



SK Inc.

Interim condensed separate financial statements
for the three-month periods ended March 31, 2021 and 2020
with the independent auditor's review report

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Independent auditors' report

Report on review of interim condensed separate financial statements

SK Inc. The Shareholders and Board of Directors

We have reviewed the accompanying interim condensed separate financial statements of SK Inc. (the "Company"), which comprise the interim condensed separate statement of financial position as of March 31, 2021, and the related interim condensed separate statements of comprehensive income, interim condensed separate statements of changes in equity and interim condensed separate statements of cash flows for the three-month periods ended March 31, 2021 and 2020, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the interim condensed separate financial statements

Management is responsible for the preparation and presentation of these interim condensed separate 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 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 separate 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 separate financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Other matter

We have audited the separate statement of financial position of the Company as of December 31, 2020, and the related separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended (not presented herein) in accordance with KGAAS, and our report dated March 12, 2021 expressed an unqualified opinion thereon. The accompanying separate statement of financial position as of December 31, 2020, presented for comparative purposes is not different, in all material respects, from the above audited separate statement of financial position.



May 14, 2021

This review report is effective as of May 14, 2021, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed separate financial statements and may result in modifications to this review report.

SK Inc.

Interim condensed separate financial statements
for the three-month periods ended March 31, 2021 and 2020

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

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

SK Inc.

**Interim condensed separate statements of financial position
as of March 31, 2021 and December 31, 2020**

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

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		(Unaudited)		(Unaudited)	
Assets					
Current assets:					
Cash and cash equivalents	4	₩ 89,239	₩ 79,743	\$ 78,729	\$ 70,351
Short-term financial instruments	4,30	227,527	238,046	200,730	210,010
Trade receivables, net	4,5,26,30	407,442	474,735	359,455	418,822
Other receivables, net	4,26,30	261,855	3,747	231,015	3,306
Inventories, net	6	196	142	173	125
Other current assets	4,17,18,26,30	496,310	58,814	437,856	51,887
Assets held for sales	27	662,937	697,130	584,858	615,024
Total current assets		<u>2,145,506</u>	<u>1,552,357</u>	<u>1,892,816</u>	<u>1,369,525</u>
Non-current assets:					
Long-term investment securities	4,7,30	697,876	674,891	615,682	595,404
Investments in subsidiaries	8	18,862,290	18,025,048	16,640,750	15,902,116
Investments in associates and joint ventures	9	541,483	354,632	477,709	312,865
Property, plant and equipment, net	10	530,414	534,196	467,944	471,280
Right-of-use asset, net	11	89,189	93,981	78,685	82,912
Investment properties, net	12	7,652	7,845	6,751	6,921
Intangible assets, net	13	2,160,270	2,154,137	1,905,840	1,900,430
Other non-current assets	4,17,18,26,30	195,247	195,310	172,251	172,307
Total non-current assets		<u>23,084,421</u>	<u>22,040,040</u>	<u>20,365,612</u>	<u>19,444,235</u>
Total assets		<u>₩ 25,229,927</u>	<u>₩ 23,592,397</u>	<u>\$ 22,258,428</u>	<u>\$ 20,813,760</u>
Liabilities and equity					
Liabilities					
Current liabilities:					
Short-term borrowings	4,14,30	₩ 835,000	₩ 715,000	\$ 736,656	\$ 630,790
Trade payables	4,26,30	100,651	85,276	88,797	75,232
Other payables	4,26,30	51,925	123,310	45,809	108,787
Accrued expenses	4,26,30	150,736	78,106	132,983	68,907
Provisions	15	6,001	6,147	5,294	5,423
Current portion of long-term debt	4,14,30	1,020,515	1,051,406	900,322	927,575
Other current liabilities	4,11,17,18,26,30	1,070,489	450,384	944,410	397,339
Total current liabilities		<u>3,235,317</u>	<u>2,509,629</u>	<u>2,854,271</u>	<u>2,214,053</u>
Non-current liabilities:					
Bonds payable	4,14,30	5,366,554	5,336,808	4,734,498	4,708,256
Defined benefit liabilities	16	56,244	42,390	49,620	37,397
Deferred tax liabilities	24	327,392	324,386	288,833	286,181
Provisions	15	2,314	2,314	2,041	2,041
Other non-current liabilities	4,11,17,18,26,30	540,450	545,307	476,800	481,082
Total non-current liabilities		<u>6,292,954</u>	<u>6,251,205</u>	<u>5,551,792</u>	<u>5,514,957</u>
Total liabilities		<u>9,528,271</u>	<u>8,760,834</u>	<u>8,406,063</u>	<u>7,729,010</u>
Equity					
Issued capital	1,19	15,385	15,385	13,573	13,573
Other paid-in capital	19	3,506,508	3,506,168	3,093,523	3,093,223
Retained earnings	19	12,171,588	11,301,835	10,738,057	9,970,742
Other components of equity	19	8,175	8,175	7,212	7,212
Total equity		<u>15,701,656</u>	<u>14,831,563</u>	<u>13,852,365</u>	<u>13,084,750</u>
Total liabilities and equity		<u>₩ 25,229,927</u>	<u>₩ 23,592,397</u>	<u>\$ 22,258,428</u>	<u>\$ 20,813,760</u>

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

SK Inc.
Interim condensed separate statements of comprehensive income
for the three-month periods ended March 31, 2021 and 2020

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

	Notes	For the three-month period ended March 31			
		Korean won		Translation into U.S. dollar (Note 2)	
		2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Operating revenue	20,26	₩ 897,704	₩ 1,444,960	\$ 791,975	\$ 1,274,777
Operating expenses	21,22,26	<u>408,654</u>	<u>392,991</u>	<u>360,524</u>	<u>346,706</u>
Operating profit		489,050	1,051,969	431,451	928,071
Finance income	23	19,150	3,180	16,895	2,805
Finance costs	23	90,724	50,701	80,039	44,730
Other non-operating income	23	1,069,996	1,737	943,975	1,532
Other non-operating expenses	23	<u>2,381</u>	<u>3,491</u>	<u>2,100</u>	<u>3,078</u>
Profit before income tax expense		1,485,091	1,002,694	1,310,182	884,600
Income tax expense	24	<u>300,436</u>	<u>19,797</u>	<u>265,052</u>	<u>17,465</u>
Profit for the period		<u>₩ 1,184,655</u>	<u>₩ 982,897</u>	<u>\$ 1,045,130</u>	<u>\$ 867,135</u>
Other comprehensive income (loss):					
Items not to be reclassified to profit or loss in subsequent periods:					
Remeasurement loss on defined benefit plans	16	<u>2,354</u>	<u>(3,802)</u>	<u>2,077</u>	<u>(3,354)</u>
Total comprehensive income for the period		<u>₩ 1,187,009</u>	<u>₩ 979,095</u>	<u>\$ 1,047,207</u>	<u>\$ 863,781</u>
Earnings per share (Korean won and U.S. dollar):	25				
Basic earnings per share		₩ 22,632	₩ 18,781	\$ 19.97	\$ 16.57
Diluted earnings per share		22,586	18,781	19.93	16.57

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

SK Inc.
Interim condensed separate statements of changes in equity
for the three-month periods ended March 31, 2021 and 2020
(Korean won in millions)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
As of January 1, 2020	₩ 15,385	₩ 3,504,680	₩ 9,870,812	₩ 11,685	₩ 13,402,562
Total comprehensive income for the period:					
Profit for the period	-	-	982,897	-	982,897
Remeasurement loss on defined benefits plans	-	-	(3,802)	-	(3,802)
Dividends	-	-	(211,503)	-	(211,503)
Stock option	-	199	-	-	199
As of March 31, 2020 (Unaudited)	₩ 15,385	₩ 3,504,879	₩ 10,638,404	₩ 11,685	₩ 14,170,353
As of January 1, 2021	₩ 15,385	₩ 3,506,168	₩ 11,301,835	₩ 8,175	₩ 14,831,563
Total comprehensive income for the period:					
Profit for the period	-	-	1,184,655	-	1,184,655
Remeasurement loss on defined benefits plans	-	-	2,354	-	2,354
Dividends	-	-	(317,256)	-	(317,256)
Stock option	-	340	-	-	340
As of March 31, 2021 (Unaudited)	₩ 15,385	₩ 3,506,508	₩ 12,171,588	₩ 8,175	₩ 15,701,656

SK Inc.
Interim condensed separate statements of changes in equity
for the three-month periods ended March 31, 2021 and 2020 (cont'd)
(U.S. dollar in thousands)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
As of January 1, 2020	\$ 13,573	\$ 3,091,910	\$ 8,708,259	\$ 10,309	\$ 11,824,051
Total comprehensive income:					
Profit for the period	-	-	867,135	-	867,135
Remeasurement loss on defined benefits plans	-	-	(3,354)	-	(3,354)
Dividends	-	-	(186,593)	-	(186,593)
Stock option	-	176	-	-	176
As of March 31, 2020 (Unaudited)	\$ 13,573	\$ 3,092,086	\$ 9,385,447	\$ 10,309	\$ 12,501,415
As of January 1, 2021	\$ 13,573	\$ 3,093,223	\$ 9,970,741	\$ 7,212	\$ 13,084,749
Total comprehensive income:					
Profit for the period	-	-	1,045,130	-	1,045,130
Remeasurement loss on defined benefits plans	-	-	2,077	-	2,077
Dividends	-	-	(279,891)	-	(279,891)
Stock option	-	300	-	-	300
As of March 31, 2021 (Unaudited)	\$ 13,573	\$ 3,093,523	\$ 10,738,057	\$ 7,212	\$ 13,852,365

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

SK Inc.

Interim condensed separate statements of cash flows
for the three-month periods ended March 31, 2021 and 2020

(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	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Cash flows from operating activities:					
		₩ 1,184,655	₩ 982,897	\$ 1,045,130	\$ 867,135
	28	(1,096,086)	(883,014)	(966,993)	(779,015)
	28	(27,774)	(51,085)	(24,503)	(45,068)
		726	805	640	710
		(39,326)	(51,549)	(34,694)	(45,478)
		186,596	657,038	164,619	579,654
		4,632	(407)	4,086	(359)
		213,423	654,685	188,285	577,579
Cash flows from investing activities:					
		10,519	62,162	9,280	54,841
		(430,341)	-	(379,657)	-
		1,108,137	-	977,625	-
		42,537	-	37,527	-
		1	4	1	4
		1,996	-	1,761	-
		(22,926)	(25,211)	(20,226)	(22,242)
		(860,583)	-	(759,226)	-
		(134,309)	(27,732)	(118,491)	(24,466)
		(8,991)	(10,228)	(7,932)	(9,023)
		(14,055)	(11,806)	(12,400)	(10,416)
		(254)	(2,788)	(224)	(2,460)
		(308,269)	(15,599)	(271,962)	(13,762)
Cash flows from financing activities:					
		120,000	150,000	105,867	132,333
		318,593	328,547	281,070	289,852
		(320,000)	(340,000)	(282,311)	(299,956)
		(14,625)	(14,380)	(12,903)	(12,686)
		103,968	124,167	91,723	109,543
		9,122	763,253	8,046	673,360
		374	152	332	133
		79,743	57,805	70,351	50,997
		₩ 89,239	₩ 821,210	\$ 78,729	\$ 724,490

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

1. Corporate information

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, 2021, the issued capital of the Company amounts to ₩15,385 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 18.44%, 7.74% and 6.85% respectively, as of March 31, 2021.

2. Summary of basis of preparation and significant accounting policies

2.1 Basis of preparation

The Company prepares statutory interim condensed separate financial statements in the Korean language in accordance with KIFRS 1034 *Interim Financial Reporting* enacted by the Act on External Audit of Stock Companies. The accompanying interim condensed separate financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor’s review report thereon, the Korean version, which used for regulatory reporting purposes, shall prevail.

The interim condensed separate financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as of December 31, 2020.

The accompanying interim condensed separate financial statements are stated in Korean won, the currency of the country in which the Company 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 separate financial statements and has been made at the rate of ₩1,133.50 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. dollar should not be construed as representations that the Korean won amounts could be converted into U.S. dollar at that or any other rate.

Pursuant to KIFRS 1027, the interim condensed separate financial statements are accounted for, by parent, investor in an associate or a joint venture on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed separate financial statements are consistent with those followed in the preparation of the Company’s annual separate financial statements for the year ended December 31, 2020, except for the adoption of new standards and interpretations effective as of January 1, 2021.

