



SK Inc. and its subsidiaries

Interim condensed consolidated financial statements
for the nine-month periods ended September 30, 2021 and 2020
with the independent auditor's review report

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Report on review of interim condensed consolidated financial statements

The Shareholders and Board of Directors SK Inc.

We have reviewed the accompanying interim condensed consolidated financial statements of SK Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the interim condensed consolidated statement of financial position as of September 30, 2021, and the related interim condensed consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2021 and 2020, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for the nine-month periods then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the interim condensed consolidated financial statements

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

Auditor's responsibility

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

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

Conclusion

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

Other matter

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



November 15, 2021

This review report is effective as of November 15, 2021, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditor's review report date to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed consolidated financial statements and may result in modifications to this review report.

SK Inc. and its subsidiaries

Interim condensed consolidated financial statements
for the nine-month periods ended September 30, 2021 and 2020

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

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

SK Inc. and its subsidiaries
Interim condensed consolidated statements of financial position
as of September 30, 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)		
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	
	(Unaudited)		(Unaudited)		
Assets					
Current assets:					
Cash and cash equivalents	5	₩ 13,098,674	₩ 10,096,940	\$ 11,054,666	\$ 8,521,344
Short-term financial instruments	5, 32	6,855,475	4,483,815	5,785,699	3,784,129
Trade receivables, net	5, 6, 27, 32, 34	10,880,924	8,871,416	9,182,989	7,487,059
Other receivables, net	5, 27, 31, 34	2,349,356	1,631,397	1,982,746	1,376,823
Inventories, net	7, 32	9,780,946	6,179,497	8,254,659	5,215,206
Short-term investment securities	5, 8, 32, 34	113,108	150,669	95,458	127,158
Other current assets	5, 18, 19, 32, 34	5,072,730	4,674,218	4,281,146	3,944,821
Assets held for sale	29	1,506,818	1,964,345	1,271,684	1,657,815
Total current assets		49,658,031	38,052,297	41,909,047	32,114,355
Noncurrent assets:					
Long-term financial instruments	5, 32	32,454	13,708	27,390	11,569
Long-term trade receivables, net	5, 6, 27, 34	354,133	274,789	298,872	231,909
Long-term other receivables, net	5, 27, 31, 34	336,709	341,099	284,167	287,872
Long-term investment securities	5, 8, 32, 34	6,659,553	4,356,009	5,620,350	3,676,267
Investments in associates and joint ventures	9, 32	26,097,411	21,018,963	22,024,990	17,739,018
Property, plant and equipment, net	10, 32	49,182,768	45,895,594	41,507,948	38,733,728
Right-of-use assets, net	11	4,700,629	6,178,480	3,967,110	5,214,347
Investment property, net	12, 32	1,107,720	569,156	934,864	480,341
Goodwill	13	5,467,965	4,463,951	4,614,706	3,767,365
Intangible assets, net	14	11,170,173	12,029,112	9,427,102	10,152,006
Deferred tax assets		823,198	1,165,308	694,740	983,465
Other non-current assets	5, 18, 19, 27, 34	3,470,328	3,306,496	2,928,796	2,790,526
Total non-current assets		109,403,041	99,612,665	92,331,035	84,068,414
Total assets		₩ 159,061,072	₩ 137,664,962	\$ 134,240,082	\$ 116,182,769
Liabilities and equity					
Liabilities					
Current liabilities:					
Short-term borrowings	5, 15, 34	₩ 7,522,619	₩ 6,201,430	\$ 6,348,737	\$ 5,233,716
Trade payables	5, 27, 34	8,195,892	6,061,576	6,916,948	5,115,686
Other payables	5, 27, 34	5,693,275	5,727,171	4,804,857	4,833,464
Provisions	16	611,327	634,979	515,931	535,892
Current portion of long-term debt	5, 15, 34	6,789,497	6,216,778	5,730,017	5,246,669
Other current liabilities	5, 18, 19	11,176,270	12,075,462	9,432,247	10,191,123
Liabilities held for sale	29	57,241	295,301	48,309	249,220
Total current liabilities		40,046,121	37,212,697	33,797,046	31,405,770
Noncurrent liabilities:					
Bonds payable and long-term borrowings	5, 15, 34	43,759,019	36,843,510	36,930,559	31,094,195
Long-term trade payables	5, 27, 34	-	712	-	601
Long-term other payables	5, 34	1,763,511	1,168,784	1,488,321	986,399
Defined benefit liabilities	17	688,006	436,965	580,645	368,778
Provisions	16	573,866	302,422	484,316	255,230
Deferred tax liabilities		5,330,457	4,569,245	4,498,656	3,856,228
Other non-current liabilities	5, 18, 19, 27, 34	5,354,077	5,270,709	4,518,590	4,448,231
Total non-current liabilities		57,468,936	48,592,347	48,501,087	41,009,662
Total liabilities		97,515,057	85,805,044	82,298,133	72,415,432
Equity					
Equity attributable to owners of the parent:					
Issued capital	1, 20	15,385	15,385	12,984	12,984
Other paid-in capital	20	6,958,395	5,250,146	5,872,559	4,430,877
Retained earnings	20	12,886,479	12,496,676	10,875,584	10,546,608
Other components of equity	20	799,006	(327,163)	674,324	(276,110)
Total equity attributable to owners of the parent		20,659,265	17,435,044	17,435,451	14,714,359
Non-controlling interests		40,886,750	34,424,874	34,506,498	29,052,978
Total equity		61,546,015	51,859,918	51,941,949	43,767,337
Total liabilities and equity		₩ 159,061,072	₩ 137,664,962	\$ 134,240,082	\$ 116,182,769

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

SK Inc. and its subsidiaries
Interim condensed consolidated statements of comprehensive income
for the three-month and nine-month periods ended September 30, 2021 and 2020

(Korean won in millions, except for earnings (loss) per share)

	Notes	Korean won			
		September 30, 2021 (Unaudited)		September 30, 2020 (Unaudited)	
		Three-month	Nine-month	Three-month	Nine-month
Sales	4, 27	₩ 25,563,175	₩ 71,218,696	₩ 19,719,061	₩ 61,649,374
Cost of sales	24, 27	<u>22,551,602</u>	<u>62,686,362</u>	<u>17,960,224</u>	<u>58,072,296</u>
Gross profit		3,011,573	8,532,334	1,758,837	3,577,078
Selling and administrative expenses	21, 24, 27	1,454,452	4,212,983	1,334,618	3,943,800
Operating profit (loss)	4	1,557,121	4,319,351	424,219	(366,722)
Finance income	22	1,012,129	2,474,045	753,092	3,961,842
Finance costs	22	1,550,666	3,831,316	781,220	4,577,341
Gain on investments in associates and joint ventures, net	9	653,442	1,370,627	187,814	556,032
Other non-operating income	23	267,768	1,853,288	421,043	1,367,916
Other non-operating expenses	23	225,649	1,404,242	107,488	812,278
Profit from continuing operations before income tax expense	4	1,714,145	4,781,753	897,460	129,449
Income tax expense(benefit) from continuing operations	25	770,125	1,916,628	(25,117)	7,878
Profit for the period from continuing operations	4	944,020	2,865,125	922,577	121,571
Profit for the period from discontinued operation	28	47,342	258,044	294	85,790
Profit for the period		₩ 991,362	₩ 3,123,169	₩ 922,871	₩ 207,361
Attributable to:					
Owners of the parent		16,024	749,255	506,797	330,288
Non-controlling interests		975,338	2,373,914	416,074	(122,927)
Other comprehensive income (loss):					
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Remeasurement gain (loss) on defined benefit plans		27,553	17,075	8,042	(44,681)
Net gain on valuation of financial assets at FVOCI		328,005	1,077,649	181,890	318,472
Items that may be reclassified to profit or loss in subsequent periods (net of tax):					
Equity adjustments of investments in associates and joint ventures		63,233	333,729	(84,679)	(37,334)
Net gain on valuation of derivative financial instruments		136,872	151,864	17,496	43,709
Net gain (loss) on translation of foreign operations		846,970	1,406,622	(316,488)	280,985
		<u>1,402,633</u>	<u>2,986,939</u>	<u>(193,739)</u>	<u>561,151</u>
Total comprehensive income for the period		₩ 2,393,995	₩ 6,110,108	₩ 729,132	₩ 768,512
Attributable to:					
Owners of the parent		515,862	1,920,332	387,985	554,638
Non-controlling interests		1,878,133	4,189,776	341,147	213,874
Earnings (loss) per share (Korean won):	26				
Basic earnings per share		₩ 290	₩ 14,259	₩ 9,679	₩ 6,271
Diluted earnings per share		289	14,230	9,667	6,264
Basic earnings (loss) per share from continuing operations		(72)	12,138	9,690	5,600
Diluted earnings (loss) per share from continuing operations		(72)	12,113	9,678	5,593

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SK Inc. and its subsidiaries
Interim condensed consolidated statements of comprehensive income
for the three-month and nine-month periods ended September 30, 2021 and 2020 (cont'd)
(U.S. dollar in thousands, except for earnings (loss) per share)

