,799
Financial assets measured at amortized cost	29,258,389	25,365,205
Derivatives designated as hedging instruments	<u>463,302</u>	<u>263,779</u>
	<u>₩ 39,431,490</u>	<u>₩ 36,508,474</u>

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

34. Risk management (cont'd)

34.1.2.1 Trade and other receivables

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

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

34.1.2.2 Guarantee

SK Ecoplant Co., Ltd., one of the subsidiaries, offers payment guarantees for loans of project financing. The financing liabilities related to the payment guarantees recognized are ₩15,863 million as of March 31, 2021. The Group recognizes the financial guarantee liabilities related to the payment guarantees contracted with the Group, such as SK Ecoplant Co., Ltd., as of March 31, 2022 and December 31, 2021.

	March 31, 2022	December 31, 2021
SK Innovation Co., Ltd.	₩ 904	₩ 1,137
SK Ecoplant Co., Ltd.	15,863	15,921
SK Biotek Co., Ltd.	472	472
SK Showa Denko Co., Ltd.	-	22
	<u>₩ 17,239</u>	<u>₩ 17,552</u>

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

34.1.2.3 Other financial assets

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

34.1.3 Liquidity risk

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

The contractual maturity of financial liabilities as of March 31, 2022 is as follows. Amounts include interests paid and presented at gross amounts (Korean won in millions):

	Book value	Contractual cash flow	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years
Borrowings	₩ 26,621,564	₩ 27,823,731	₩ 7,014,077	₩ 6,075,021	₩ 14,106,418	₩ 628,215
Bonds	34,798,771	37,642,585	1,782,212	4,002,595	24,524,425	7,333,353
Derivative financial liabilities	679,294	679,685	74,962	290,430	94,956	219,337
Trade payables	11,650,417	11,650,417	11,404,031	246,386	-	-
Lease liabilities	5,159,920	5,483,099	157,196	1,133,187	2,932,088	1,260,628
Other liabilities	13,051,414	13,170,877	8,923,414	2,440,733	1,638,130	168,600
	<u>₩ 91,961,380</u>	<u>₩ 96,450,394</u>	<u>₩ 29,355,892</u>	<u>₩ 14,188,352</u>	<u>₩ 43,296,017</u>	<u>₩ 9,610,133</u>

34. Risk management (cont'd)

34.1.4 Market risk

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

34.1.4.1 Currency risk

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

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

	Currency	March 31, 2022		December 31, 2021	
		Foreign currencies	Korean won equivalent	Foreign currencies	Korean won equivalent
Assets	USD	9,293,781	₩ 11,252,910	7,542,986	₩ 8,942,210
	JPY	61,599,732	611,525	16,318,984	168,125
	CNY	2,508,270	476,621	2,468,361	459,757
	EUR	346,374	467,996	400,449	537,539
	Others		2,841,975		912,134
			₩ 15,651,027		₩ 11,019,765
Liabilities	USD	14,582,985	₩ 17,657,078	11,908,339	₩ 14,117,336
	JPY	12,289,310	122,001	10,970,493	113,022
	CNY	2,611,196	496,179	1,024,139	190,756
	EUR	228,218	308,352	167,922	225,408
	Others		554,049		531,211
			₩ 19,137,659		₩ 15,177,733

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

Currency	March 31, 2022		December 31, 2021	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ (640,417)	₩ 640,417	₩ (517,513)	₩ 517,513
JPY	48,952	(48,952)	5,510	(5,510)
CNY	(1,956)	1,956	26,900	(26,900)
EUR	15,964	(15,964)	31,213	(31,213)

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

34.1.4.2 Interest rate risk

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

34. Risk management (cont'd)

34.2 Capital risk management

The fundamental goal of capital management is to keep a sound financial structure. The Group is using the debt ratio, calculated as total debt divided by total amount of capital, as an indicator of capital management. The Group maintains a debt ratio of 153.8% as of March 31, 2022. The maturity of the debt is dispersed in the long term; so, debt-repayments are not demanding.