2.2.1 New and revised KIFRSs adopted in the current period

The Company has applied amendments to KIFRS issued that are mandatorily effective for accounting periods beginning on or after January 1, 2021.

KIFRS 1001 1109 Financial Instruments, KIFRS 1039 Financial Instruments: Recognition and Measurement, KIFRS 1107 Financial Instruments: Disclosures, KIFRS 1104 Insurance Contracts and KIFRS 1116 Leases (Amended)

The amendments provide exception not to recognize gains or losses on remeasurement of financial instruments when the replacement of interest rate benchmark for financial instruments measured at amortized cost meets certain requirements that do not change their economic substance. It also includes exceptions to hedge accounting when certain conditions are met if replacements to interest rate benchmark occur in the hedging relationship. The amendments do not have any significant impact on the Company's financial position or management performance.

2.2.2 New and revised KIFRSs 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 Company plans to apply the standard for annual reporting period beginning on or after January 1, 2023, with early application permitted.

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

The amendments clarify that the costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. The Company plans to apply the standard for annual reporting period beginning on or after January 1, 2022, with early application permitted.

KIFRS 1016 - Property, Plant and Equipment (Amended)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling 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 recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The Company plans to apply the standard for annual reporting period beginning on or after January 1, 2022 and an entity should apply the amendments retrospectively to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements.

KIFRS 1103 - Business combinations (Amended)

The amendments update KIFRS 1103 so that the definition of assets and liabilities to be recognized in a business combinations is referred to the 2018 Conceptual Framework and add a 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. The Company plans to apply the standard for annual reporting period beginning on or after January 1, 2022, with early application permitted.

2.2.2 New and revised KIFRSs issued, but not yet effective (cont'd)

2018-2020 Annual improvements to KIFRS

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. Company plans to apply the other amendments for annual reporting period beginning on or after January 1, 2022, with early application permitted.

The Company is reviewing the possible effects of the above listed amendments on the separate financial statements.

3. Significant accounting judgements, estimates and assumptions

When preparing the interim condensed separate 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 separate financial statements for the three-month period ended March 31, 2021 are consistent with those followed in the preparation of the separate financial statements for the year ended December 31, 2020.

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 Company 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 Company's financial position and financial performance. The Company prepared financial statements by reasonably estimating the impact of COVID-19 on the Company. However, there is significant uncertainty in estimating the impact of COVID-19 on the Company.

SK Inc.
Notes to the interim condensed separate financial statements
March 31, 2021 and 2020 (Unaudited)

4. Financial instruments

4.1 Financial assets

Details of financial assets as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	March 31, 2021			Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	
Current assets:				
Cash and cash equivalents	₩ 67,683	₩ -	₩ 21,556	₩ 89,239
Short-term financial instruments	204,627	-	22,900	227,527
Trade receivables (*1)	-	-	270,892	270,892
Other receivables	-	-	261,855	261,855
Short-term loans	-	-	440,365	440,365
Accrued income	-	-	1,451	1,451
Guarantee deposits	-	-	9,203	9,203
Lease receivables	-	-	27,655	27,655
Derivative financial assets	312	-	-	312
	<u>272,622</u>	<u>-</u>	<u>1,055,877</u>	<u>1,328,499</u>
Non-current assets:				
Long-term financial instruments	-	-	3,268	3,268
Long-term investment securities	403,295	294,163	418	697,876
Long-term guarantee deposits	-	-	15,939	15,939
Derivative financial assets	175,913	-	-	175,913
	<u>579,208</u>	<u>294,163</u>	<u>19,625</u>	<u>892,996</u>
	<u>₩ 851,830</u>	<u>₩ 294,163</u>	<u>₩ 1,075,502</u>	<u>₩ 2,221,495</u>

(*1) Contract assets (unbilled receivables) amounting to ₩136,550 million as of March 31, 2021 are not included in the financial instruments.

	December 31, 2020			Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	
Current assets:				
Cash and cash equivalents	₩ 61,919	₩ -	₩ 17,824	₩ 79,743
Short-term financial instruments	205,146	-	32,900	238,046
Trade receivables (*1)	-	-	359,109	359,109
Other receivables	-	-	3,747	3,747
Accrued income	-	-	66	66
Guarantee deposits	-	-	8,886	8,886
Lease receivables	-	-	33,189	33,189
Derivative financial assets	1,237	-	-	1,237
	<u>268,302</u>	<u>-</u>	<u>455,721</u>	<u>724,023</u>
Non-current assets:				
Long-term financial instruments	-	-	3,268	3,268
Long-term investment securities	374,753	299,730	408	674,891
Long-term guarantee deposits	-	-	16,002	16,002
Derivative financial assets	175,913	-	-	175,913
	<u>550,666</u>	<u>299,730</u>	<u>19,678</u>	<u>870,074</u>
	<u>₩ 818,968</u>	<u>₩ 299,730</u>	<u>₩ 475,399</u>	<u>₩ 1,594,097</u>

(*1) Contract assets (unbilled receivables) amounting to ₩115,626 million as of December 31, 2020 are not included in the financial instruments.

SK Inc.
Notes to the interim condensed separate financial statements
March 31, 2021 and 2020 (Unaudited)

4.3 Fair values of financial instruments by hierarchy level

The Company 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

Details of fair value of financial instruments by hierarchy level as of March 31, 2021 and December 31, 2020 are as follows (Korean Won in millions):

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 272,310	₩ -	₩ 403,295	₩ 675,605
Financial assets measured at FVOCI	-	-	294,163	294,163
Derivative financial assets	-	312	175,913	176,225
	<u>₩ 272,310</u>	<u>₩ 312</u>	<u>₩ 873,371</u>	<u>₩ 1,145,993</u>
Financial liabilities:				
Derivative financial liabilities	₩ -	₩ 11,887	₩ 468,000	₩ 479,887

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 267,065	₩ -	₩ 374,753	₩ 641,818
Financial assets measured at FVOCI	-	-	299,730	299,730
Derivative financial assets	-	1,237	175,913	177,150
	<u>₩ 267,065</u>	<u>₩ 1,237</u>	<u>₩ 850,396</u>	<u>₩ 1,118,698</u>
Financial liabilities:				
Derivative financial liabilities	₩ -	₩ 165	₩ 468,000	₩ 468,165

Changes in Level 3 financial assets for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2021				
	Beginning balance	Acquisition	Valuation	Replacement	Ending balance
Financial assets at FVTPL	₩ 374,753	₩ 22,926	₩ 49	₩ 5,567	₩ 403,295
Financial assets at FVOCI	299,730	-	-	(5,567)	294,163
Derivative financial assets	175,913	-	-	-	175,913
	<u>₩ 850,396</u>	<u>₩ 22,926</u>	<u>₩ 49</u>	<u>₩ -</u>	<u>₩ 873,371</u>

	For the three-month period ended March 31, 2020				
	Beginning balance	Acquisition	Valuation		Ending balance
Financial assets at FVTPL	₩ 286,497	₩ 21,657	₩ 48	₩ -	₩ 308,202
Financial assets at FVOCI	296,095	3,554	-	-	299,649
Derivative financial assets	384,580	-	-	-	384,580
	<u>₩ 967,172</u>	<u>₩ 5,211</u>	<u>₩ 48</u>	<u>₩ -</u>	<u>₩ 992,431</u>

SK Inc.
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5. Trade receivables

Details of trade receivables as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Trade receivables:		
Trade receivables	₩ 272,061	₩ 360,505
Contract assets (unbilled receivables)	<u>136,550</u>	<u>115,626</u>
	<u>408,611</u>	<u>476,131</u>
Allowance for doubtful accounts:		
Trade receivables	<u>(1,169)</u>	<u>(1,396)</u>
	<u>₩ 407,442</u>	<u>₩ 474,735</u>

6. Inventories

Details of inventories as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>			<u>December 31, 2020</u>		
	<u>Cost</u>	<u>Valuation allowance</u>		<u>Cost</u>	<u>Valuation allowance</u>	
		<u>Book value</u>			<u>Book value</u>	
Raw materials	₩ 196	₩ -	₩ 196	₩ 142	₩ -	₩ 142

7. Investment securities

(1) Details of investment securities as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Cost</u>	<u>Book value</u>	<u>Cost</u>	<u>Book value</u>
Financial assets measured at FVTPL:				
Equity instruments	₩ 90,790	₩ -	₩ 90,790	₩ -
Debt securities (*1)	326,959	339,797	298,621	311,459
Money invested and others	62,041	63,498	61,886	63,294
Financial assets measured at FVOCI:				
Equity instruments (*2)	283,376	294,163	288,943	299,730
Financial assets measured at amortized cost:				
Debt securities	<u>322</u>	<u>418</u>	<u>322</u>	<u>408</u>
	<u>₩ 763,488</u>	<u>₩ 697,876</u>	<u>₩ 740,562</u>	<u>₩ 674,891</u>

(*1) Represents convertible redeemable preference shares of GRAB Holdings Inc., convertible bonds of Kinestral Technologies Inc.

(*2) The Company applied the irrevocable option to designate the equity instruments held for strategic investment, not for held-for-trading purpose, as financial assets measured at FVOCI on the first application date of KIFRS 1109.

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7. Investment securities (cont'd)

(2) Details of investment securities as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	March 31, 2021		December 31, 2020	
	Acquisition cost	Book value	Acquisition cost	Book value
Non-marketable equity instruments	₩ 374,166	₩ 294,163	₩ 379,733	₩ 299,730
Debt securities	327,281	340,215	298,943	311,867
Money invested and others	62,041	63,498	61,886	63,294
	<u>₩ 763,488</u>	<u>₩ 697,876</u>	<u>₩ 740,562</u>	<u>₩ 674,891</u>

(3) Changes in investment securities for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Beginning balance	₩ 674,891	₩ 583,027
Acquisitions	22,926	25,211
Gain on valuation and amortised	59	58
Ending balance	<u>₩ 697,876</u>	<u>₩ 608,296</u>

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8. Investments in subsidiaries

(1) Details of investments in subsidiaries as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	Domicile	Principal business activity	March 31, 2021			December 31,
			Equity ownership (%) (*1)	Acquisition cost	Book value	2020
						Book value
SK Innovation Co., Ltd. (*2)	Korea	Resource development	33.40	₩ 3,072,937	₩ 3,072,937	₩ 3,072,937
SK Telecom Co., Ltd. (*2)	Korea	Mobile	26.78	5,416,019	5,416,019	5,416,019
		Tele-communication				
SK Networks Co., Ltd. (*2)	Korea	Trading and distribution	39.14	706,229	706,229	706,229
SKC Co., Ltd. (*2)	Korea	Petrochemicals	40.64	548,654	548,654	548,654
SK E&S Co., Ltd.	Korea	City gas business	90.00	2,600,000	2,600,000	2,600,000
SK Engineering & Construction Co., Ltd. (*2)	Korea	Construction	44.48	545,300	545,300	545,300
SK Siltron Co., Ltd.	Korea	Manufacturing and sales of silicon thin sheet	51.00	622,606	622,606	622,606
SK Biopharmaceuticals Co., Ltd. (*3)	Korea	Medicine and life science	64.02	369,226	369,226	432,562
SK Materials Co., Ltd. (*2)	Korea	Special-gas manufacturing and sales	49.10	473,335	473,335	473,335
Hweechan Co., Ltd.	Korea	Resort business	100.00	335,912	335,912	335,912
Hana Land Chip PEF 33 (*4,5)	Korea	Real estate leasing	48.31	281,773	281,773	-
SK Forest Co., Ltd.	Korea	Landscape construction	100.00	61,387	61,387	61,387
SK REITs Management Co., Ltd. (*6)	Korea	Real estate acquisition	100.00	7,000	7,000	-
SK REITs Co., Ltd. (*6)	Korea	and rental and development				
		Real estate development and trading	100.00	300	300	-
Clean Energy REITs Co., Ltd. (*6)	Korea	Real estate development and trading	100.00	300	300	-
SK Pharmteco Inc. (*7)	USA	Investment	100.00	1,224,950	1,224,950	875,245
Plutus Capital NY, Inc. (*7)	USA	Investment	100.00	847,077	847,077	587,542
SK China Company, Ltd. (*5)	Hong Kong	Consulting and investment	27.42	557,117	557,117	557,117
SK South East Asia Investment Pte. Ltd. (*5)	Singapore	Investment	20.00	345,010	345,010	345,010
Golden Pearl EV Solutions Limited	Hong Kong	Investment	100.00	281,360	281,360	281,360
Einstein Cayman Limited	Cayman	Investment	100.00	181,728	181,728	181,734
Plutus Fashion NY, Inc.	USA	Fashion	100.00	74,113	74,113	74,113
Saturn Agriculture Investment Co., Ltd.	Hong Kong	Investment	81.00	67,093	67,093	67,093
I Cube Capital II, Inc.	USA	Investment	100.00	52,667	52,667	52,667
I Cube Capital, Inc.	USA	Investment	100.00	37,275	37,275	37,275
Energy Solution Holdings Inc. (*5)	USA	Investment	39.97	36,432	36,432	36,432
Socar Mobility Malaysia, SDN. BHD.	Malaysia	Rental of cars	79.43	29,221	29,221	29,221
SK S.E.Asia Pte. Ltd.	Singapore	Investment	100.00	25,847	25,847	25,847
SK C&C Beijing Co., Ltd.	China	Computer system	100.00	25,481	25,481	25,481
SK GI Management	Cayman	Investment	100.00	9,523	9,523	9,523
SK Investment Management Co., Ltd.	Hong Kong	Investment	80.76	9,201	9,201	9,201
Gemini Partners Pte. Ltd. (*5)	Singapore	Consulting	20.00	6,018	2,601	2,601
SK MENA Investment B.V. (*5)	Netherlands	Investment	11.54	5,178	5,178	5,178
SK Latin Americas Investment S.A. (*5)	Spain	Investment	11.54	5,135	5,135	5,135
SK C&C India Pvt. Ltd.	India	Computer system	100.00	3,442	382	382
SK C&C USA, Inc. (*6)	USA	IT service	100.00	1,971	1,971	-
SK Technology Innovation Company (*5)	Cayman	Research and development	2.12	1,876	1,876	1,876
S&G Technology	Saudi Arabia	Computer system	51.00	74	74	74
				<u>₩ 18,868,767</u>	<u>₩ 18,862,290</u>	<u>₩ 18,025,048</u>