	Notes	Translation into U.S. dollar (Note 2)			
		September 30, 2021 (Unaudited)		September 30, 2020 (Unaudited)	
		Three-month	Nine-month	Three-month	Nine-month
Sales	4, 27	\$ 21,574,120	\$ 60,105,238	\$ 16,641,962	\$ 52,029,179
Cost of sales	24, 27	19,032,494	52,904,348	15,157,586	49,010,293
Gross profit		2,541,626	7,200,890	1,484,376	3,018,886
Selling and administrative expenses	21, 24, 27	1,227,489	3,555,560	1,126,355	3,328,382
Operating profit (loss)	4	1,314,137	3,645,330	358,021	(309,496)
Finance income	22	854,189	2,087,978	635,574	3,343,609
Finance costs	22	1,308,689	3,233,451	659,313	3,863,061
Gain on investments in associates and joint ventures, net	9	551,474	1,156,745	158,506	469,265
Other non-operating income	23	225,984	1,564,088	355,341	1,154,457
Other non-operating expenses	23	190,437	1,185,114	90,715	685,525
Profit from continuing operations before income tax expense	4	1,446,658	4,035,576	757,414	109,249
Income tax expense (benefit) from continuing operations	25	649,949	1,617,544	(21,198)	6,649
Profit for the period from continuing operations	4	796,709	2,418,032	778,612	102,600
Gain from discontinued operation	28	39,954	217,777	248	72,403
Profit for the period		\$ 836,663	\$ 2,635,809	\$ 778,860	\$ 175,003
Attributable to:					
Owners of the parent		13,524	632,336	427,713	278,748
Non-controlling interests		823,139	2,003,473	351,147	(103,745)
Other comprehensive income (loss):					
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Remeasurement gain (loss) on defined benefit plans		23,253	14,410	6,787	(37,709)
Net gain on valuation of financial assets at FVOCI		276,821	909,485	153,507	268,775
Items that may be reclassified to profit or loss in subsequent periods (net of tax):					
Equity adjustments of investments in associates and joint ventures		53,366	281,652	(71,465)	(31,508)
Net gain on valuation of derivative financial instruments		115,514	128,166	14,766	36,888
Net gain (loss) on translation of foreign operations		714,803	1,187,123	(267,101)	237,138
		1,183,757	2,520,836	(163,506)	473,584
Total comprehensive income for the period		\$ 2,020,420	\$ 5,156,645	\$ 615,354	\$ 648,587
Attributable to:					
Owners of the parent		435,364	1,620,671	327,442	468,087
Non-controlling interests		1,585,056	3,535,974	287,912	180,500
Earnings (loss) per share (U.S. dollar):	26				
Basic earnings per share		\$ 0.24	\$ 12.03	\$ 8.17	\$ 5.29
Diluted earnings per share		0.24	12.01	8.16	5.29
Basic earnings (loss) per share from continuing operations		(0.06)	10.24	8.16	5.29
Diluted earnings (loss) per share from continuing operations		(0.06)	10.22	8.18	4.73

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

SK Inc. and its subsidiaries
Interim condensed consolidated statements of changes in equity
for the nine-month periods ended September 30, 2021 and 2020

(Korean won in millions)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	₩ 15,385	₩ 4,074,176	₩ 12,556,584	₩ 37,624	₩ 16,683,769	₩ 35,492,263	₩ 52,176,032
As of January 1, 2020							
Total comprehensive income:							
Loss for the period	-	-	330,288	-	330,288	(122,927)	207,361
Remeasurement loss on defined benefit plans	-	-	(26,359)	-	(26,359)	(18,322)	(44,681)
Net gain on valuation of financial instruments at FVOCI	-	-	-	110,779	110,779	207,693	318,472
Equity adjustments of investments in associates and joint ventures	-	-	-	(55,366)	(55,366)	18,032	(37,334)
Net gain (loss) on valuation of derivative financial instruments	-	-	-	53,714	53,714	(10,005)	43,709
Net gain on translation of foreign operations	-	-	-	141,582	141,582	139,403	280,985
Transaction with shareholders recognized directly to equity:							
Dividends	-	-	(264,372)	-	(264,372)	(922,837)	(1,187,209)
Equity transactions within consolidated entities	-	1,148,232	-	-	1,148,232	350,866	1,499,098
Changes in the scope of consolidation	-	-	-	-	-	(2,008)	(2,008)
Others	-	(768)	(1,252)	-	(2,020)	1,189	(831)
As of September 30, 2020 (Unaudited)	₩ 15,385	₩ 5,221,640	₩ 12,594,889	₩ 288,333	₩ 18,120,247	₩ 35,133,347	₩ 53,253,594
As of January 1, 2021	₩ 15,385	₩ 5,250,146	₩ 12,496,676	₩ (327,163)	₩ 17,435,044	₩ 34,424,874	₩ 51,859,918
Total comprehensive income:							
Profit for the period	-	-	749,255	-	749,255	2,373,914	3,123,169
Remeasurement gain on defined benefit plans	-	-	6,133	-	6,133	10,942	17,075
Net gain on valuation of financial instruments at FVOCI	-	-	38,775	187,850	226,625	851,024	1,077,649
Equity adjustments of investments in associates and joint ventures	-	-	-	97,473	97,473	236,256	333,729
Net gain (loss) on valuation of derivative financial instruments	-	-	-	(220)	(220)	152,084	151,864
Net gain on translation of foreign operations	-	-	-	841,066	841,066	565,556	1,406,622
Transaction with shareholders recognized directly to equity:							
Dividends	-	-	(396,563)	-	(396,563)	(786,209)	(1,182,772)
Equity transactions within consolidated entities	-	1,707,445	-	-	1,707,445	2,914,723	4,622,168
Changes in the scope of consolidation	-	-	-	-	-	142,848	142,848
Others	-	804	(7,797)	-	(6,993)	738	(6,255)
As of September 30, 2021 (Unaudited)	₩ 15,385	₩ 6,958,395	₩ 12,886,479	₩ 799,006	₩ 20,659,265	₩ 40,886,750	₩ 61,546,015

(Continued)

SK Inc. and its subsidiaries
Interim condensed consolidated statements of changes in equity
for the nine-month periods ended September 30, 2021 and 2020 (cont'd)
(U.S. dollar in thousands)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
As of January 1, 2020	\$ 12,984	\$ 3,438,413	\$ 10,597,168	\$ 31,753	\$ 14,080,318	\$ 29,953,805	\$ 44,034,123
Total comprehensive income:							
Loss for the period	-	-	278,748	-	278,748	(103,745)	175,003
Remeasurement loss on defined benefit plans	-	-	(22,246)	-	(22,246)	(15,463)	(37,709)
Net gain on valuation of financial instruments at FVOCI	-	-	-	93,492	93,492	175,283	268,775
Equity adjustments of investment in associates and joint ventures	-	-	-	(46,726)	(46,726)	15,218	(31,508)
Net gain (loss) on valuation of derivative financial instruments	-	-	-	45,332	45,332	(8,444)	36,888
Net gain on translation of foreign operations	-	-	-	119,489	119,489	117,650	237,139
Transaction with shareholders recognized directly to equity:							
Dividends	-	-	(223,118)	-	(223,118)	(778,831)	(1,001,949)
Equity transactions within consolidated entities	-	969,054	-	-	969,054	296,114	1,265,168
Changes in the scope of consolidation	-	-	-	-	-	(1,695)	(1,695)
Others	-	(648)	(1,057)	-	(1,705)	1,003	(702)
As of September 30, 2020 (Unaudited)	\$ 12,984	\$ 4,406,819	\$ 10,629,495	\$ 243,340	\$ 15,292,638	\$ 29,650,895	\$ 44,943,533
As of January 1, 2021	\$ 12,984	\$ 4,430,877	\$ 10,546,608	\$ (276,110)	\$ 14,714,359	\$ 29,052,978	\$ 43,767,337
Total comprehensive income:							
Profit for the period	-	-	632,336	-	632,336	2,003,472	2,635,808
Remeasurement gain on defined benefit plans	-	-	5,176	-	5,176	9,235	14,411
Net gain on valuation of financial instruments at FVOCI	-	-	32,725	158,537	191,262	718,224	909,486
Equity adjustments of investments in associates and joint ventures	-	-	-	82,263	82,263	199,389	281,652
Net gain (loss) on valuation of derivative financial instruments	-	-	-	(186)	(186)	128,352	128,166
Net gain on translation of foreign operations	-	-	-	709,820	709,820	477,303	1,187,123
Transaction with shareholders recognized directly to equity:							
Dividends	-	-	(334,681)	-	(334,681)	(663,524)	(998,205)
Equity transactions within consolidated entities	-	1,441,003	-	-	1,441,003	2,459,889	3,900,892
Changes in the scope of consolidation	-	-	-	-	-	120,557	120,557
Others	-	679	(6,580)	-	(5,901)	623	(5,278)
As of September 30, 2021 (Unaudited)	\$ 12,984	\$ 5,872,559	\$ 10,875,584	\$ 674,324	\$ 17,435,451	\$ 34,506,498	\$ 51,941,949