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

	March 31, 2022	December 31, 2021
Total liabilities	₩ 105,104,841	₩ 99,815,712
Total equity	68,344,751	65,542,735
Debt ratio	153.8%	152.3%

35. Business combination

As of March 31, 2022, details of business combination are as follows.

(1) General information

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

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

(2) Identifiable assets acquired and liabilities assumed

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

	Mitsui Chemicals & SKC Polyurethanes Inc.	EverCharge, Inc.
Assets:		
Cash and cash equivalents	₩ 11,986	₩ 765
Trade and other receivables	113,340	1,114
Inventories	96,862	1,403
Property, plant and equipment	107,061	183
Right-of-use assets	9,687	-
Intangible assets	113,874	250
Other assets	411,605	518
	<u>₩ 864,415</u>	<u>₩ 4,233</u>
Liabilities:		
Trade and other payables	₩ 97,359	₩ 1,260
Borrowing liabilities	113,774	3,481
Lease liabilities	10,176	-
Current tax liabilities	3,878	-
Defined benefit liabilities	682	-
Deferred tax liabilities	14,072	-
Other liabilities	11,796	109
	<u>₩ 251,737</u>	<u>₩ 4,850</u>
Fair value of identifiable net assets	<u>₩ 612,678</u>	<u>₩ (617)</u>

As of March 31, 2022, the fair value of the assets acquired and liabilities assumed was determined tentatively because independent valuation was not completed.

35. Business combination (cont'd)

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

	Mitsui Chemicals & SKC	
	Polyurethanes Inc.	EverCharge, Inc
a. The total consideration transferred (*1)	₩ 400,212	₩ 342,521
b. Fair value of proportionate share of acquired net assets:		
Fair value of the net identifiable assets	612,678	(617)
Non-controlling Interests	(400,212)	-
	<u>212,466</u>	<u>(617)</u>
c. Goodwill (c=a-b)	<u>₩ 187,746</u>	<u>₩ 343,138</u>

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

36. Subsequent events

36.1 Interim dividend payment of SK Telecom Co., Ltd.

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

Description	Details
Amount of interim dividend	₩ 830 per share (total amount of dividend: ₩ 180,942 millions)
Ratio of dividend to market value	1.44%
Basic date for dividend	March 31, 2022
Date of dividend payment	Within May 18, 2022 on the basis of Article 165-12 (3) of the Capital Market and Financial Investment Business Act

36.2 Investment in New Business by Tmap Mobility Co., Ltd.

In order to expand and strengthen its business portfolio through investment in new business, Tmap Mobility Co., Ltd. decided to acquire 32,832 shares of common stock (40% stake) of the new Company established by Airport Limousine Co., Ltd. on March 25, 2022. The acquisition amount is ₩53,163 million and the expected acquisition date is May 31, 2022. In addition, the board of directors decided to acquire 109,259 shares of common stock (100% stake) of Airport Limousine Co., Ltd. The acquisition amount is ₩65 million and the acquisition date is May 2, 2022.

36.3 Acquisition of shares in TES-Envirocorp Pte. Ltd. (Singapore) by SK Ecoplant Co., Ltd.

SK Ecoplant Co., Ltd., a subsidiary, established Eco Frontier (Singapore) Pte. Ltd. on April 19, 2022 with an investment of ₩ 424,385 million to acquire TES-Envirocorp Pte. Ltd. (Singapore). In addition, Eco Frontier (Singapore) Pte. Ltd. acquired a 100% stake in TES-Envirocorp Pte. Ltd. (Singapore) for USD 1,038 million on April 22, 2022.

36.4 Acquisition of shares in JA Green Co., Ltd. by SK Ecoplant Co., Ltd

SK Ecoplant Co., Ltd., a subsidiary, signed a contract to purchase 70% of shares in JA Green Co., Ltd. for ₩ 192,500 million in accordance with the board's resolution on April 27, 2022.