(*1) Equity ownership is based on ordinary shares.

(*2) SK Innovation Co., Ltd. and 5 other companies were classified as investments in subsidiaries as the Company is able to exercise de facto control. The remaining voting rights of SK Innovation Co., Ltd. and 5 other companies are widely dispersed, and the Company's voting rights are sufficient to give it power.

(*3) During the three-month period ended March 31, 2021, the shares of subsidiary SK Biopharmaceuticals Co., Ltd. changed from 75.00% to 64.02%.

(*4) During the three-month period ended March 31, 2021, the Company acquired additional 34.80% shares of Hana Land Chip PEF 33 and gained control. Accordingly, the Company reclassified it from investment in joint ventures to investment in subsidiaries.

(*5) Classified as investments in subsidiaries as control can be exercised using indirect equity ownership through the Company's subsidiaries.

(*6) Newly established during the three-month period ended March 31, 2021.

(*7) Additional investment was made during the three-month period ended March 31, 2021.

8. Investments in subsidiaries (cont'd)

(2) Fair value of marketable investments in subsidiaries as of March 31, 2021 is as follows (Korean won in millions):

	<u>March 31, 2021</u>
SK Innovation Co., Ltd.	₩ 6,763,550
SK Telecom Co., Ltd.	5,946,633
SK Networks Co., Ltd.	546,914
SKC Co., Ltd.	1,977,615
SK Materials Co., Ltd.	1,610,524
SK Biopharmaceuticals Co., Ltd.	5,163,899

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9. Investments in associates and joint ventures

Details of investments in associates and joint ventures as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	Domicile	Principal business activity	March 31, 2021			December 31, 2020
			Equity ownership (%)	Acquisition cost	Book value	Book value
Investments in associates:						
Socar, Inc. (*1)	Korea	Rental of cars	22.16	₩ 109,304	₩ 109,304	₩ 109,304
SMCore Inc.	Korea	Manufacturing and sales of automated logistics system	26.60	39,419	39,419	39,419
K-solar 2 Co., Ltd. (*2)	Korea	Solar power generation	-	-	-	20,588
Standigm Inc. (*1,3,4)	Korea	Software development	12.95	14,410	14,410	9,402
Cloocus Co., Ltd. (*1,3)	Korea	Information and communication service	16.75	6,500	6,500	6,500
Begas Co., Ltd. (*1,3)	Korea	Management consulting	17.86	5,000	5,000	5,000
Yespowertechnix (*3,5)	Korea	Semiconductor manufacturing	5.53	4,455	4,455	-
THIRA-UTECH Co., Ltd. (*3)	Korea	Service manufacturing	13.80	4,200	4,200	4,200
PUMP Co., Ltd. (*1,3)	Korea	Electric kickboard rental	12.17	3,000	3,000	3,000
ACRYL Inc. (*1,3)	Korea	Information service	17.14	2,500	2,500	2,500
TWO LINE CODE Inc.	Korea	Software development	33.77	2,500	2,500	2,500
The Wave Talk, Inc. (*3,5)	Korea	Manufacturing and technical services	4.65	2,000	2,000	-
Todo Works Corp. (*3,5)	Korea	Handicapped aids and medical device sales	10.52	1,999	1,999	-
Daehan Kanggun BcN Co., Ltd. (*1,6)	Korea	Wired communication	0.20	58	-	-
ProteoVant Sciences, Inc. (*5)	USA	Medicine research and development	40.00	222,370	222,370	-
9352-7281 Quebec Inc.	Canada	Investment	40.09	31,558	31,558	31,558
SES Holdings Pte. Ltd. (*1,3)	Singapore	Investment	12.64	28,791	28,791	28,791
Belstar Superfreeze Holdings, LLC (*1,4)	Cayman	Warehouse business	25.00	36,839	36,839	25,232
FSK Holdings Co., Ltd.	Hong Kong	IT service	30.00	11,937	6,245	6,245
Kinestral Technologies Inc. (*1,3)	USA	Manufacturing discolored glass	2.13	8,498	8,498	8,498
Hummingbird Bioscience Holdings Pte. Ltd. (*1,3)	Singapore	Antibody drugs development	9.31	7,434	7,434	7,434
Mozido Corfire, Inc. (*3)	USA	System consulting	19.94	6,767	-	-
Visible Patient S.A.S. (*1,3)	France	Manufacturing related to medicine	13.51			
				<u>4,461</u>	<u>4,461</u>	<u>4,461</u>
				<u>554,000</u>	<u>541,483</u>	<u>314,632</u>
Investments in joint ventures:						
Hana Land Chip PEF 33 (*7)	Korea	Real estate	-	₩ -	₩ -	₩ 40,000
				<u>₩ 554,000</u>	<u>₩ 541,483</u>	<u>₩ 354,632</u>

(*1) It is the equity share that takes preferred share with voting rights into consideration.

(*2) During the three-month period ended March 31, 2021, the Company sold all of its holdings.

(*3) As the Company is able to exercise significant influence over the entity although its ownership interest is less than 20%, the investment in the entity was classified as investments in associates.

(*4) Additional investment was made during the three-month period ended March 31, 2021.

(*5) Newly acquired during the three-month period ended March 31, 2021.

(*6) The investment in the entity was classified as investments in associates and joint ventures based on the indirect ownership interest of the Company's subsidiary.

(*7) During the three-month period ended March 31, 2021, the Company acquired additional 34.80% shares of Hana Land Chip PEF 33 and gained control. Accordingly, the Company reclassified it from investment in joint ventures to investment in subsidiaries.

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10. Property, plant and equipment

(1) Details of property, plant and equipment as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	March 31, 2021			December 31, 2020		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 96,251	₩ -	₩ 96,251	₩ 96,251	₩ -	₩ 96,251
Buildings	353,116	(69,921)	283,195	353,116	(67,346)	285,770
Structures	9,734	(1,623)	8,111	9,734	(1,524)	8,210
Vehicles	12,533	(3,508)	9,025	12,533	(3,288)	9,245
Furniture and fixtures	387,829	(271,985)	115,844	385,412	(264,132)	121,280
Construction-in-progress	17,988	-	17,988	13,440	-	13,440
	₩ 877,451	₩ (347,037)	₩ 530,414	₩ 870,486	₩ (336,290)	₩ 534,196

(2) Details of changes in property, plant and equipment for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2021				
	Beginning balance	Acquisition	Depreciation	Disposal	Ending balance
Land	₩ 96,251	₩ -	₩ -	₩ -	₩ 96,251
Buildings	285,770	-	(2,575)	-	283,195
Structures	8,210	-	(99)	-	8,111
Vehicles	9,245	-	(220)	-	9,025
Furniture and fixtures	121,280	3,586	(9,018)	(4)	115,844
Construction-in-progress	13,440	4,548	-	-	17,988
	₩ 534,196	₩ 8,134	₩ (11,912)	₩ (4)	₩ 530,414

	For the three-month period ended March 31, 2020					
	Beginning balance	Acquisition	Depreciation	Disposal	Transfer	Ending balance
Land	₩ 95,831	₩ -	₩ -	₩ -	₩ -	₩ 95,831
Buildings	281,589	-	(2,438)	-	-	279,151
Structures	8,606	-	(99)	-	-	8,507
Vehicles	9,882	-	(209)	-	-	9,673
Furniture and fixtures	104,251	4,770	(8,438)	(6)	3	100,580
Construction-in-progress	20,063	4,936	-	-	(3)	24,996
	₩ 520,222	₩ 9,706	₩ (11,184)	₩ (6)	₩ -	₩ 518,738

11. Right-of-use assets and lease liabilities

(1) Details of right-of-use assets as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	March 31, 2021			December 31, 2020		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land and buildings	₩ 126,657	₩ (42,409)	₩ 84,248	₩ 126,107	₩ (37,522)	₩ 88,585
Vehicles	7,513	(2,868)	4,645	8,239	(3,158)	5,081
Furniture and fixtures	367	(71)	296	367	(52)	315
	₩ 134,537	₩ (45,348)	₩ 89,189	₩ 134,713	₩ (40,732)	₩ 93,981

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

(2) Changes in right-of-use assets for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2021				
	Beginning balance	Increase	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 88,585	₩ 2,022	₩ (6,784)	₩ 425	₩ 84,248
Vehicles	5,081	1,779	(759)	(1,456)	4,645
Furniture and fixtures	315	-	(19)	-	296
	<u>₩ 93,981</u>	<u>₩ 3,801</u>	<u>₩ (7,562)</u>	<u>₩ (1,031)</u>	<u>₩ 89,189</u>

	For the three-month period ended March 31, 2020				
	Beginning balance	Increase	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 36,474	₩ 20,981	₩ (7,555)	₩ 194	₩ 50,094
Vehicles	3,575	2,205	(552)	(501)	4,727
Machinery	122	-	-	(122)	-
Furniture and fixtures	222	-	(42)	(4)	176
	<u>₩ 40,393</u>	<u>₩ 23,186</u>	<u>₩ (8,149)</u>	<u>₩ (433)</u>	<u>₩ 54,997</u>

(*1) The amounts include adjustments of the right-to-use assets according to the remeasurement of the lease liabilities and others.

(3) Changes in lease liabilities for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2021				
	Beginning balance	Increase	Interest expenses	Decrease (payment)	Ending balance
Lease liabilities	₩ 128,421	₩ 3,801	₩ 369	₩ (14,994)	₩ 119,216

	For the three-month period ended March 31, 2020				
	Beginning balance	Increase	Interest expenses	Decrease (payment)	Ending balance
Lease liabilities	₩ 76,582	₩ 25,885	₩ 451	₩ (14,831)	₩ 89,225

(*1) The amounts include adjustments of the remeasurement of the lease liabilities which is lease modification that is not accounted for as a separate lease and others.

The Company recognized lease payments of ₩968 and ₩617 million in relation to short-term lease and ₩404 and ₩308 million in relation to leases of low-value assets during the three-month periods ended March 31, 2021 and 2020. The total cash outflow of leases during the period ended is ₩16,366 and ₩15,756 million during the three-month periods ended March 31, 2021 and 2020.