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

SK Inc. and its subsidiaries
Interim condensed consolidated statements of cash flows
for the nine-month periods ended September 30, 2021 and 2020
(Korean won in millions and U.S. dollar in thousands)

		For the nine-month periods ended September 30			
		Korean won		Translation into U.S. dollar (Note 2)	
Notes		2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Cash flows from operating activities:					
		₩ 3,123,169	₩ 207,361	\$ 2,635,808	\$ 175,003
		6,705,341	5,840,825	5,658,993	4,929,382
	30	(4,270,812)	2,047,637	(3,604,365)	1,728,110
		124,811	122,795	105,335	103,633
		(1,074,265)	(1,061,881)	(906,629)	(896,178)
		261,835	242,300	220,976	204,490
		(1,693,908)	(1,017,934)	(1,429,579)	(859,089)
Net cash provided by operating activities		3,176,171	6,381,103	2,680,539	5,385,351
Cash flows from investing activities:					
		(2,394,541)	465,841	(2,020,880)	393,148
		76,978	(7,354)	64,966	(6,206)
		31,677	33,915	26,734	28,623
		267,176	80,357	225,484	67,818
		176,481	2,592,847	148,942	2,188,241
		254,531	127,420	214,812	107,537
		73,134	23,423	61,722	19,768
		509,762	-	430,215	-
		(923,968)	(639,614)	(779,786)	(539,804)
		(3,564,803)	(836,487)	(3,008,526)	(705,956)
		(6,025,397)	(6,790,141)	(5,085,152)	(5,730,560)
		(290,710)	(333,977)	(245,346)	(281,861)
		(437,980)	(1,011,464)	(369,635)	(853,628)
		(31,720)	(998,031)	(26,770)	(842,291)
		-	1,269,922	-	1,071,755
		1,221,980	(83,919)	1,031,294	(70,824)
Net cash used in investing activities		(11,057,400)	(6,107,262)	(9,331,926)	(5,154,240)
Cash flows from financing activities:					
		1,235,041	1,007,836	1,042,317	850,566
		11,512,220	9,539,569	9,715,773	8,050,949
		(5,439,619)	(5,316,563)	(4,590,783)	(4,486,930)
		(426,462)	(427,596)	(359,914)	(360,871)
		(896,056)	(750,697)	(756,229)	(633,553)
		(1,197,693)	(1,190,706)	(1,010,797)	(1,004,900)
		5,538,718	759,292	4,674,418	640,807
		101,229	(19,527)	85,433	(16,480)
Net cash provided by financing activities		10,427,378	3,601,608	8,800,218	3,039,588
Net increase in cash and cash equivalents		2,546,149	3,875,449	2,148,831	3,270,699
Net foreign exchange effects		367,054	18,914	309,775	15,963
Cash and cash equivalents included in assets held for sale		88,531	-	74,716	-
Cash and cash equivalents at the beginning of the period		10,096,940	7,981,755	8,521,344	6,736,227
Cash and cash equivalents at the end of the period		₩ 13,098,674	₩ 11,876,118	\$ 11,054,666	\$ 10,022,889

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

SK Inc. and its subsidiaries
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1. Corporate information

1.1 Parent Company

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

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

As of September 30, 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%, 8.16% and 6.85%, respectively, as of September 30, 2021.

1.2 Consolidated subsidiaries

The Company and its subsidiaries (collectively, the “Group”) are engaged in petroleum refining, telecommunications, wholesale and retail, chemicals, construction and other industries. Subsidiaries whose accounts are included in the consolidated financial statements as of September 30, 2021 are as follows:

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (%)
SK Innovation Co., Ltd. (*2)	Korea	Resource development	SK Inc.	33.40%
SK Energy Co., Ltd.	Korea	Crude oil refining and sales	SK Innovation Co., Ltd.	100.00%
Netruck Co., Ltd.	Korea	Transportation and oil sales	SK Energy Co., Ltd.	100.00%
Jeju United FC Corporation	Korea	Sports association sponsoring	SK Energy Co., Ltd.	100.00%
Happy Didim Co., Ltd.	Korea	Service	SK Energy Co., Ltd.	100.00%
Green & Co. Asia Ltd.	Myanmar	Manufacturing	SK Energy Co., Ltd.	80.00%
SK Energy Road Investment Co., Ltd.	Cayman	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Hong Kong Co., Ltd.	Hong Kong	Investment	SK Energy Co., Ltd.	100.00%
SK Energy Road Investment (HK) Co., Ltd.	Hong Kong	Investment	SK Energy Road Investment Co., Ltd.	100.00%
SK Asphalt (Shanghai) Co., Ltd.	China	Logistics	SK Energy Road Investment (HK) Co., Ltd.	100.00%
goodsFLOW Co., Ltd. (*2)	Korea	Service	SK Energy Co., Ltd.	41.00%
goodsCORE Co., Ltd.	Korea	Service	goodsFLOW Co., Ltd.	100.00%
goodsPOST Co., Ltd.	Korea	Transportation industry	goodsFLOW Co., Ltd.	100.00%
opengarden Co., Ltd.	Korea	Service	goodsFLOW Co., Ltd.	100.00%
SK Geo Centric Co., Ltd. (formerly, SK Global Chemical Co., Ltd.)	Korea	Petrochemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%
SK Global Chemical (China) Holding Co., Ltd.	China	Investment	SK Geo Centric Co., Ltd.	100.00%
SK Global Chemical China Limited	Hong Kong	Investment	(formerly, SK Global Chemical Co., Ltd.) SK Geo Centric Co., Ltd.	100.00%
Sino-Korea Green New Material (JiangSu) Ltd.	China	Petrochemicals sales	(formerly, SK Global Chemical Co., Ltd.) SK Global Chemical China Limited	100.00%
SK Global Chemical International Trading (Shanghai) Co., Ltd.	China	Petrochemicals sales	SK Global Chemical China Limited	100.00%
SK Global Chemical International Trading (Guangzhou) Co., Ltd.	China	Petrochemicals sales	SK Global Chemical China Limited	100.00%
SK GC Americas, Inc.	USA	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
SK Primacor Americas LLC	USA	Petrochemicals sales	(formerly, SK Global Chemical Co., Ltd.) SK GC Americas, Inc.	100.00%
SK Primacor Europe, S.L.U.	Spain	Petrochemicals sales	SK GC Americas, Inc.	100.00%
SK Saran Americas, LLC	USA	Petrochemicals sales	SK GC Americas, Inc.	100.00%
SK Geo Centric Japan Co., Ltd.	Japan	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
(formerly, SK Global Chemical Japan Co., Ltd.)			(formerly, SK Global Chemical Co., Ltd.)	
SK Geo Centric Singapore Pte. Ltd.	Singapore	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
(formerly, SK Global Chemical Singapore Pte. Ltd.)			(formerly, SK Global Chemical Co., Ltd.)	
SK Global Chemical Investment Hong Kong Ltd.	Hong Kong	Investment	SK Geo Centric Co., Ltd.	100.00%
			(formerly, SK Global Chemical Co., Ltd.)	
Ningbo SK Performance Rubber Co., Ltd.	China	Synthetic rubber manufacturing	SK Global Chemical Investment Hong Kong Ltd.	80.00%
Happymoeum Co., Ltd.	Korea	Service	SK Geo Centric Co., Ltd.	100.00%
			(formerly, SK Global Chemical Co., Ltd.)	
SK Functional Polymer, S.A.S	France	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%
			(formerly, SK Global Chemical Co., Ltd.)	
Green & Connect Capital, Inc.	USA	Investment	SK Geo Centric Co., Ltd.	100.00%
			(formerly, SK Global Chemical Co., Ltd.)	
SK Incheon Petrochem Co., Ltd.	Korea	Petrochemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%
SK Trading International Co., Ltd.	Korea	Trading business	SK Innovation Co., Ltd.	100.00%
SK Energy International Pte. Ltd.	Singapore	Trading business	SK Trading International Co., Ltd.	100.00%
SK Energy Europe, Ltd.	UK	Trading business	SK Energy International Pte. Ltd.	100.00%
SK Energy Americas, Inc.	USA	Trading business	SK Energy International Pte. Ltd.	100.00%
SK Terminal B.V.	Netherlands	Investment	SK Energy International Pte. Ltd.	100.00%
SK Lubricants Co., Ltd.	Korea	Lubricants oil manufacturing and sales	SK Innovation Co., Ltd.	60.00%
Yubase Manufacturing Asia Corporation	Korea	Lubricants oil processing	SK Lubricants Co., Ltd.	70.00%
SK Energy Lubricants (Tianjin) Co., Ltd.	China	Lubricants oil manufacturing and sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants Americas, Inc.	USA	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants Europe B.V.	Netherlands	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants Japan Co., Ltd.	Japan	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK Lubricants & Oils India Pvt. Ltd.	India	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
Iberian Lube Base Oils, S.A.	Spain	Lubricants oil manufacturing and sales	SK Lubricants Co., Ltd.	70.00%
SK Lubricants Russia, LLC	Russia	Lubricants oil sales	SK Lubricants Co., Ltd.	100.00%
SK ie technology Co., Ltd.	Korea	Plastic film manufacturing	SK Innovation Co., Ltd.	61.20%