12. Investment properties

(1) Details of investment properties as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	March 31, 2021			December 31, 2020		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Buildings	₩ 10,183	₩ (2,531)	₩ 7,652	₩ 10,183	₩ (2,338)	₩ 7,845

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12. Investment properties (cont'd)

(2) Changes in investment properties for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2021			
	Beginning balance	Increase (decrease)	Depreciation	Ending balance
Buildings	₩ 7,845	₩ -	₩ (193)	₩ 7,652

	For the three-month period ended March 31, 2020			
	Beginning balance	Increase (decrease)	Depreciation	Ending balance
Buildings	₩ 7,927	₩ -	₩ (107)	₩ 7,820

13. Intangible assets

(1) Details of intangible assets as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	March 31, 2021				December 31, 2020			
	Acquisition cost	Accumulated amortization	Accumulated impairment	Book value	Acquisition cost	Accumulated amortization	Accumulated impairment	Book value
Development costs	₩ 184,584	₩ (76,736)	₩ (3,210)	₩ 104,638	₩ 170,983	₩ (71,217)	₩ (3,210)	₩ 96,556
Memberships	64,515	-	(13,648)	50,867	65,551	-	(13,648)	51,903
Brand-related assets	1,975,000	-	-	1,975,000	1,975,000	-	-	1,975,000
Others	45,359	(15,594)	-	29,765	44,881	(14,203)	-	30,678
	<u>₩ 2,269,458</u>	<u>₩ (92,330)</u>	<u>₩ (16,858)</u>	<u>₩ 2,160,270</u>	<u>₩ 2,256,415</u>	<u>₩ (85,420)</u>	<u>₩ (16,858)</u>	<u>₩ 2,154,137</u>

(2) Changes in intangible assets for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2021				
	Beginning balance	Acquisitions	Amortization	Others	Ending balance
Development costs	₩ 96,556	₩ 13,601	₩ (5,519)	₩ -	₩ 104,638
Memberships (*1)	51,903	5	-	(1,041)	50,867
Brand-related assets (*1)	1,975,000	-	-	-	1,975,000
Others	30,678	478	(1,391)	-	29,765
	<u>₩ 2,154,137</u>	<u>₩ 14,084</u>	<u>₩ (6,910)</u>	<u>₩ (1,041)</u>	<u>₩ 2,160,270</u>

	For the three-month period ended March 31, 2020				
	Beginning balance	Acquisitions	Amortization	Others	Ending balance
Development costs	₩ 72,421	₩ 8,211	₩ (5,018)	₩ -	₩ 75,614
Memberships (*1)	42,991	3,131	-	-	46,122
Brand-related assets (*1)	1,975,000	-	-	-	1,975,000
Others	31,691	465	(1,224)	-	30,932
	<u>₩ 2,122,103</u>	<u>₩ 11,807</u>	<u>₩ (6,242)</u>	<u>₩ -</u>	<u>₩ 2,127,668</u>

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

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14. Borrowings and bonds payable

(1) Short-term borrowings

Details of short-term borrowings as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

Description	Financial institution	Interest rate (%)	March 31, 2021	December 31, 2020
Working capital loan	NH Bank	1.69 ~ 1.74	65,000	-
Commercial paper	SK Securities	0.83 ~ 1.11	370,000	245,000
Commercial paper	KB Securities	0.83 ~ 1.11	300,000	210,000
Commercial paper	Shinyoung Securities	1.11	100,000	100,000
Commercial paper	Woori investment bank	-	-	110,000
Commercial paper	Shinhan Bank	-	-	50,000
			<u>₩ 835,000</u>	<u>₩ 715,000</u>

(2) Bonds payable

Details of bonds payable as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

Issuance number	Interest rate (%)	Maturity	Security	March 31, 2021	December 31, 2020
262-2nd	-	2021-02-12	Unsecured	₩ -	₩ 100,000
263-2nd	3.36	2021-05-30	Unsecured	100,000	100,000
264-2nd	3.25	2021-08-05	Unsecured	170,000	170,000
265-3rd	2.66	2021-12-02	Unsecured	100,000	100,000
266-2nd	2.39	2022-02-06	Unsecured	100,000	100,000
270-3rd	3.80	2022-11-02	Unsecured	50,000	50,000
273-2nd	-	2021-03-25	Unsecured	-	100,000
273-3rd	4.26	2024-03-25	Unsecured	100,000	100,000
274-3rd	2.34	2022-09-30	Unsecured	80,000	80,000
275-3rd	2.66	2022-12-07	Unsecured	60,000	60,000
276-2nd	-	2021-03-07	Unsecured	-	120,000
276-3rd	2.26	2023-03-07	Unsecured	150,000	150,000
277-2nd	1.93	2021-06-01	Unsecured	120,000	120,000
277-3rd	2.16	2023-06-01	Unsecured	120,000	120,000
277-4th	2.43	2026-06-01	Unsecured	60,000	60,000
278-2nd	1.65	2021-09-07	Unsecured	110,000	110,000
278-3rd	1.80	2023-09-07	Unsecured	110,000	110,000
279-2nd	2.34	2022-03-06	Unsecured	190,000	190,000
279-3rd	2.58	2024-03-06	Unsecured	120,000	120,000
280-2nd	2.39	2022-06-01	Unsecured	200,000	200,000
280-3rd	2.67	2024-06-01	Unsecured	110,000	110,000
281-2nd	2.40	2022-08-04	Unsecured	130,000	130,000
281-3rd	2.62	2024-08-04	Unsecured	70,000	70,000
282-2nd	2.79	2022-10-25	Unsecured	150,000	150,000
282-3rd	2.86	2024-10-25	Unsecured	80,000	80,000
283-1st	2.88	2023-02-27	Unsecured	150,000	150,000
283-2nd	2.99	2025-02-27	Unsecured	60,000	60,000
283-3rd	3.26	2028-02-27	Unsecured	100,000	100,000
284-1st	2.87	2023-06-08	Unsecured	170,000	170,000
284-2nd	3.01	2025-06-08	Unsecured	60,000	60,000
284-3rd	3.09	2028-06-08	Unsecured	100,000	100,000
285-1st	2.36	2023-09-06	Unsecured	150,000	150,000
285-2nd	2.47	2025-09-06	Unsecured	60,000	60,000
285-3rd	2.55	2028-09-06	Unsecured	120,000	120,000
286-1st	2.20	2021-11-29	Unsecured	130,000	130,000
286-2nd	2.37	2023-11-29	Unsecured	100,000	100,000
287-1st	2.17	2024-02-27	Unsecured	150,000	150,000
287-2nd	2.23	2026-02-27	Unsecured	70,000	70,000
287-3rd	2.35	2029-02-27	Unsecured	80,000	80,000
288-1st	1.81	2024-06-04	Unsecured	170,000	170,000
288-2nd	1.83	2026-06-04	Unsecured	60,000	60,000
288-3rd	1.87	2029-06-04	Unsecured	110,000	110,000
289-1st	1.62	2022-09-20	Unsecured	130,000	130,000
289-2nd	1.76	2024-09-20	Unsecured	120,000	120,000
289-3rd	1.84	2029-09-20	Unsecured	70,000	70,000

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14. Borrowings and bonds payable (cont'd)

Issuance number	Interest rate (%)	Maturity	Security	March 31, 2021	December 31, 2020
290-1st	1.74	2022-11-28	Unsecured	₩ 80,000	₩ 80,000
290-2nd	1.83	2024-11-28	Unsecured	90,000	90,000
290-3rd	1.89	2029-11-28	Unsecured	70,000	70,000
291-1st	1.52	2023-02-20	Unsecured	70,000	70,000
291-2nd	1.63	2025-02-20	Unsecured	160,000	160,000
291-3rd	1.70	2027-02-20	Unsecured	40,000	40,000
291-4th	1.80	2030-02-20	Unsecured	60,000	60,000
292-1st	1.50	2023-06-03	Unsecured	110,000	110,000
292-2nd	1.69	2025-06-03	Unsecured	120,000	120,000
292-3rd	1.79	2030-06-03	Unsecured	50,000	50,000
293-1st	1.57	2025-09-07	Unsecured	200,000	200,000
293-2nd	1.74	2027-09-07	Unsecured	30,000	30,000
293-3rd	1.83	2030-09-07	Unsecured	120,000	120,000
294-1st	1.61	2025-12-03	Unsecured	150,000	150,000
294-2nd	1.93	2030-12-03	Unsecured	90,000	90,000
295-1st	1.24	2024-02-24	Unsecured	60,000	-
295-2nd	1.60	2026-02-24	Unsecured	150,000	-
295-3rd	1.75	2028-02-24	Unsecured	30,000	-
295-4th	2.03	2031-02-24	Unsecured	80,000	-
				6,400,000	6,400,000
				(12,931)	(11,786)
				(1,020,515)	(1,051,406)
				<u>₩ 5,366,554</u>	<u>₩ 5,336,808</u>

Less: Discount on bonds payable

Less: current portion

(3) The Company's bonds payable repayment schedule as of March 31, 2021 is as follows (Korean won in millions):

Period ending	Amount of repayment
April 1, 2021 ~ March 31, 2022	₩ 1,020,000
April 1, 2022 ~ March 31, 2023	1,250,000
April 1, 2023 ~ March 31, 2024	1,190,000
April 1, 2024 ~ March 31, 2025	860,000
April 1, 2025 and thereafter	2,080,000
	<u>₩ 6,400,000</u>

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15. Provisions

Changes in provisions for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2021					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for service warranties	₩ 3,802	₩ 519	₩ (644)	₩ 3,677	₩ 3,677	₩ -
Other provisions	4,659	-	(21)	4,638	2,324	2,314
	<u>₩ 8,461</u>	<u>₩ 519</u>	<u>₩ (665)</u>	<u>₩ 8,315</u>	<u>₩ 6,001</u>	<u>₩ 2,314</u>

	For the three-month period ended March 31, 2020					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for service warranties	₩ 3,948	₩ 647	₩ (1,121)	₩ 3,474	₩ 3,474	₩ -
Other provisions	2,598	280	(468)	2,410	2,130	280
	<u>₩ 6,546</u>	<u>₩ 927</u>	<u>₩ (1,589)</u>	<u>₩ 5,884</u>	<u>₩ 5,604</u>	<u>₩ 280</u>

The Company estimates a provision for service warranties for revenue from projects based on historical claim rates and past experiences. Meanwhile, other provisions consist of restructuring liabilities and provision for losses. If the underlying asset must be restored to its original value after the expiration of the contract period based on the lease contract, the restoration obligation is recognized as the present value of the estimated cost of removing, dismantling, and repairing the facility. In the event that future losses are expected to be incurred with respect to an ongoing project, the Company recognized the expected loss as provision for losses immediately.

16. Defined benefit liabilities

(1) Defined contribution plans

The Company partly operates a defined contribution plan for certain employees. The expenses related to the defined contributions plans recognized for the three-month periods ended March 31, 2021, were ₩17 million.

(2) Defined benefit plans

Those employees selecting the defined benefit plans shall be paid fixed amounts upon retirement, where certain conditions are met. In addition, the Company uses the projected unit credit method based on actuarial assumptions for the defined liabilities and plan assets.