SK Inc. and its subsidiaries
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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SK Hi-tech Battery Materials(Jiang Su) Co., Ltd.	China	Separation membrane for secondary battery manufacturing	SK ie technology Co., Ltd.	100.00%
SK Hi-tech Battery Materials Poland Sp. Zo.o.	Poland	Separation membrane for secondary battery manufacturing	SK ie technology Co., Ltd.	100.00%
SK Mobile Energy Co., Ltd.	Korea	Lithium battery manufacturing	SK Innovation Co., Ltd.	100.00%
Yancheng Yandu District M Energy Consulting Limited Company	China	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%
Mobile Energy Battery America, LLC	USA	Lithium battery manufacturing	SK Mobile Energy Co., Ltd.	100.00%
SK Innovation Insurance (Bermuda), Ltd.	Bermuda	Insurance	SK Innovation Co., Ltd.	100.00%
SK USA, Inc.	USA	Management consulting services	SK Innovation Co., Ltd.	100.00%
Super Seed NY, LLC	USA	Investment	SK USA, Inc.	100.00%
Blue Dragon Energy Co., Limited	Hong Kong	Investment	SK Innovation Co., Ltd.	100.00%
Jiangsu SK Battery Certification Center	China	Lithium battery certification and evaluation	Blue Dragon Energy Co., Limited	100.00%
SK Battery Hungary Kft.	Hungary	Lithium battery manufacturing	SK Innovation Co., Ltd.	100.00%
SK Battery America, Inc.	USA	Lithium battery manufacturing	SK Innovation Co., Ltd.	100.00%
SK Battery Manufacturing Kft.	Hungary	Lithium battery manufacturing	SK Innovation Co., Ltd.	100.00%
Happy Kium Co., Ltd.	Korea	Service	SK Innovation Co., Ltd.	100.00%
SK Future Energy (Shanghai) Co., Ltd.	China	Battery sales	SK Innovation Co., Ltd.	100.00%
SK E&P Company, Ltd.	USA	Crude oil development	SK Innovation Co., Ltd.	100.00%
SK E&P America, Inc.	USA	Investment	SK Innovation Co., Ltd.	100.00%
SK Plymouth, LLC	USA	Crude oil development	SK E&P America, Inc.	100.00%
SK E&P Operations America, LLC	USA	Crude oil development	SK E&P America, Inc.	100.00%
SK Nemaha, LLC	USA	Crude oil development	SK E&P America, Inc.	100.00%
SK Battery(Jiangsu) Co., Ltd.	China	Lithium battery manufacturing	SK Innovation Co., Ltd.	70.01%
SK Battery(Yancheng) Co., Ltd.	China	Lithium battery manufacturing	SK Innovation Co., Ltd.	100.00%
SK Telecom Co., Ltd. (*2)	Korea	Mobile telecommunications	SK Inc.	30.01%
SK Telink Co., Ltd.	Korea	International call and MVNO business	SK Telecom Co., Ltd.	100.00%
SK Broadband Co., Ltd.	Korea	Wire communications	SK Telecom Co., Ltd.	74.34%
Home&Service Co., Ltd.	Korea	Information and communication facilities management business	SK Broadband Co., Ltd.	100.00%
Media S Co., Ltd.	Korea	Broadcasting program production and supplying	SK Broadband Co., Ltd.	100.00%
Broadband Nowon Broadcasting Corporation	Korea	Broadcasting business	SK Telecom Co., Ltd.	100.00%
SK Stoa Co., Ltd.	Korea	Other resale communication business	SK Telecom Co., Ltd.	100.00%
PS&Marketing Corp.	Korea	Resale communication business	SK Telecom Co., Ltd.	100.00%
Serviceace Co., Ltd.	Korea	Call center and telemarketing business	SK Telecom Co., Ltd.	100.00%
Service Top Co., Ltd.	Korea	Call center and telemarketing business	SK Telecom Co., Ltd.	100.00%
SK O&S Co., Ltd.	Korea	Base station maintenance management	SK Telecom Co., Ltd.	100.00%
One store Co., Ltd. (*2,3)	Korea	Telecommunication service	SK Telecom Co., Ltd.	48.41%
Rok media Co., Ltd.	Korea	Publishing and Telecommunications Sales	One store Co., Ltd.	100.00%
SK Communications Co., Ltd.	Korea	Internet portal service	SK Telecom Co., Ltd.	100.00%
11street Co., Ltd. (*4)	Korea	E-commerce	SK Telecom Co., Ltd.	98.10%
Quantum Innovation Private Equity Joint Venture	Korea	Investment	SK Telecom Co., Ltd.	59.90%
Panasia Semiconductor Materials, LLC	Korea	Investment	Quantum Innovation Private Equity Joint Venture	66.42%
SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.) (*5)	Korea	Information security service and automatic security	SK Telecom Co., Ltd.	100.00%
CAPSTEC Co., Ltd.	Korea	Manned security	SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.)	100.00%
SK infosec Information Technology (Wuxi) Co., Ltd.	China	System software development and supplying	SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.)	100.00%
CAPS America Inc.	USA	System software development and supplying	SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.)	100.00%
SK Planet Co., Ltd.	Korea	Telecommunication service and system software development and supplying	SK Telecom Co., Ltd.	98.65%
SK M & Service Co., Ltd.	Korea	Database and online information supplying	SK Planet Co., Ltd.	100.00%
SK Planet Global Holdings Pte, Ltd.	Singapore	Holding company	SK Planet Co., Ltd.	100.00%
SKP America, LLC	USA	Digital contents sourcing and presenting	SK Planet Co., Ltd.	100.00%
K-Net Culture & Contents Venture Fund	Korea	Investment fund	SK Planet Co., Ltd.	59.00%
SK Telecom China Holdings Co., Ltd.	China	Holding company	SK Telecom Co., Ltd.	100.00%
SK Global Healthcare Business Group, Ltd.	Hong Kong	Investment	SK Telecom Co., Ltd.	100.00%
SKT Americas, Inc.	USA	Management consulting and information gathering	SK Telecom Co., Ltd.	100.00%
YTK Investment Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%
Atlas Investment Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%
SK Telecom Innovation Fund, L.P.	USA	Investment	Atlas Investment Ltd.	100.00%
SK Telecom China Fund I L.P.	Cayman	Investment	Atlas Investment Ltd.	100.00%
SK Telecom TMT investment Corp.	USA	Investment	SK Telecom Co., Ltd.	100.00%
Dreamus Company Co., Ltd. (*2)	Korea	Video and audio equipment manufacturing	SK Telecom Co., Ltd.	41.78%
Iriver Enterprise Ltd.	Hong Kong	Chinese subsidiary management	Dreamus Company Co., Ltd.	100.00%
Iriver China Co., Ltd.	China	MP3,4 production and sales	Iriver Enterprise Ltd.	100.00%
Dongguan iriver Electronics Co., Ltd.	China	Electronic book production and sales	Iriver Enterprise Ltd.	100.00%
Life Design Company Japan Inc.	Japan	Japan goods sales	Dreamus Company Co., Ltd.	100.00%
Studio Dolphin Co., Ltd.	Korea	Publishing	Dreamus Company Co., Ltd.	100.00%
SK Telecom Japan Inc.	Japan	Management consulting and information gathering	SK Telecom Co., Ltd.	100.00%
SK Planet Japan, K. K.	Japan	Digital contents sourcing and presenting	SK Telecom Japan Inc.	79.78%
Id Quantique SA	Swiss	Quantum information and communication business	SK Telecom Co., Ltd.	69.30%
Id Quantique Ltd.	Korea	Quantum information and communication business	Id Quantique SA	100.00%
FSK L&S Co., Ltd.	Korea	Cargo transport shipment and logistics consulting project	SK Telecom Co., Ltd.	60.00%
FSK L&S(Shanghai) Co., Ltd.	China	Transportation industry	FSK L&S Co., Ltd.	100.00%
FSK L&S(Hungary) Co., Ltd.	Hungary	Transportation industry	FSK L&S Co., Ltd.	100.00%
FSK L&S Vietnam Co., Ltd.	Vietnam	Transportation industry	FSK L&S Co., Ltd.	100.00%
FSK L&S(Jiangsu) Co., Ltd.	China	Transportation industry	FSK L&S Co., Ltd.	100.00%
Incross Co., Ltd. (*2)	Korea	Media agency	SK Telecom Co., Ltd.	34.60%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity Ownership (%)
Infra Communications Co., Ltd.	Korea	Service operation business	Incross Co., Ltd.	100.00%
Mindknock Co., Ltd.	Korea	Software development	Incross Co., Ltd.	100.00%
Happy Hanoool Co., Ltd.	Korea	Service	SK Telecom Co., Ltd.	100.00%
SK MENA Investment B.V.	Netherlands	Investment	SK Telecom Co., Ltd.	100.00%
SK Latin America Investment S.A.	Spain	Investment	SK Telecom Co., Ltd.	100.00%
SK Technology Innovation Company	Cayman	Research and development	SK Telecom Co., Ltd.	96.88%
Tmap Mobility Co., Ltd. (*6)	Korea	Information and communication industry	SK Telecom Co., Ltd.	66.26%
YLP Inc.	Korea	Cargo transport shipment business	Tmap Mobility Co., Ltd.	100.00%
Good service Co., Ltd	Korea	Driving agency service	Tmap Mobility Co., Ltd.	100.00%
SK Networks Co., Ltd. (*2)	Korea	Distribution and trading business	SK Inc.	39.14%
SK Networks Service Co., Ltd.	Korea	Communications equipment repair service	SK Networks Co., Ltd.	86.50%
SK Magic Co., Ltd.	Korea	Household appliances manufacturing, sales and rent	SK Networks Co., Ltd.	100.00%
SK Magic Service Co., Ltd.	Korea	House appliances repair and others	SK Magic Co., Ltd.	100.00%
SK Magic Vietnam Company Limited	Vietnam	Household appliances sales and rent	SK Magic Co., Ltd.	100.00%
SK Networks Retail Malaysia Sdn. Bhd.	Malaysia	Household appliances sales and rent	SK Magic Co., Ltd.	100.00%
SK Rent-a-Car Co., Ltd.	Korea	Car rental	SK Networks Co., Ltd.	72.95%
SK Rent-a-Car Service Co., Ltd.	Korea	Business support services	SK Rent-a-Car Co., Ltd.	100.00%
SK Networks (Shanghai) Co., Ltd.	China	Trading business	SK Networks Co., Ltd.	100.00%
POSK (Pinghu) Steel Processing Center Co., Ltd.	China	Steel processing and sales	SK Networks Co., Ltd.	80.00%
SK Networks Japan Co., Ltd.	Japan	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks Deutschland GmbH	Germany	Trading business	SK Networks Co., Ltd.	100.00%
SK BRASIL LTDA	Brazil	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks Trading Malaysia Sdn. Bhd.	Malaysia	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks America, Inc.	USA	Trading business	SK Networks Co., Ltd.	100.00%
SK NETWORKS BRASIL INTERMEDIACAO DE NEGOCIOS LTDA.	Brazil	Trading business	SK Networks Co., Ltd.	100.00%
Networks Tejarat Pars	Iran	Trading business	SK Networks Co., Ltd.	100.00%
MINTIT Co., Ltd.	Korea	Resale communication business	SK Networks Co., Ltd.	100.00%
MINTIT VINA	Vietnam	Resale communication business	SK Networks Co., Ltd.	100.00%
TenX Capital	USA	Investment	SK Networks Co., Ltd.	100.00%
SK Networks Hong Kong Ltd.	Hong Kong	Trading business	SK Networks Co., Ltd.	100.00%
SK Networks (Xiamen) Steel Processing Center Co., Ltd.	China	Steel processing and sales	SK Networks Hong Kong Ltd.	100.00%
SK (Guangzhou) Metal Co., Ltd. (*7)	China	Steel processing and sales	SK Networks Hong Kong Ltd.	100.00%
SK Networks Resources Australia (Wyong) Pty Ltd. (*7)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks Resources Pty Ltd. (*7)	Australia	Resource development	SK Networks Co., Ltd.	100.00%
SK Networks (China) Holdings Co., Ltd. (*7)	China	Holding company	SK Networks Co., Ltd.	100.00%
Shenyang SK Bus Terminal Co., Ltd. (*7)	China	Bus terminal business	SK Networks (China) Holdings Co., Ltd.	75.00%
SK Networks (Liaoning) Logistics Co., Ltd. (*7)	China	Distribution and logistics	SK Networks (China) Holdings Co., Ltd.	100.00%
SK Networks (Dandong) Energy Co., Ltd. (*7)	China	Petroleum sales	SK Networks (China) Holdings Co., Ltd.	100.00%
Cartini Co., Ltd.	Korea	E-commerce retail business	SK Networks Co., Ltd.	100.00%
SKC Co., Ltd. (*2)	Korea	Petrochemicals manufacturing	SK Inc.	40.64%
Woori Fine Chem Co., Ltd.	Korea	Petrochemicals manufacturing	SKC Co., Ltd.	100.00%
SK Telesys Co., Ltd.	Korea	Communications equipment manufacturing and sales	SKC Co., Ltd.	81.40%
Techdream Co., Ltd.	Hong Kong	Semiconductor component	SK Telesys Co., Ltd.	100.00%
SKC Solmics Co., Ltd.	Korea	Semiconductor component manufacturing	SKC Co., Ltd.	100.00%
Solmics Taiwan Co., Ltd.	Taiwan	Semiconductor component distribution	SKC Solmics Co., Ltd.	100.00%
Solmics Shanghai Co., Ltd.	China	Semiconductor component distribution	SKC Solmics Co., Ltd.	100.00%
SKC Solmics Hong Kong Co., Ltd.	Hong Kong	Special purpose company	SKC Solmics Co., Ltd.	100.00%
SKC Semiconductor Materials (Wuxi) Co., Ltd.	China	Semiconductor material cleaning	SKC Solmics Co., Ltd.	100.00%
SKC (Jiangsu) High tech Plastics Co., Ltd.	China	Film manufacturing	SKC Co., Ltd.	100.00%
SKC, Inc.	USA	Manufacturing	SKC Co., Ltd.	100.00%
SKC Europe GmbH	Germany	Sales	SKC Co., Ltd.	100.00%
SKC Hi-Tech&Marketing Co., Ltd.	Korea	Film manufacturing	SKC Co., Ltd.	100.00%
SKC Hi-Tech&Marketing (Suzhou) Co., Ltd.	China	Film manufacturing	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC Hi-Tech&Marketing Polska SP.Z.O.O	Poland	Film manufacturing	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC Hi-Tech&Marketing USA LLC	USA	Film manufacturing	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC Hi-Tech&Marketing Vina Co., Ltd.	Vietnam	Film manufacturing	SKC Hi-Tech&Marketing Co., Ltd.	100.00%
SKC PU Specialty Co., Ltd.	Hong Kong	Special purpose company	SKC Co., Ltd.	100.00%
SKC (Nantong) PU Specialty Co., Ltd.	China	Electronic materials manufacturing	SKC PU Specialty Co., Ltd.	100.00%
SKC-ENF Electronic Materials Ltd.	Hong Kong	Special purpose company	SKC Co., Ltd.	75.10%
SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	China	Electronic materials manufacturing	SKC-ENF Electronic Materials Ltd.	100.00%
SE (JIANGSU) Electronic Materials Co., Ltd.	China	Sales of raw chemical materials and chemical products related to semiconductor	SKC-ENF Electronic Materials Ltd.	100.00%
SK PIC Global Co., Ltd.	Korea	Petrochemicals sales	SKC Co., Ltd.	51.00%
SKCFTH Co., Ltd.	Korea	Professional, scientific technology services	SKC Co., Ltd.	100.00%
SK Nexilis Co., Ltd.	Korea	Manufacturing	SKCFTH Co., Ltd.	100.00%
SK Nexilis Malaysia Sdn. Bhd.	Malaysia	Manufacturing	SK Nexilis Co., Ltd.	100.00%
SK TBMGEOSTONE Co., Ltd.	Korea	Manufacturing	SKC Co., Ltd.	51.00%
SK E&S Co., Ltd.	Korea	City gas business and power generation	SK Inc.	90.00%
Kangwon City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Yeongnam Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Ko-one Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Narae Energy Service Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%
Busan City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	67.32%
Jeonbuk Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Chonnam City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Chungcheong Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%
Paju Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	51.00%
Yeosu Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	100.00%
Shinanjeungdo Sunlight Co., Ltd.	Korea	New regeneration project	SK E&S Co., Ltd.	100.00%
SK E&S Hong Kong Co., Ltd.	Hong Kong	City gas business	SK E&S Co., Ltd., Busan City Gas Co., Ltd.	100.00%
SK E&S Australia Pty. Ltd.	Australia	Resource development	SK E&S Co., Ltd.	100.00%
SK E&S Americas, Inc.	USA	Holding company	SK E&S Co., Ltd.	100.00%
SK E&S LNG, LLC	USA	LNG business	SK E&S Americas, Inc.	100.00%
DewBlaine Energy, LLC	USA	Resource development	SK E&S Americas, Inc.	100.00%
CALIP Gas Marketing, LLC	USA	LNG business	SK E&S Americas, Inc.	100.00%
Rhes Holdings, LLC	USA	Renewable / electric power business	SK E&S Americas, Inc.	100.00%
Pnes Investments, LLC	USA	Investment	SK E&S Americas, Inc.	100.00%
Prism Energy International China Limited	China	LNG business	SK E&S Co., Ltd.	100.00%
Prism Energy International Zhoushan Limited	China	LNG business	Prism Energy International China Limited	100.00%

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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
Prism Energy International Pte. Ltd.	Singapore	LNG business	SK E&S Co., Ltd.	100.00%
Fajar Energy International Pte. Ltd.	Singapore	LNG business	Prism Energy International Pte. Ltd.	100.00%
Prism Energy International Hong Kong, Ltd.	Hong Kong	LNG business	Prism Energy International Pte. Ltd.	100.00%
PT Prism Nusantara International	Indonesia	LNG business	SK E&S Co., Ltd.	100.00%
SK E&S Dominicana S.R.L	Dominica	LNG business	SK E&S Co., Ltd.	100.00%
Hae-Ssal Solar Power Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%
Prism DLNG Pte. Ltd.	Singapore	LNG business	SK E&S Co., Ltd.	100.00%
BU12 Australia Pty. Ltd.	Australia	LNG business	SK E&S Co., Ltd.	100.00%
BU13 Australia Pty. Ltd.	Australia	LNG business	SK E&S Co., Ltd.	100.00%
Energy Solution Holdings Inc.	USA	Investment	SK E&S Co., Ltd.	100.00%
Ariul Solar Power Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%
Busan Jungkwan Energy Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%
IGE Co., Ltd.	Korea	Hydrogen business	SK E&S Co., Ltd.	100.00%
New&Company Two Pte. Ltd.	Vietnam	Wind power business	SK E&S Co., Ltd.	100.00%
Jeonnam II Offshore Wind Power Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%
Jeonnam III Offshore Wind Power Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%
Dangjin Haengbok Solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%
Grid Solution, LLC	USA	New regeneration business	SK E&S Co., Ltd.	100.00%
Storage Solution, LLC	USA	New regeneration business	Grid Solution, LLC	100.00%
SK ecoplant Co., Ltd.	Korea	Construction	SK Inc.	44.48%
(formerly, SK Engineering & Construction Co., Ltd.) (*2)				
Seosuwon Development Company (*2)	Korea	Real estate development and construction	SK ecoplant Co., Ltd.	19.90%
SKEC Nanjing Co., Ltd.	China	Construction	SK ecoplant Co., Ltd.	100.00%
SKEC (Thai), Ltd.	Thailand	Construction	SK ecoplant Co., Ltd.	100.00%
Thai Woo Ree Engineering Co., Ltd.	Thailand	Construction	SKEC (Thai), Ltd.	99.77%
SKEC Anadolu, LLC	Turkey	Construction	SK ecoplant Co., Ltd.	100.00%
SK E&C Betek Corporation	USA	Real estate development and construction	SK ecoplant Co., Ltd.	100.00%
Mesa Verde RE Ventures, LLC	USA	Real estate development	SK E&C Betek Corporation	100.00%
SKEC Consultores Ecuador, S.A.	Ecuador	Construction	SK ecoplant Co., Ltd.	100.00%
Sunlake Co., Ltd.	Canada	Construction and services	SK ecoplant Co., Ltd.	100.00%
SK HOLDCO PTE. LTD.	Singapore	Holding company	SK ecoplant Co., Ltd.	63.51%
Silvertown Investco Limited	UK	Construction	SK ecoplant Co., Ltd.	100.00%
Seongju Tech Co., Ltd.	Korea	Manufacturing	SK ecoplant Co., Ltd.	100.00%
DDS Co., Ltd.	Korea	Disposal of medical waste	SK ecoplant Co., Ltd.	100.00%
Samwon ENT Co., Ltd.	Korea	Disposal of waste	SK ecoplant Co., Ltd.	100.00%
The Eco Platform Co., Ltd.	Korea	Investment	SK ecoplant Co., Ltd.	100.00%
Environment Management Corporation Co., Ltd.	Korea	Operation of sewage treatment plant	The Eco Platform Co., Ltd.	100.00%
Maeripji Management Co., Ltd.	Korea	Investment	Environment Management Corporation Co., Ltd.	100.00%
YS TEC Co., Ltd.	Korea	Waste incineration	Maeripji Management Co., Ltd.	100.00%
Seonam Environment Energy Co., Ltd.	Korea	Waste recycling	Environment Management Corporation Co., Ltd.	100.00%
Honam Environmental Energy Co., Ltd.	Korea	Waste consignment disposal	Environment Management Corporation Co., Ltd.	100.00%
Green Hwasun Inc.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Green Sunchang Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Gyeongsan Clear Mulgil Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	65.00%
Dalseong Maleunmulgil Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	70.00%
Goksung Environment Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%
Environment Energy Company Co., Ltd.	Korea	Electricity & renewable energy generation	Environment Management Corporation Co., Ltd.	100.00%
Chungcheong Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Energy Company Co., Ltd.	100.00%
Gyeonggi Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Energy Company Co., Ltd.	100.00%
Gyeongbuk Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Energy Company Co., Ltd.	100.00%
Gyeongin Environment Energy Company	Korea	Waste incineration	Environment Energy Company Co., Ltd.	100.00%
Saehan Environment Co., Ltd.	Korea	Disposal of waste	SK ecoplant Co., Ltd.	100.00%
Daewon Green Energy Co., Ltd.	Korea	Disposal of waste	SK ecoplant Co., Ltd.	100.00%
Daewon Hi-Teck Co., Ltd.	Korea	Construction waste collection and transportation	Daewon Green Energy Co., Ltd.	100.00%
KS Investment B.V.	Netherlands	Investment	SK ecoplant Co., Ltd.	72.51%
SK Materials Co., Ltd. (*2)	Korea	Special gas manufacturing and sales	SK Inc.	49.10%
SK Materials Japan Co., Ltd.	Japan	Special gas sales	SK Materials Co., Ltd.	95.00%
SK Materials Taiwan Co., Ltd.	Taiwan	Special gas sales	SK Materials Co., Ltd.	100.00%
SK Materials Jiangsu Co., Ltd.	China	Special gas manufacturing and sales	SK Materials Co., Ltd.	100.00%
SK Materials (Xian) Co., Ltd.	China	Trading business and warehouse operation	SK Materials Co., Ltd.	100.00%
SK Materials (Shanghai) Co., Ltd.	China	Special gas sales	SK Materials Co., Ltd.	100.00%
SK Tri Chem Co., Ltd.	Korea	Manufacturing and sales of precursors and others	SK Materials Co., Ltd.	65.00%
SK Showa Denko Co., Ltd.	Korea	Sales of raw chemical materials and chemical products related to semiconductor	SK Materials Co., Ltd.	51.00%
Happy Companion Co., Ltd.	Korea	Cleaning, laundry, service	SK Materials Co., Ltd.	100.00%
SK Materials Airplus Inc.	Korea	Industrial gas sales	SK Materials Co., Ltd.	100.00%
SK Materials Ri New Tech Co., Ltd.	Korea	Industrial gas manufacturing	SK Materials Co., Ltd.	80.00%
SK Materials Performance Co., Ltd.	Korea	Semiconductor materials manufacturing and sales	SK Materials Co., Ltd.	100.00%
SK Materials JNC Co., Ltd.	Korea	Manufacturing of organic light emitting diode material	SK Materials Co., Ltd.	51.00%
SK JNC Japan Co., Ltd.	Japan	Manufacturing of organic light emitting diode material	SK Materials JNC Co., Ltd.	100.00%
SK Siltron Co., Ltd.	Korea	Silicon wafer for electronic industry manufacturing and sales	SK Inc.	51.00%
SK Siltron America, Inc.	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron Japan, Inc.	Japan	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron Shanghai Co., Ltd.	China	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%
SK Siltron USA, Inc.	USA	Investment	SK Siltron Co., Ltd.	100.00%
SK Siltron CSS, LLC	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron USA, Inc.	100.00%
Happyfilling Co., Ltd.	Korea	Service	SK Siltron Co., Ltd.	100.00%
SK Biopharmaceuticals Co., Ltd. (*8)	Korea	Medicine and life science	SK Inc.	64.10%
SK Life Science, Inc.	USA	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%
SK Bio-Pharma Tech (Shanghai) Co., Ltd.	China	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%
SK S.E.Asia Pte. Ltd.	Singapore	Investment	SK Inc.	100.00%
Essencore Limited	Hong Kong	Manufacturing and distribution of semiconductor modules	SK S.E.Asia Pte. Ltd.	100.00%
Essencore (ShenZhen) Limited	China	Consulting for computer system integration	Essencore Limited	100.00%
SK China Company, Ltd.	Hong Kong	Consulting and investment	SK Inc.	88.13%
SK Bio Energy Hong Kong Co., Ltd.	Hong Kong	Biomass electricity generation	SK China Company, Ltd.	69.40%