(3) Details of defined benefit liabilities as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	March 31, 2021	December 31, 2020
Present value of defined benefit obligation	₩ 422,058	₩ 414,384
Fair value of plan assets	(365,814)	(371,994)
	<u>₩ 56,244</u>	<u>₩ 42,390</u>

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16. Defined benefit liabilities (cont'd)

(4) Changes in the defined benefit liabilities for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	<u>For the three-month period ended March 31, 2021</u>		
	Present value of defined <u>benefit obligation</u>	Fair value of <u>plan assets</u>	<u>Total</u>
Beginning balance	₩ 414,384	₩ (371,994)	₩ 42,390
Provision for pension benefits:			
Current service cost	15,969	-	15,969
Net interest expense (income)	2,234	(2,226)	(8)
Remeasurement:			
Return on plan assets and others (excluding amounts included in net interest expense)	-	5,639	5,639
Actuarial changes arising from changes in financial assumptions and others	(10,304)	-	(10,304)
Experience adjustments and others	1,559	-	1,559
Benefit paid	(6,484)	6,470	(14)
Others	4,700	(3,703)	997
Ending balance	<u>₩ 422,058</u>	<u>₩ (365,814)</u>	<u>₩ 56,244</u>

	<u>For the three-month period ended March 31, 2020</u>		
	Present value of defined <u>benefit obligation</u>	Fair value of <u>plan assets</u>	<u>Total</u>
Beginning balance	₩ 355,114	₩ (322,967)	₩ 32,147
Provision for pension benefits:			
Current service cost	13,041	-	13,041
Net interest expense (income)	1,804	(1,844)	(40)
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expense)	-	250	250
Actuarial changes arising from changes in financial assumptions and others	(156)	-	(156)
Experience adjustments and others	4,922	-	4,922
Benefit paid	(15,104)	16,606	1,502
Others	4,729	(5,435)	(706)
Ending balance	<u>₩ 364,350</u>	<u>₩ (313,390)</u>	<u>₩ 50,960</u>

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17. Other assets and liabilities

(1) Details of other assets as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Current assets:		
Accrued income	₩ 1,451	₩ 66
Advanced payments	1,664	1,301
Prepaid expenses	15,660	14,135
Short-term loans	440,365	-
Guarantee deposits	9,203	8,886
Lease receivables	27,655	33,189
Derivative financial assets	312	1,237
	<u>₩ 496,310</u>	<u>₩ 58,814</u>
Non-current assets:		
Long-term financial instruments	₩ 3,268	₩ 3,268
Long-term guarantee deposits	15,939	16,002
Derivative financial assets	175,913	175,913
Others	127	127
	<u>₩ 195,247</u>	<u>₩ 195,310</u>

(2) Details of other liabilities as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Current liabilities:		
Advances received	₩ 66,138	₩ 66,660
Withholdings	25,260	32,249
Income tax payable	587,728	284,916
Leasehold deposits received	5,619	5,639
Dividends payable	317,418	-
Lease liabilities	56,443	60,787
Derivative financial liabilities	11,883	133
	<u>₩ 1,070,489</u>	<u>₩ 450,384</u>
Non-current liabilities:		
Long-term leasehold deposits received	₩ 11	₩ 11
Long-term lease liabilities	62,773	67,634
Derivative financial liabilities	468,004	468,032
Long-term employee benefits	9,662	9,630
	<u>₩ 540,450</u>	<u>₩ 545,307</u>

18. Derivative financial assets and liabilities

The Company has entered into foreign currency forward contracts to manage fluctuations in currency exchange rates relating to its contracts denominated in foreign currencies and has entered total return swap contracts with certain of subsidiaries' common share investors and others. Details of assets and liabilities after valuation as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Forward contract	₩ 312	₩ 11,887	₩ 1,237	₩ 165
Total return swap contract (see Note 29)	175,913	468,000	175,913	468,000
	<u>₩ 176,225</u>	<u>₩ 479,887</u>	<u>₩ 177,150</u>	<u>₩ 468,165</u>

19. Equity

19.1 Issued capital

Details of issued capital as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions, except for number of shares):

	<u>March 31, 2021</u>		<u>December 31, 2020</u>
Number of shares authorized for issue	400,000,000		400,000,000
Par value per share (Korean won)	₩ 200	₩	200
Number of shares issued:			
Ordinary share	70,360,297		70,360,297
Preferred share	566,135		566,135
Issued capital:			
Ordinary share	₩ 15,272	₩	15,272
Preferred share	113		113
	<u>₩ 15,385</u>	<u>₩</u>	<u>15,385</u>

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

19.2 Other paid-in capital

Details of other paid-in capital as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>		<u>December 31, 2020</u>
Additional paid-in capital (*1)	₩ 5,605,831	₩	5,605,831
Treasury share (*2)	(1,811,454)		(1,811,454)
Stock option	5,003		4,663
Others	(292,872)		(292,872)
	<u>₩ 3,506,508</u>	<u>₩</u>	<u>3,506,168</u>

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

(*2) As of March 31, 2021, treasury share consists of those acquired to increase the enterprise value and to stabilize share price (7,034,276 ordinary shares), and those acquired from repurchase of shares from dissenting shareholders on business combination and shares arising from odd lot shares (11,019,129 ordinary shares and 1,787 preferred shares) during the year 2015.

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19.3 Retained earnings

Details of retained earnings as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Legal reserve (*1)	₩ 7,693	₩ 7,693
Voluntary reserve	62,897	62,897
Unappropriated retained earnings	<u>12,100,998</u>	<u>11,231,245</u>
	<u>₩ 12,171,588</u>	<u>₩ 11,301,835</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.

19.4 Other components of equity

Details of other components of equity as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Gain on financial assets measured at FVOCI	₩ 8,175	₩ 8,175

19.5 Stock option

Upon resolution by the shareholders and the Board of Directors, the Company established a stock option program that entitles key management personnel an option to purchase ordinary shares. The terms and conditions related to the stock options granted under the share option program are as follows:

	1-1	1-2	1-3	2
Grant date	2017-03-24	2017-03-24	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

Share compensation expense recognized during the current reporting period is ₩221 million (accumulated share compensation expense: ₩4,884 million) and the remaining share compensation expense to be recognized in later periods are ₩1,164 million. Apart from the above share options, the Company has entered into a Stock Grant in which the employees are granted with treasury shares free of charge. For the Stock Grant, there is no separate vesting condition, and may not be transferred within the term. As of March 31, 2021, the stock compensation expenses recognized in relation to Stock Grant are ₩119 million.

The Company 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:

	1-1	1-2	1-3	2
Risk-free interest rate	1.86%	1.95%	2.07%	1.61%
Option life	5 years	6 years	7 years	7 years
Expected price (Closing price on the preceding day in Korean won)	₩ 236,000	₩ 236,000	₩ 236,000	₩ 134,000
Expected volatility	16.78%	16.78%	16.78%	15.35%
Rate of returns	1.60%	1.60%	1.60%	1.55%
Exercise price (Korean won)	₩ 226,290	₩ 244,400	₩ 263,950	₩ 154,450
Fair value per share (Korean won)	₩ 38,317	₩ 34,200	₩ 30,962	₩ 8,226

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20. Operating revenues

(1) Details of operating revenues for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Revenue from contracts with customers:		
IT service (*1)	₩ 390,662	₩ 385,476
Trademark usage income	60,509	68,647
	<u>451,171</u>	<u>454,123</u>
Revenue from other sources:		
Dividend income	₩ 446,356	₩ 990,581
Rental income	177	256
	<u>446,533</u>	<u>990,837</u>
	<u>₩ 897,704</u>	<u>₩ 1,444,960</u>

(*1) Includes contract revenue of ₩243,359 and ₩ 236,667 million recognized from the cost-based input method for the three-month periods ended March 31, 2021 and 2020.

(2) Details of revenue from contracts with customers for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Type of goods or services:		
IT service	₩ 390,662	₩ 385,476
Trademark usage income	60,509	68,647
	<u>₩ 451,171</u>	<u>₩ 454,123</u>
Geographical location:		
Korea	₩ 435,547	₩ 432,791
Asia	6,389	16,394
Europe	6,280	2,120
North America	2,955	2,818
	<u>₩ 451,171</u>	<u>₩ 454,123</u>
Timing of revenue recognition:		
Recognized at a point in time	₩ 20,502	₩ 30,113
Recognized over a period of time	430,669	424,010
	<u>₩ 451,171</u>	<u>₩ 454,123</u>

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20. Operating revenues (cont'd)

(3) Details of contract assets, contract liabilities related to revenue from contracts with customers as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Contract assets from IT service contract	₩ 136,550	₩ 115,626
Contract liabilities from IT service contract (*1)	51,136	66,660

(*1) The amount recognized as revenue in the three-month period ended March 31, 2021 in relation to the contract liabilities as of December 31, 2020 is ₩40,203 million (Previous period: ₩30,477 million).

(4) Details of profit variation by changes in accounting estimates related to the cost-based input method contracts as of March 31, 2021 are as follows (Korean won in millions):

	<u>Change in estimated construction revenue</u>	<u>Change in estimated cost</u>	<u>Impact on current period profit</u>	<u>Impact on future period profit</u>
IT Service contracts	₩ (2,753)	₩ (4,492)	₩ 912	₩ 827

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

21. Operating expenses

Details of operating expenses for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	<u>For the three-month period ended</u>	
	<u>March 31, 2021</u>	<u>March 31, 2020</u>
Material costs	₩ 15,232	₩ 24,598
Outsourcing costs	181,720	182,718
Salaries	92,126	79,525
Provision for pension benefits	15,592	13,199
Depreciation	19,460	19,138
Amortization	3,972	3,280
Rents	1,110	508
Communications	4,909	4,447
Employee welfare benefits	16,303	15,009
Commissions	19,342	8,867
Education and training	5,766	7,305
Research and development	10,318	12,705
Office management	9,458	8,644
Travel	2,394	2,749
Others	10,952	10,299
	<u>₩ 408,654</u>	<u>₩ 392,991</u>

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22. Expenses classified based on nature of expense

Details of classification based on nature of expenses for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Material costs	₩ 15,232	₩ 24,606
Outsourcing costs	181,720	182,737
Salaries	98,289	86,945
Provision for pension benefits	16,067	13,636
Depreciation and amortization	26,533	25,661
Rents	1,110	508
Communications	4,909	4,447
Employee welfare benefits	16,787	15,600
Commissions	19,386	9,421
Education and training	5,813	7,377
Office management	9,458	8,644
Travel	2,396	2,759
Others	10,954	10,650
	<u>₩ 408,654</u>	<u>₩ 392,991</u>

23. Finance income (costs) and other non-operating income (expenses)

23.1 Finance income and costs

Details of finance income and costs for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Finance income:		
Interest income	₩ 2,132	₩ 998
Gain on foreign currency transactions	4,321	1,291
Gain on foreign currency translation	10,647	810
Gain on valuation of financial assets measured at FVTPL	49	48
Gain on valuation of derivative instruments	215	12
Gain on transactions of derivative instruments	1,786	21
	<u>₩ 19,150</u>	<u>₩ 3,180</u>
	For the three-month period ended	
	March 31, 2021	March 31, 2020
Finance costs:		
Interest expenses	₩ 40,712	₩ 48,434
Loss on foreign currency transactions	2,756	592
Loss on foreign currency translation	301	368
Loss on valuation of financial assets measured at FVTPL	34,193	-
Loss on valuation of derivative instruments	12,092	845
Loss on transactions of derivative instruments	670	462
	<u>₩ 90,724</u>	<u>₩ 50,701</u>

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23.2 Other non-operating income and expenses

Details of other non-operating income and expenses for three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Other non-operating income:		
Gain on disposal of investments in subsidiaries and associates	₩ 1,066,744	₩ -
Gain on disposal of property, plant and equipment	-	2
Gain on disposal of intangible assets	967	-
Others	2,285	1,735
	<u>₩ 1,069,996</u>	<u>₩ 1,737</u>
Other non-operating expenses:		
Loss on disposal of property, plant and equipment	₩ 3	₩ 4
Loss on disposal of intangible assets	12	-
Donations	62	2,967
Others	2,304	520
	<u>₩ 2,381</u>	<u>₩ 3,491</u>

24. Income taxes

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

Effective tax rates for the three-month periods ended March 31, 2021 and 2020 were 20.23% and 1.97%, respectively.

25. Earnings per share

(1) Basic earnings per share for the three-month periods ended March 31, 2021 and 2020 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, 2021	March 31, 2020
Profit for the period	₩ 1,184,655	₩ 982,897
Less: preferred share dividends	(854)	(571)
Profit for the period attributable to ordinary share owners of the Company	₩ 1,183,801	₩ 982,326
Weighted-average number of issued shares outstanding (*1)	52,306,892	52,304,347
Basic earnings per share (Korean won)	<u>₩ 22,632</u>	<u>₩ 18,781</u>

(*1) Weighted-average number of issued shares represents the number of ordinary shares less treasury shares from the total number of issued shares of ordinary share.

The weighted-average number of issued shares outstanding for the three-month periods ended March 31, 2021 and 2020 are as follows:

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Weighted-average number of shares outstanding	70,360,297	70,360,297
Weighted-average number of treasury shares	(18,053,405)	(18,055,950)
Weighted-average number of issued shares outstanding	<u>52,306,892</u>	<u>52,304,347</u>

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25. Earnings per share (cont'd)

(2) Diluted earnings per share for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions, except per share and weighted-average number of diluted shares outstanding):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Profit for the period attributable to ordinary shares	₩ 1,183,801	₩ 982,326
Addition: Share-based payments	167	-
Diluted profit for the period of common stock	₩ 1,183,968	₩ 982,326
Weighted-average number of diluted common shares outstanding	52,420,132	52,304,347
Diluted earnings per common share (Korean won) (*1)	₩ 22,586	₩ 18,781

(*1) For the three-month period ended March 31, 2020 as there was no dilution effect on stock options, diluted earnings per share was the same as basic earnings per share.