SK Inc. and its subsidiaries
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1.2 Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership (*1)
SK Property Investment Management Co., Ltd.	Hong Kong	Real estate investment	SK China Company, Ltd.	100.00%
SK Industrial Development China Co., Ltd.	Hong Kong	Investment	SK China Company, Ltd.	100.00%
Beijing Lizhi Weixin Technology Co., Ltd.	China	Investment	SK China Company, Ltd.	100.00%
Shanghai SKY Real Estate Development Co., Ltd.	China	Real estate investment	SK Industrial Development China Co., Ltd.	100.00%
SK China Investment Management Co., Ltd.	Hong Kong	Real estate investment	SK China Company, Ltd.	100.00%
SK International Agro-Products Logistics Development Co., Ltd.	Hong Kong	Agriculture product logistics	SK China Investment Management Co., Ltd.	100.00%
SK International Agro-Sideline Products Park Co., Ltd.	China	Agriculture product logistics	SK International Agro-Products Logistics Development Co., Ltd.	100.00%
SK Auto Service Hong Kong Co., Ltd.	Hong Kong	Holding company	SK China Company, Ltd.	100.00%
Skyline Auto Financial Leasing Co., Ltd.	Hong Kong	Investment	SK Auto Service Hong Kong Co., Ltd.	100.00%
SK Financial Leasing Co., Ltd.	China	Financial lease	SK Auto Service Hong Kong Co., Ltd.	100.00%
SK China (Beijing) Co., Ltd.	China	Consulting	SK China Company, Ltd.	100.00%
SKY Property Management Ltd.	Virgin Islands	Investment	SK China Company, Ltd.	100.00%
SKY Investment Co., Ltd.	China	Real estate management	SK China Company, Ltd.	100.00%
SK China Real Estate Co., Ltd.	Hong Kong	Real estate investment	SKY Property Management Ltd.	100.00%
SK C&C Beijing Co., Ltd.	China	Consulting for computer system integration and others	SK Inc.	100.00%
SK C&C Chengdu Co., Ltd.	China	Consulting for computer system integration and others	SK C&C Beijing Co., Ltd.	100.00%
SK C&C India Pvt. Ltd.	India	Consulting for computer system integration and others	SK Inc.	100.00%
SK C&C USA, Inc.	USA	Consulting for computer system integration and others	SK Inc.	100.00%
S&G Technology	Saudi Arabia	Consulting for computer system integration and others	SK Inc.	51.00%
Saturn Agriculture Investment Co., Ltd.	Hong Kong	Investment	SK Inc.	81.00%
SK Investment Management Co., Ltd.	Hong Kong	Investment	SK Inc.	100.00%
SK Mobility Investments Company Limited	Hong Kong	Investment	SK Investment Management Co., Ltd.	100.00%
SK Semiconductor Investments Co., Ltd.	Hong Kong	Investment management	SK Investment Management Co., Ltd.	100.00%
Gemini Partners Pte. Ltd.	Singapore	Consulting	SK Inc., SK Innovation Co., Ltd., SK Telecom Co., Ltd., and SK E&S Co., Ltd.	80.00%
Solaris Partners Pte. Ltd.	Singapore	Consulting	Gemini Partners Pte. Ltd.	100.00%
Solaris GEIF Investment	USA	Investment	Solaris Partners Pte. Ltd.	100.00%
SK GI Management	Cayman	Investment	SK Inc.	100.00%
Plutus Capital NY, Inc.	USA	Investment	SK Inc.	100.00%
Hudson Energy NY, LLC	USA	Investment	Plutus Capital NY, Inc.	50.13%
Hudson Energy NY II, LLC	USA	Investment	Plutus Capital NY, Inc.	50.00%
Hudson Energy NY III, LLC	USA	Investment	Plutus Capital NY, Inc.	50.50%
Grove Energy Capital LLC	USA	Investment	Plutus Capital NY, Inc., Pnes Investments, LLC	100.00%
Plutus Capital NY II, Inc	USA	Investment	SK Inc.	100.00%
Grove Energy Capital II, LLC	USA	Investment	Plutus Capital NY II, Inc	100.00%
Plutus Fashion NY, Inc.	USA	Fashion	SK Inc.	100.00%
Wonderland NY, Inc.	USA	Investment	Plutus Fashion NY, Inc.	100.00%
Atlas NY, LLC	USA	Investment	Plutus Fashion NY, Inc.	61.24%
SK South East Asia Investment Pte. Ltd.	Singapore	Investment	SK Inc., SK Innovation Co., Ltd., SK Telecom Co., Ltd. and SK E&S Co., Ltd.	80.00%
SK Investment Vina I Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	50.01%
SK Investment Vina II Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	50.01%
SK Investment Vina III Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
MSN Investment Pte. Ltd.	Singapore	Investment	SK Investment Vina III Pte. Ltd.	100.00%
SK Investment Vina IV Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
SK Malaysia Investment I Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%
SK Pharmteco Inc.	USA	Investment	SK Inc.	100.00%
SK Biotek Co., Ltd.	Korea	Drug medicine	SK Pharmteco Inc.	100.00%
SK BIOTEK IRELAND LIMITED	Ireland	Pharmaceutical manufacturing	SK Pharmteco Inc.	100.00%
SK BIOTEK USA, Inc.	USA	Medicine and life science	SK Pharmteco Inc.	100.00%
Crest Acquisition LLC	USA	Investment	SK Pharmteco Inc.	100.00%
Yposkesi, SAS	France	Medicine manufacturing	Crest Acquisition LLC	70.00%
Abrasax Investment Inc.	USA	Investment	SK Pharmteco Inc.	100.00%
Fine Chemicals Holdings Corp.	USA	Investment	Abrasax Investment Inc.	100.00%
AMPAC Fine Chemicals, LLC	USA	Drug medicine	Fine Chemicals Holdings Corp.	100.00%
AMPAC Fine Chemicals Texas, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%
AMPAC Fine Chemicals Virginia, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%
Golden Pearl EV Solutions Limited	Hong Kong	Investment	SK Inc.	100.00%
Socar Mobility Malaysia, Sdn. Bhd.	Malaysia	Car sharing service	SK Inc.	66.27%
Future Mobility Solutions Sdn. Bhd.	Malaysia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%
PT Future Mobility Solutions	Indonesia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%
Einstein Cayman Limited	Cayman	Investment	SK Inc.	100.00%
I Cube Capital Inc.	USA	Investment	SK Inc.	100.00%
I Cube Capital Hong Kong 1. LP Limited.	Hong Kong	Investment	I Cube Capital Inc.	100.00%
Tellus Investment Partners, Inc. (formerly, I Cube Capital II, Inc.)	USA	Investment	SK Inc.	100.00%
Primero Protein LLC	USA	Investment	Tellus Investment Partners, Inc. (formerly, I Cube Capital II, Inc.)	67.55%
Terra LLC	USA	Investment	Tellus Investment Partners, Inc. (formerly, I Cube Capital II, Inc.)	100.00%
Castanea Bioscience Inc.	USA	Investment	SK Inc.	100.00%
SK Forest Co., Ltd.	Korea	Landscaping and planting business	SK Inc.	100.00%
Hweechan Co., Ltd.	Korea	Condo, resort operation	SK Inc.	100.00%
SK Pinx Co., Ltd.	Korea	Golf club operating	Hweechan Co., Ltd.	100.00%
SK REITs Co., Ltd. (*9)	Korea	Real estate developing and trading	SK Inc.	50.00%
Clean Energy REITs Co., Ltd.	Korea	Real estate developing and trading	SK REITs Co., Ltd.	100.00%
SK REITs Management Co., Ltd.	Korea	Real estate developing and trading	SK Inc.	100.00%
SK Japan Investment Inc.	Japan	Investment	SK Inc., SKC Co., Ltd., SK Materials Co., Ltd., and SK Siltron Co., Ltd.	100.00%
SIGNET EV Inc. (*10)	Korea	Electric vehicle charger manufacturing and selling	SK Inc.	0.00%
SIGNET Energy Inc.	Korea	Electric vehicle charger maintenance	SIGNET EV Inc.	100.00%
SIGNET EV America Inc.	USA	Electric vehicle charger maintenance and technical support	SIGNET EV Inc.	100.00%

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1.2 Consolidated subsidiaries (cont'd)

- (*1) The equity ownership is based on ordinary shares and includes indirect investments held by the consolidated subsidiaries.
- (*2) SK Innovation Co., Ltd. and 10 other companies are included in the interim condensed consolidated financial statements as the Company is able to exercise de facto control. The remaining voting rights of SK Innovation Co., Ltd. and 10 other companies are widely dispersed, so it is determined that the Company has voting rights to exercise de facto control.
- (*3) Although the Group's equity interests for common stock in One store Co., Ltd. is 48.41%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 47.49%.
- (*4) Although the Group's equity interests for common stock in 11street Co., Ltd. is 98.10%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 80.26%.
- (*5) ADT Caps Co., Ltd. and SK Infosec Co., Ltd., the subsidiaries of the Group, merged on March 4, 2021, and the name of the entity after the merger is SK Shieldus Co., Ltd. Although the Group's equity interests for common stock in SK Shieldus Co., Ltd. is 100.00%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 62.60%.
- (*6) There was an unequal paid-in capital increase during the nine-month period ended September 30, 2021, resulted in a share ratio change from 100.00% to 66.26%.
- (*7) The assets and liabilities of SK Networks Resources Australia (Wyong) Pty Ltd. and 6 other companies are classified as assets and liabilities held for sale (see Note 29 assets and liabilities held for sale).
- (*8) During the nine-month period ended September 30, 2021, some of the stocks were sold, and the share ratio changed from 75.00% to 64.10%.
- (*9) There was an unequal paid-in capital increase during the nine-month period ended September 30, 2021, resulted in a share ratio change from 100.00% to 50.00%.
- (*10) Although the Group's equity interests for common stock in SIGNET EV Inc. is 0.00%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 53.38%.