The weighted-average diluted number of ordinary shares outstanding for calculating diluted earnings for the three-month periods ended March 31, 2021 and 2020 are as follows:

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Weighted-average number of issued shares outstanding	52,306,892	52,304,347
Effect of exercise of stock option (*1)	113,240	-
Weighted-average number of diluted common shares outstanding	52,420,132	52,304,347

(*1) For the three-month period ended March 31, 2020, the effect of exercising stock options was not considered as there was no dilution effect on stock options.

26. Transactions with related parties

Details of significant transactions with related parties for the three-month periods ended March 31, 2021 and 2020, and significant balances with related parties as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

(1) The subsidiaries of the Company as of March 31, 2021, are as follows:

	Subsidiary
Ultimate controlling party	Tae-won, Chey and related parties
Subsidiary (total 339)	SK Innovation Co., Ltd., SK Energy Co., Ltd., Netruck Co., Ltd., Jeju United FC Corporation, Happy Didim Co., Ltd., Green & Co. Asia Ltd., SK Energy Road Investment Co., Ltd., SK Energy Hong Kong Co., Ltd., SK Energy Road Investment (HK) Co., Ltd., SK Asphalt (Shanghai) Co., Ltd., goodsFLOW Co., Ltd., Goods Core, Goods Post Co., Ltd., Ou, Open Garden, SK Global Chemical Co., Ltd., SK Global Chemical (China) Holding Co., Ltd., SK Global Chemical China Limited., SK Global Chemical International Trading (Shanghai) Co., Ltd., SK Global Chemical International Trading (Guangzhou) Co., Ltd., SK Global Chemical Americas, Inc., SK Primacor Americas LLC, SK Primacor Europe, S.L.U., SK Saran Americas LLC, SK Global Chemical Japan Co., Ltd., SK Global Chemical Singapore Pte. Ltd., SK Global Chemical Investment Hong Kong Ltd., Ningbo SK Performance Rubber Co., Ltd., Happymoeum Co., Ltd., SK Functional Polymer, S.A.S, SK Incheon Petrochem Co., Ltd., SK Trading International Co., Ltd., SK Energy International Pte. Ltd., SK Energy Europe, Ltd., SK Energy Americas, Inc., SK Terminal B.V., SK Lubricants Co., Ltd., Yubase Manufacturing Asia Corporation, SK Energy Lubricants (Tianjin) Co., Ltd., SK Lubricants Americas, Inc., SK Lubricants Europe B.V., SK Lubricants Japan Co., Ltd., SK Lubricants & Oils India Pvt. Ltd., Iberian Lube Base Oils S.A., SK Lubricants Russia LLC, SK ie technology Co., Ltd., SK Hi-tech Battery Materials(Jiang Su) Co., Ltd., SK Hi-tech Battery Materials Poland Sp. Zo.o., SK Mobile Energy Co., Ltd., Mobile Energy Battery America, LLC,

26. Transactions with related parties (cont'd)

Subsidiary (total 339)	Subsidiary
	SK Innovation Insurance (Bermuda), Ltd., SK USA, Inc., Super Seed NY, LLC, Blue Dragon Energy Co., Limited., Jiangsu SK Battery Certification Center, SK Battery Hungary Kft., SK Battery America, Inc., SK Battery Manufacturing Kft., Happy Kium Co., Ltd., SK Future Energy(Shanghai) Co., Ltd., SK E&P Company, Ltd., SK E&P America, Inc., SK Plymouth, LLC, SK Permian, LLC, SK E&P Operations America, LLC, SK Nemaha, LLC, SK Battery (Jiangsu) Co., Ltd., SK Telecom Co., Ltd., SK Telink Co., Ltd., SK Broadband Co. Ltd., Home&Service Co., Ltd., Media S Co., Ltd., Broadband Nowon Broadcasting Corporation, SK Stoa Co., Ltd., PS&Marketing Corp., Serviceace Co., Ltd., Service Top Co., Ltd., SK O&S Co., Ltd., One store Co., Ltd., SK Communications Co., Ltd., 11Street Co., Ltd., Quantum Innovation Private Equity Joint Venture, Panasia Semiconductor Materials LLC, ADT Caps Co., Ltd.(formerly, SK Infosec Co., Ltd.), CAPSTEC Co., Ltd., SK infosec Information Technology (Wuxi) Co., Ltd., SK Planet Co., Ltd., SK M & Service Co., Ltd., SK Planet Global Holdings Pte. Ltd., SKP America, LLC, K-Net Culture & Contents Venture Fund, SK Telecom China Holdings Co., Ltd., SK Global Healthcare Business Group, Ltd., SKT Americas, Inc., YTK Investment, Ltd., Atlas Investment, Ltd., SK Telecom Innovation Fund, L.P., SK Telecom China Fund I L.P., SK Telecom TMT Investment Corp., Dreamus Company Co., Ltd., Iriver Enterprise Ltd., Iriver China Co., Ltd., Dongguan Iriver Electronics Co., Ltd., Life Design Company Japan Inc., SK Telecom Japan Inc., SK Planet Japan, K. K., Id Quantique SA, id Quantique Ltd., FSK L&S Co., Ltd., FSK L&S(Shanghai) Co., Ltd., FSK L&S(Hungary) Co., Ltd., FSK L&S Vietnam Co., Ltd., Incross Co., Ltd., Infra Communications Co., Ltd., Mindknock Co., Ltd., Happy Hanool Co., Ltd., SK MENA Investment B.V., SK Latin Americas Investment S.A., SK Technology Innovation Company, Tmap Mobility Co., Ltd., UT LLC, SK Networks Co., Ltd., SK Networks Service Co., Ltd., SK Magic Co., Ltd., SK Magic Service Co., Ltd., SK Magic Vietnam Company Limited, SK Networks Retails Malaysia Sdn. Bhd., SK Rent-a-Car Co., Ltd., SK Rent-A-car Service Co., Ltd., SK Networks (China) Holdings Co., Ltd., Shenyang SK Bus Terminal Co., Ltd., SK Networks (Liaoning) Logistics Co., Ltd., SK Networks (Dandong) Energy Co., Ltd., Shenyang SK Networks Energy Co., Ltd., SK Networks (Shanghai) Co., Ltd., POSK (Pinghu) Steel Processing Center Co., Ltd., SK Networks Hong Kong Ltd., SK (Guangzhou) Metal Co., Ltd., SK Networks (Xiamen) Steel Processing Center Co., Ltd., SK Networks Japan Co., Ltd., SK Networks Deutschland GmbH, SK BRASIL LTDA, SK Networks Trading Malaysia Sdn. Bhd., SK Networks America, Inc., SK NETWORKS BRASIL INTERMEDIACAO DE NEGOCIOS LTDA., Networks Tejarat Pars, MINTIT Co., Ltd., MINTIT VINA, TenX Capital, SK Networks Resources Australia (Wyong) Pty. Ltd., SK Networks Resources Pty Ltd., SKC Co., Ltd., Woori Fine Chem Co., Ltd., SK Telesys Co., Ltd., Techdream Co., Ltd., SKC INFRA SERVICE Co., Ltd., SKC Solmics Co., Ltd., Solmics Taiwan Co., Ltd., Solmics Shanghai Co., Ltd., SKC Solmics Hong Kong Co., Ltd., SKC Semiconductor Materials (Wuxi) Co., Ltd., SKC-Eco Solutions Co., Ltd., SKC (Jiangsu) High Tech Plastics Co., Ltd., SKC, Inc., SKC Europe GmbH, SKC Hi-Tech&Marketing Co., Ltd., SKC Hi-Tech&Marketing (Suzhou) Co., Ltd., SKC Hi-Tech&Marketing Taiwan Co., Ltd., SKC Hi-Tech&Marketing Polska SP.Z.O.O, SKC Hi-Tech&Marketing USA LLC, SKC Hi-Tech&Marketing Vina Co., Ltd., SKC PU Specialty Co., Ltd., SKC (Nantong) PU Specialty Co., Ltd., SKC-ENF Electronic Materials Ltd., SKC (Nantong) Semiconductor Materials Technology Co., Ltd., SE (JIANGSU) Electronic Materials Co., Ltd., SK PIC Global Co., Ltd., SKCFTH Co., Ltd., SK Nexilis Co., Ltd., SK E&S Co., Ltd., Kangwon City Gas Co., Ltd., Yeongnam Energy Service Co., Ltd., Ko-one Energy Service Co., Ltd., Narae Energy Service Co., Ltd., Pusan City Gas Co., Ltd., Jeonbuk Energy Service Co., Ltd., Chonnam City Gas Co., Ltd., Chungcheong Energy Service Co., Ltd., Paju Energy Service Co., Ltd., Yeosu Energy Service Co., Ltd., Shinanjeungdo Sunlight Co., Ltd., SK E&S Hong Kong Co., Ltd., SK E&S Australia Pty. Ltd., SK E&S Americas, Inc., SK E&S LNG, LLC, DewBlaine Energy, LLC, CAILIP Gas Marketing, LLC, Rnes Holdings, LLC, Pnes Investments, LLC, Prism Energy International China Limited, Prism Energy International Zhoushan Limited, Prism Energy International Pte., Ltd., Fajar Energy International Pte. Ltd., Prism Energy International Hong Kong, Ltd., PT Prism Nusantara International, SK E&S Dominicana S.R.L, Hae-Ssal Solar Power Co., Ltd., Prism DLNG Pte. Ltd., BU12 Australia Pty. Ltd., BU13 Australia Pty. Ltd., Energy Solution Holdings Inc., Ariul Solar Power Co., Ltd., Busan Jungkwan Energy Co., Ltd., IGE Co., Ltd., SK Engineering & Construction Co., Ltd., Seosuwon Development Company, SK TNS Co., Ltd., SKEC Nanjing Co., Ltd., SKEC (Thai), Ltd., Thai Woo Ree Engineering Co., Ltd., SKEC Anadolu, LLC, SK E&C Betek Corporation, Mesa Verde RE Ventures, LLC,

26. Transactions with related parties (cont'd)

	<u>Subsidiary</u>
Subsidiary (total 339)	<p>SKEC Consultores Eccuador, S.A., Sunlake Co., Ltd., SK HOLDCO PTE. LTD., Silvertown Investco Limited, The Eco Platform Co., Ltd., Environment Management Corporation Co., Ltd., Maeripji Management Co., Ltd., YS TEC Co., Ltd., Seonam Environment Energy Co., Ltd., Honam Environmental Energy Co., Ltd., Green Hwasun Inc., Green Sunchang Co., Ltd., Gyeongsan Clear Mulgil Co., Ltd., Dalseong Maleunmulgil Co., Ltd., Goksung Environment Co., Ltd., Environment Energy Company Co., Ltd., Chungcheong Environment Energy Co., Ltd., Gyeonggi Environment Energy Co., Ltd., Gyeongbuk Environment Energy Co., Ltd., Gyeongin Environment Energy Company, SK Materials Co., Ltd., SK Materials Japan Co., Ltd., SK Materials Taiwan Co., Ltd., SK Materials Jiangsu Co., Ltd., SK Materials (Xian) Co., Ltd., SK Materials (Shanghai) Co., Ltd., SK Materials airplus Inc., SK Tri Chem Co., Ltd., SK Showa Denko Co., Ltd., Happy Companion Co., Ltd., SK Materials Ri New Tech Co., Ltd., SK Materials Performance Co., Ltd., SK Materials JNC Co., Ltd., SK Siltron Co., Ltd., SK Siltron America, Inc., SK Siltron Japan, Inc., SK Siltron Shanghai Co., Ltd., SK Siltron USA, Inc., SK Siltron CSS, LLC, Happyfilling Co., Ltd., SK Biopharmaceuticals Co., Ltd., SK Life Science, Inc., SK Bio-Pharma Tech (Shanghai) Co., Ltd., SK S.E.Asia Pte. Ltd., Essencore Limited, Essencore (Shenzhen) Limited, SK China Company, Ltd., SK Bio Energy Hong Kong Co., Ltd., SK Property Investment Management Co., Ltd., SK Industrial Development China Co., Ltd., Beijing Lizhi Weixin Technology Co., Ltd., Shanghai SKY Real Estate Development Co., Ltd., SK China Investment Management Co., Ltd., SK International Agro-Products Logistics Development Co., Ltd., SK International Agro-Sideline Products Park Co., Ltd., SK Auto Service Hong Kong Co., Ltd., S&G Technology, Saturn Agriculture Investment Co., Ltd., SK Investment Management Co., Ltd., SK Mobility Investments Company Limited, SK Semiconductor Investments Co., Ltd., Gemini Partners Pte. Ltd., Solaris Partners Pte. Ltd., Solaris GEIF Investment, SK GI Management, Plutus Capital NY, Inc., Hudson Energy NY, LLC, Hudson Energy NY II, LLC, Hudson Energy NY III, LLC, Plutus Fashion NY, Inc., Wonderland NY, LLC., Atlas NY LLC, SK South East Asia Investment Pte. Ltd., SK Investment Vina I Pte. Ltd., SK Investment Vina II Pte. Ltd., SK Investment Vina III Pte. Ltd., SK Pharmteco Inc., SK Biotek Co., Ltd., SK BIOTEK IRELAND LIMITED, SK BIOTEK USA, Inc., Crest Acquisition LLC, Yposkesi, SAS, Abrasax Investment Inc., Fine Chemicals Holdings Corp., AMPAC Fine Chemicals, LLC, AMPAC Fine Chemicals Texas, LLC, AMPAC Fine Chemicals Virginia, LLC, Golden Pearl EV Solutions Limited, Socar Mobility Malaysia, Sdn. Bhd., Future Mobility Solutions Sdn. Bhd., PT Future Mobility Solutions, Einstein Cayman Limited, I Cube Capital Inc., I Cube Capital II, Inc., Primero Protein LLC, SK Forest Co., Ltd., Hweechan Co., Ltd., SK Pinx Co., Ltd., SK REITs Co., Ltd., Clean Energy REITs Co., Ltd., SK REITs Management Co., Ltd., Hana Land Chip PEF 33, Grove Energy Capital LLC</p>

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26. Transactions with related parties (cont'd)

(2) Details of significant financial transactions with the related parties for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	Company name	For the three-month period ended				
		Sales and others (*1)		Purchase and others (*2)		
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Subsidiaries	SK Innovation Co., Ltd.	₩ 25,158	₩ 65,111	₩ 1,211	₩ 2,238	
	SK Energy Co., Ltd.	29,506	26,276	-	-	
	SK Global Chemical Co., Ltd.	9,389	8,871	-	-	
	SK Incheon Petrochem Co., Ltd.	5,126	6,028	-	-	
	SK Lubricants Co., Ltd.	3,605	2,469	-	-	
	SK USA, Inc.	12	12	198	1,507	
	SK Hi-tech Battery Materials (Jiang su) Co., Ltd.	1,668	4,015	-	-	
	SK Battery America, Inc.	2,182	2	-	-	
	SK Engineering & Construction Co., Ltd.	18,752	16,243	-	-	
	SKC Co., Ltd.	21,231	18,392	-	-	
	SK E&S Co., Ltd.	139,721	661,742	-	-	
	SK Biopharmaceuticals Co., Ltd.	719	1,962	-	-	
	Hana Land Chip PEF 33 (*4)	3,872	1,693	8,594	8,594	
	ADT Caps Co., Ltd.	1,735	745	2,641	2,770	
	(formerly, SK infosec Co., Ltd.)					
	SK C&C Beijing Co., Ltd.	4,542	2,711	1,201	1,071	
	SK S.E.Asia Pte. Ltd.	51,580	37,219	-	-	
	SK Networks Co., Ltd.	23,697	21,190	2,303	2,004	
	SK Telecom Co., Ltd.	269,578	269,950	1,667	3,675	
	SK Broadband Co., Ltd.	19,072	22,256	658	1,924	
	SK Planet Co., Ltd.	3,409	3,574	1	-	
	SK Materials Co., Ltd.	22,319	21,276	-	-	
	SK Siltron Co., Ltd.	7,528	6,185	-	-	
	Others	35,364	21,048	3,007	3,768	
	Other related parties	SK hynix Inc.	108,026	107,393	1,214	3,691
		SK hynix system ic (Wuxi) Co., Ltd.	-	2,323	-	-
		THiRA-UTECH Co., Ltd.	-	-	995	1,716
Others	2,687	4,874	879	2,949		
Others (*3)	SK Gas Co., Ltd.	4,642	3,395	-	-	
	SK Chemicals Co., Ltd.	1,032	1,840	-	-	
	Others	1,940	3,200	80	98	
		<u>₩ 818,092</u>	<u>₩ 1,341,995</u>	<u>₩ 24,649</u>	<u>₩ 36,005</u>	

(*1) Consists of dividends income received from subsidiaries and others, trademark usage income, rental income and others.

(*2) Consists of rental expenses, outsourcing costs and others.

(*3) Although, not designated as related parties as defined in paragraph 9 of KIFRS 1024, the entity is designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of KIFRS 1024.

(*4) During the three-month period ended March 31, 2021, the Company acquired additional 34.80% shares of Hana Land Chip PEF 33 and gained control. Accordingly, the Company reclassified it from other related parties to investment in subsidiaries.

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26. Transactions with related parties (cont'd)

(3) Details of outstanding balances of receivables and payables with the related parties as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

		March 31, 2021					
		Receivables			Payables		
Company name		Trade	Other	Total	Trade	Other	Total
		receivables	receivables		payables	payables	
Subsidiaries	SK Innovation Co., Ltd.	₩ 17,577	₩ 29,287	₩ 46,864	₩ -	₩ 13,345	₩ 13,345
	SK Energy Co., Ltd.	6,037	-	6,037	-	88	88
	SK Global Chemical Co., Ltd.	2,198	-	2,198	-	3,271	3,271
	SK Incheon Petrochem Co., Ltd.	1,504	-	1,504	-	31	31
	SK Lubricants Co., Ltd.	367	-	367	-	520	520
	SK USA, Inc.	11	-	11	-	255	255
	Plutus Capital NY, Inc.	-	440,365	440,365	-	-	-
	SK Hi-tech Battery Materials (Jiang su) Co., Ltd.	2,111	-	2,111	-	221	221
	SK Battery America, Inc.	1,461	-	1,461	-	334	334
	SK Engineering & Construction Co., Ltd.	6,358	9,419	15,777	-	-	-
	SKC Co., Ltd.	5,067	15,390	20,457	-	141	141
	SK E&S Co., Ltd.	1,642	-	1,642	-	6	6
	SK Biopharmaceuticals Co., Ltd.	82	-	82	-	-	-
	Hana Land Chip PEF 33 (*2)	-	9,855	9,855	-	29,440	29,440
	ADT Caps Co., Ltd. (formerly, SK infosec Co., Ltd.)	2,717	-	2,717	1,045	3,034	4,079
	SK C&C Beijing Co., Ltd.	984	-	984	17	338	355
	SK Networks Co., Ltd.	7,284	11,657	18,941	-	954	954
	SK Telecom Co., Ltd.	31,117	194,978	226,095	778	3,791	4,569
	SK Broadband Co., Ltd.	14,491	-	14,491	352	298	650
	SK Planet Co., Ltd.	2,023	-	2,023	-	148	148
	SK Materials Co., Ltd.	990	20,714	21,704	-	350	350
	SK Siltron Co., Ltd.	12,332	-	12,332	-	924	924
	Others	31,559	325	31,884	17	15,337	15,354
Other related parties	SK hynix Inc.	180,897	8,046	188,943	-	66,676	66,676
	SK hynix system ic (Wuxi) Co., Ltd.	46	-	46	-	22	22
	THIRA-UTECH Co., Ltd.	-	-	-	1,002	66	1,068
	ProteoVant Sciences, Inc.	-	-	-	-	113,130	113,130
	Others	1,793	150	1,943	230	1,317	1,547
Others (*1)	SK Gas Co., Ltd.	1,740	-	1,740	-	163	163
	SK Chemicals Co., Ltd.	1,078	-	1,078	-	-	-
	Others	3,747	-	3,747	88	653	741
		<u>₩ 337,213</u>	<u>₩ 740,186</u>	<u>₩1,077,399</u>	<u>₩ 3,529</u>	<u>₩ 254,853</u>	<u>₩258,382</u>

(*1) Although, not designated as related parties as defined in paragraph 9 of KIFRS 1024, the entity is designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of KIFRS 1024.

(*2) During the three-month period ended March 31, 2021, the Company acquired additional 34.80% shares of Hana Land Chip PEF 33 and gained control. Accordingly, the Company reclassified it from investment in joint ventures to investment in subsidiaries.

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26. Transactions with related parties (cont'd)

		December 31, 2020					
		Receivables			Payables		
Company name		Trade	Other	Total	Trade	Other	Total
		receivables	receivables		payables	payables	
Subsidiary	SK Innovation Co., Ltd.	₩ 24,315	₩ 33,894	₩ 58,209	₩ -	₩ 17,183	₩ 17,183
	SK Energy Co., Ltd.	8,123	-	8,123	-	708	708
	SK Global Chemical Co., Ltd.	4,145	-	4,145	-	3,515	3,515
	SK Incheon Petrochem Co., Ltd.	2,422	-	2,422	-	62	62
	SK Lubricants Co., Ltd.	27	-	27	-	1,589	1,589
	SK USA, Inc.	14	-	14	-	1,557	1,557
	SK Hi-tech Battery Materials (Jiang su) Co., Ltd.	7,085	-	7,085	-	458	458
	SK Battery America, Inc.	1,578	-	1,578	-	1,336	1,336
	SK Engineering & Construction Co., Ltd.	6,295	-	6,295	-	1,001	1,001
	SKC Co., Ltd.	3,282	-	3,282	-	717	717
	SK E&S Co., Ltd.	5,091	-	5,091	-	205	205
	SK Biopharmaceuticals Co., Ltd.	461	-	461	-	94	94
	ADT Caps Co., Ltd. (formerly, SK infosec Co., Ltd.)	1,156	-	1,156	2,006	2,086	4,092
	SK C&C Beijing Co., Ltd.	1,284	-	1,284	849	124	973
	SK Networks Co., Ltd.	6,613	-	6,613	-	1,119	1,119
	SK Telecom Co., Ltd.	46,745	361	47,106	740	7,497	8,237
	SK Broadband Co., Ltd.	20,379	-	20,379	344	969	1,313
	SK Planet Co., Ltd.	2,283	-	2,283	353	107	460
	SK Materials Co., Ltd.	495	-	495	-	229	229
	SK Siltron Co., Ltd.	10,559	-	10,559	-	441	441
	Others	53,090	133	53,223	584	20,000	20,584
Other related parties	Hana Land Chip PEF 33	-	5,983	5,983	-	8,579	8,579
	SK hynix Inc.	177,572	7,929	185,501	-	75,940	75,940
	SK hynix system ic (Wuxi) Co., Ltd.	703	-	703	-	26	26
	THiRA-UTECH Co., Ltd.	-	-	-	1,304	10	1,314
	Others	2,706	135	2,841	350	2,146	2,496
Others (*1)	SK Gas Co., Ltd.	2,653	-	2,653	-	51	51
	SK Chemicals Co., Ltd.	1,428	-	1,428	-	3	3
	Others	4,628	-	4,628	215	409	624
		<u>₩ 395,132</u>	<u>₩ 48,435</u>	<u>₩ 443,567</u>	<u>₩ 6,745</u>	<u>₩ 148,161</u>	<u>₩ 154,906</u>

(*1) Although, not designated as related parties as defined in paragraph 9 of KIFRS 1024, the entity is designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of KIFRS 1024.

(4) Compensation for key management personnel of the Company for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Salaries	₩ 4,056	₩ 3,373
Provision for pension benefits	6,179	4,714
Share-based payment expenses	340	199
	<u>₩ 10,575</u>	<u>₩ 8,286</u>

Key management consists of registered executives who are responsible for the planning, operation and control of the Company's business activities.

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26. Transactions with related parties (cont'd)

(5) Details of significant transactions with related parties in relation to the for the three-month periods ended March 31, 2021 and 2020 are as follows (USD in thousands):

	<u>Currency</u>	<u>Amount</u>	<u>Transactions</u>
SK Pharmteco Inc.	USD	305,957	Share capital increase
Plutus Capital NY, Inc.	USD	234,300	Share capital increase
Belstar Superfreeze Holdings, LLC	USD	10,273	Share capital increase

(6) Details of significant financial transactions with related-parties for the three-month periods ended March 31, 2021 and 2020 are as follows (USD in thousands):

	<u>Currency</u>	<u>For the three-month period ended</u>			
		<u>March 31, 2021</u>		<u>March 31, 2020</u>	
		<u>Loan</u>	<u>Withdraw</u>	<u>Loan</u>	<u>Withdraw</u>
Plutus Capital NY, Inc.	USD	388,500	-	-	-

(7) Guarantees provided to related parties are described in Note 29.

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27. Assets held for sales

Details of assets held for sale as of March 31, 2021 are as follows (Korean won in millions):

		<u>March 31, 2021</u>		<u>December 31, 2020</u>
Investment securities	ESR Cayman Limited (*1)	₩	662,937	₩ 697,130

(*1) The Company has decided to sell the investment stock of the related company, ESR Cayman Limited, during the year ended December 31, 2020. The Company has sold some of the shares in the year ended December 31, 2020 and the sale of remaining shares is underway. Meanwhile, the current carrying amount as of March 31, 2021, includes the valuation loss ₩34,193 million on investment securities.

28. Cash flow information

(1) Details of non-cash adjustments for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	<u>For the three-month period ended</u>	
	<u>March 31, 2021</u>	<u>March 31, 2020</u>
Provision for pension benefits	₩ 15,977	₩ 13,001
Depreciation	19,667	19,440
Amortization	6,910	6,242
Bad debt expenses (return)	(97)	49
Provisions transferred in	519	647
Interest expenses	40,712	48,434
Loss on foreign currency translation	301	368
Loss on valuation of financial assets measured at FVTPL	34,193	-
Loss on valuation of derivative instruments	12,092	845
Loss on disposal of property, plant and equipment	3	4
Loss on disposal of intangible assets	12	-
Share-based payment expenses	340	199
Income tax expense	300,436	19,797
Dividends income	(446,356)	(990,581)
Interest income	(2,132)	(998)
Gain on foreign currency translation	(10,647)	(810)
Gain on disposal of investments in subsidiaries, associates and joint ventures	(1,066,744)	-
Gain on valuation of financial assets measured at FVTPL	(49)	(48)
Gain on valuation of derivative instruments	(215)	(12)
Gain on disposal of property, plant and equipment	-	(2)
Gain on disposal of intangible assets	(967)	-
Others	(41)	411
	<u>₩ (1,096,086)</u>	<u>₩ (883,014)</u>

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28. Cash flow information (cont'd)

(2) Details of working capital adjustments for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Trade receivables	₩ 67,589	₩ 30,008
Other receivables	1,653	(4,514)
Inventories	(54)	(32)
Advanced payments	(365)	586
Lease receivables	8,300	8,386
Prepaid expenses	(2,735)	(5,018)
Trade payables	15,374	(60,255)
Advances received	(522)	73,035
Withholdings	(6,994)	4,500
Other payables	(70,561)	(58,349)
Accrued expenses	(40,492)	(38,835)
Leasehold deposits received	(20)	68
Provision	(665)	(1,589)
Defined benefit obligation	(1,784)	(10,375)
Plan assets	2,767	11,171
Others	735	128
	<u>₩ (27,774)</u>	<u>₩ (51,085)</u>

(3) Details of significant non-cash transactions for the three-month periods ended March 31, 2021 and 2020 are as follows (Korean won in millions):

	For the three-month period ended	
	March 31, 2021	March 31, 2020
Transfer from construction-in-progress to property, plant and equipment	₩ -	₩ 3
Transfer of long-term bonds payable to current-portion	289,759	320,954
Decrease in other payables regarding the acquisition of property, plant and equipment	(857)	(522)
Increase in other payables regarding the acquisition of investments in associates, and joint ventures	113,130	-
Dividend payable	317,256	211,503

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29. Commitments and contingencies

(1) Guarantees provided by others for the Company's obligations and indebtedness as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions):

	Currency	March 31, 2021	December 31, 2020
Seoul Guarantee Insurance	KRW	9,971	7,623
Korea Software Financial Cooperative	KRW	372,668	379,526

(2) Pending litigation

There are no major pending litigations as of March 31, 2021.

(3) Significant commitments

- 1) 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. and SK ie technology Co., Ltd. are collectively responsible for any obligations arising before the spin-off on July 1, 2007. The Company and SK Biopharmaceuticals Co., Ltd. are collectively responsible for any obligations that occurred before the spin-off on April 1, 2011.
- 2) The Company entered into a contract to lease the headquarters building from NH Bank, the trustee of Hana Asset Management Co., Ltd. Under the terms of the lease, the lease period is until December 31, 2021, and the Company has the preemptive right to purchase the building at the fair value when the lessor elects to dispose the property. Meanwhile, the Company exercised its preemptive right during the previous period and plans to purchase the headquarters office through the Company or SK affiliated company by November 30, 2021.
- 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 the affiliates of 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). On the other hand, the building was completed and registered to preserve ownership in August, 2014, and the transfer of destination land and buildings to third parties is limited for 10 years from the time of registration of preservation of ownership.

29. 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:

	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 investors settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be 0.	
Premium	The Company shall pay to the investors the amount equivalent to 3.14% of the total shares held by investors annually. When the investor receives dividends on the shares held, the amount shall be paid to the Company.	
Call option	The Company has the right to purchase the shares held by the investors at the issued price of the ordinary shares with certain level of additional charges.	

- 6) The Company entered into total return swap contracts with ordinary share investors of SK Siltron Co., Ltd., one of the subsidiaries, and details are as follows:

	Total return swap contracts
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 settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be 0.
Premium	The Company shall pay 0.5% of the initial contract amount on the closing date of the transaction and shall pay to the investors the amount equivalent to 3.20% of the total shares held by investors annually. When the investor receives dividends on the shares held, the amount shall be paid to the Company.
Call option	On a three-month basis from the closing date of sale ("the quarterly payment day"), the Company has the right to purchase the shares held by the investors at the initial contract price of the ordinary shares with certain level of additional charges.

29. Commitments and contingencies (cont'd)

- 7) The Company entered into total return swap contracts with ordinary share investors of SK E&S Co., Ltd., one of the subsidiaries, and The details are as follows:

	Total return swap contracts
Investor	MD Prime 1st Co., Ltd. and others
Number of shares	4,640,199
Contract date	November 14, 2017
Expiry date	November 13, 2022
Settlement	The Company and the investors settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be 0.
Premium	The Company shall pay to the investors the amount equivalent to 3.07% of the total shares held by investors annually. When the investor receives dividends on the shares held, the amount shall be paid to the Company.
Call option	On the premium payment date and on a three-month basis between the date on which the resolution is made by the Board of Directors with regards to designation of IPO supervisor and the submission date of demand of preliminary assessment for listing ("the quarterly payment day"), the Company has the right to purchase the shares held by the investors at the initial contract price of the ordinary shares with certain level of additional charges.

- 8) 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, 2021, 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.
- 9) 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.
- 10) The Company entered into a cash deficiency support agreement with Abrasax Investment Inc., a subsidiary of subsidiary SK Pharmteco Inc., which is a subsidiary of the Company, to lend funds for the shortfall of payment for loans and credit of up to USD 315,000 thousand.
- (4) The Company has provided 7 blank checks and 10 blank notes as collateral in relation to sales and other transactions as of March 31, 2021.

30. Financial risk management

The principal financial liabilities of the Company comprise borrowings, bonds payable, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. Further, the Company has various financial assets, including trade and other receivables that are directly related to its operations.

The Company's financial assets and liabilities are exposed to mainly market risk, credit risk and liquidity risk. The Company's key management is responsible for the Company's financial risk-taking activities, and that such activities are governed by appropriate policies and procedures.

30.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise three types of risk: interest rate, foreign currency and other price.

30.1.1 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 Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's risk hedging activities are evaluated periodically in order to consider the status of interest rates and degree of risk aversion and fulfill optimal risk hedging strategies. The Company does not believe the fluctuation in market interest rate other than those mentioned above has a material impact on its financial statements.

30.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The exposure to the risk of changes in foreign exchange rates relates primarily to selling and purchasing. The Company manages its foreign currency risk periodically.

Significant monetary assets and liabilities denominated in foreign currencies as of March 31, 2021 and December 31, 2020 are as follows (Korean won in millions, and USD, EUR and Others in thousands):

	Currency	March 31, 2021		December 31, 2020	
		Foreign currencies	Korea won equivalent	Foreign currencies	Korea won equivalent
Assets	USD	408,956	₩ 463,552	14,344	₩ 15,606
	EUR	790	1,049	638	853
	Others		9,576		4,043
			₩ 474,177		₩ 20,502
Liabilities	USD	101,157	₩ 114,662	2,429	₩ 2,643
	EUR	-	-	12	16
	Others		25		2,130
			₩ 114,687		₩ 4,789

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

	March 31, 2021		December 31, 2020	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Increase (decrease) in income before tax expense	₩ 35,949	₩ (35,949)	₩ 1,571	₩ (1,571)

30.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices other than from interest rate risk and foreign currency risk. The Company has not determined that the effect of changes in other price would have materially affected the Company.

30.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of March 31, 2021 and December 31, 2020 is as follows and for cash and cash equivalents, credit risk exposure is low (Korean won in millions):

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Short-term and long-term financial instruments	₩ 230,795	₩ 241,314
Trade receivables	270,892	359,109
Other receivables	261,855	3,747
Accrued income	1,451	66
Investment securities	403,713	375,161
Short-term and long-term guarantee deposits	25,142	24,888
Short-term lease receivables	27,655	33,189
Short-term loans	440,365	-
Financial derivatives asset	176,225	175,913
	<u>₩ 1,838,093</u>	<u>₩ 1,213,387</u>

30.2.1 Trade and other receivables

Customer credit risk is managed by each business unit subject to the Company's established policies, procedures and control related to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

Maximum exposure to credit risk at the reporting date is the book value of each class of financial assets. The Company apply a simple method that recognizes lifetime expected credit losses as a provision for losses on account receivables and other receivables. To measure expected credit losses, trade receivables and contract assets were separated by credit risk characteristics and past due dates.

30.2.2 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 Company will be the same as the book value of the maximum applicable financial instruments. On the other hand, the management of the Company'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 Company.

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30.2.3 Liquidity risk

Liquidity risk refers to the risk that the Company may default on the contractual obligations that become due. The Company manages its risk to a shortage of funds using a recurring liquidity planning tool.

The contractual maturity of financial liabilities as of March 31, 2021 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
Short-term borrowings	₩ 835,000	₩ 836,588	₩ 836,588	₩ -	₩ -	₩ -
Bonds payable	6,387,069	6,903,681	255,621	896,767	4,402,910	1,348,383
Financial derivatives liabilities	479,887	479,887	11,825	58	468,004	-
Trade accounts payables	100,651	100,651	100,651	-	-	-
Lease liabilities	119,216	121,672	12,508	44,080	64,884	200
Other liabilities	525,709	525,709	370,223	155,475	11	-
	<u>₩ 8,447,532</u>	<u>₩ 8,968,188</u>	<u>₩ 1,587,416</u>	<u>₩ 1,096,380</u>	<u>₩ 4,935,809</u>	<u>₩ 1,348,583</u>

30.2.4 Capital management

The fundamental goal of capital risk management is to maintain a solid financial structure. In addition, as the Company is a holding company, it should maintain a debt ratio of less than 200% under Article 8 of the *Monopoly Regulations and Fair Trade Law*. The debt ratio is calculated as total liabilities divided by total equity.

The Company maintains a debt ratio of 60.68% as of March 31, 2021. The maturity of the debt is dispersed in the long-term and the borrowings mainly consist of long-term bonds, which do not present significant risks for unexpected payment for debts.

The Company's debt ratio as of March 31, 2021 and December 31, 2020 is as follows (Korean won in millions):

	March 31, 2021	December 31, 2020
Total liabilities	₩ 9,528,271	₩ 8,760,834
Total equity	15,701,656	14,831,563
Debt ratio	60.68%	59.07%

31. Subsequent events

31.1 Share acquisition of Signet EV Inc.

On April 15, 2021, the board of directors decided to acquire a total of 7,540,087 convertible preferred shares (55.5% stake) of Signet EV Inc. including old and new shares in order to expand the Company's portfolio of electric vehicle charging business which are the high growth businesses in the future. The estimated acquisition amount is ₩293,236 million, and the expected acquisition date is July 15, 2021.