1.3 Changes in consolidated subsidiaries

Changes in the consolidated subsidiaries for the nine-month period ended September 30, 2021 are as follows:

December 31, 2020	Inclusion	Exclusion	September 30, 2021
325	58	17	366

For the nine-month period ended September 30, 2021, subsidiaries newly included in consolidation are as follows:

Subsidiaries	Reasons for changes
Sino-Korea Green New Material (Jiangsu) Ltd.	Establishment (35 companies)
Green & Connect Capital, Inc.	
Yancheng Yandu District M Energy Consulting Limited Company	
SK Battery(Yancheng) Co., Ltd.	
Media S Co., Ltd.	
CAPS America Inc.	
FSK L&S(Jiangsu) Co., Ltd.	
Cartini Co., Ltd.	
SK Nexilis Malaysia Sdn. Bhd.	
SK TBMGEOSTONE Co., Ltd.	
Pnes Investments, LLC	
IGE Co., Ltd.	
New&Company Two Pte. Ltd.	
Jeonnam II Offshore Wind Power Co., Ltd.	
Jeonnam III Offshore Wind Power Co., Ltd.	
Dangjin Haengbok Solar Co., Ltd.	
Grid Solution, LLC	
Storage Solution, LLC	
SK JNC Japan Co., Ltd.	

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

Subsidiaries	Reasons for changes
SK C&C USA, Inc.	
SK Mobility Investments Company Limited	
Grove Energy Capital LLC	
Plutus Capital NY II, Inc	
Grove Energy Capital II, LLC	
MSN Investment Pte. Ltd.	
SK Investment Vina IV Pte. Ltd.	
SK Malaysia Investment I Pte. Ltd.	
I Cube Capital Hong Kong 1. LP Limited.	
Terra LLC	
Castanea Bioscience Inc.	
SK REITs Co., Ltd.	
Clean Energy REITs Co., Ltd.	
SK REITs Management Co., Ltd.	
SK Japan Investment Inc.	
UT LLC	
goodsFLOW Co., Ltd.	Acquisition and others (23 companies)
goodsCORE Co., Ltd.	
goodsPOST Co., Ltd.	
opengarden Co., Ltd.	
Rok Media Co., Ltd.	
Studio Dolphin Co., Ltd.	
YLP Inc.	
Good service Co., Ltd.	
Busan Jungkwan Energy Co., Ltd.	
Seongju tech Co., Ltd.	
DDS Co., Ltd.	
Samwon ENT Co., Ltd.	
YS TEC Co., Ltd.	
Saehan Environment Co., Ltd.	
Daewon Green Energy Co., Ltd.	
Daewon Hi-Teck Co., Ltd.	
KS Investment B.V.	
Yposkesi, SAS	
Hana Land Chip PEF 33	
SIGNET EV Inc.	
SIGNET Energy	
SIGNET EV America Inc.	
OOWO Co., Ltd.	

For the nine-month period ended September 30, 2021, subsidiaries excluded from consolidation are as follows:

Subsidiaries	Reasons for changes
Ningbo SK Baoying Asphalt Storage Co., Ltd.	Disposal (11 companies)
Hefei SK Baoying Asphalt Co., Ltd.	
Chongqing SK Asphalt Co., Ltd.	
OOWO Co., Ltd.	
SKC-Eco Solutions Co., Ltd.	
SK TNS Co., Ltd.	
SKC INFRA SERVICE Co., Ltd.	
SK (Shenyang) auto rental Co., Ltd.	
SK (Beijing) auto rental Co., Ltd.	
SK Rent-A-Car (Qingdao) Co., Ltd.	
Shenyang SK Networks Energy Co., Ltd.	
SK Networks Middle East FZE	Liquidation (4 companies)
SKC Hi-Tech&Marketing Taiwan Co., Ltd.	
SK Permian, LLC	Merger within consolidated entities (1 company)
Hana Land Chip PEF 33	
Formerly, ADT Caps Co., Ltd.	Change to Equity Method (1 company)
UT LLC	

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1.4 Condensed financial information of significant consolidated subsidiaries

Details of condensed financial information of the significant subsidiaries as of and for the nine-month period ended September 30, 2021 are as follows (Korean won in millions):

Subsidiaries	Total assets	Total liabilities	Sales	Net income (loss)
SK Innovation Co., Ltd.	₩ 21,229,780	₩ 5,583,744	₩ 3,108,549	₩ 1,601,722
SK Energy Co., Ltd.	14,297,154	10,547,215	18,421,936	306,109
SK Geo Centric Co., Ltd. (formerly, SK Global Chemical Co., Ltd.)	6,116,821	3,040,245	6,815,949	221,668
SK Incheon Petrochem Co., Ltd.	5,233,294	3,596,756	4,285,438	58,596
SK Trading International Co., Ltd.	1,435,929	847,831	5,715,949	262,516
SK Lubricants Co., Ltd.	2,518,356	1,520,982	2,415,375	514,824
SK ie technology Co., Ltd.	2,628,491	429,476	322,143	77,244
SK Global Chemical International Trading (Shanghai) Co., Ltd.	176,432	116,097	1,021,312	12,924
SK Hi-tech Battery Materials(Jiang Su) Co., Ltd.	944,303	583,965	153,475	42,445
SK Energy International Pte. Ltd.	2,437,509	1,825,195	15,238,860	10,079
SK Energy Americas, Inc.	433,050	347,742	2,718,269	(1,047)
SK Energy Europe, Ltd.	175,215	89,842	1,753,624	(1,846)
SK Telecom Co., Ltd.	32,167,422	14,555,144	9,029,726	808,417
SK Broadband Co., Ltd.	5,993,591	3,179,293	2,995,339	168,454
SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.) (*1)	3,157,344	2,824,856	1,117,220	10,912
11street Co., Ltd.	940,586	546,982	391,826	(38,563)
SK Planet Co., Ltd.	506,907	187,577	196,696	(2,728)
PS&Marketing Corp.	451,779	235,974	1,039,678	3,185
SK Networks Co., Ltd.	6,197,117	4,173,125	6,058,468	73,909
SK Magic Co., Ltd.	1,163,122	806,310	792,231	51,326
SK Rent-a-Car Co., Ltd.	2,578,168	2,087,423	775,057	30,493
SKC Co., Ltd.	3,094,192	1,054,387	388,456	85,147
SK PIC Global Co., Ltd.	664,267	327,775	802,473	189,174
SK E&S Co., Ltd.	6,801,478	4,051,952	536,292	226,400
Yeongnam Energy Service Co., Ltd.	388,494	163,544	474,490	20,287
Ko-one Energy Service Co., Ltd.	609,045	269,444	682,392	13,347
Busan City Gas Co., Ltd.	1,125,954	281,563	647,484	31,963
Chungcheong Energy Service Co., Ltd.	278,405	149,062	361,130	16,026
Paju Energy Service Co., Ltd.	1,770,325	1,118,023	844,895	58,566
Narae Energy Service Co., Ltd.	1,362,893	882,166	452,060	19,095
SK ecoplant Co., Ltd. (formerly, SK Engineering & Construction Co., Ltd.)	6,392,289	5,429,296	5,169,227	158,386
The Eco Platform Co., Ltd. (*2)	1,296,184	849,105	305,990	2,334
SK Materials Co., Ltd. (*2)	2,328,278	1,640,903	849,158	187,558
SK Siltron Co., Ltd. (*2)	3,439,725	2,205,062	1,337,950	115,261
SK Biopharmaceuticals Co., Ltd.	553,479	99,509	287,999	97,517
SK REITs Co., Ltd.	1,403,816	631,707	9,446	2,189

(*1) The summary of financial information of SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.) is consolidated financial information, and it includes profit and loss prior to the former ADT Caps Co., Ltd.'s merger.

(*2) The condensed financial information is consolidated financial information.

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1.5 Disclosure of significant non-controlling interests in subsidiaries

Information about significant non-controlling interests in subsidiaries as of and for the nine-month period ended September 30, 2021 is as follows (Korean won in millions):

	September 30, 2021					
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK ecoplant Co., Ltd.
Percentage of the non-controlling ownership	63.05%	69.61%	55.57%	56.95%	10.00%	54.99%
Current assets	₩ 22,318,544	₩ 9,319,567	₩ 3,239,785	₩ 1,469,926	₩ 2,604,298	₩ 4,210,749
Non-current assets	26,641,629	42,357,918	6,358,321	4,403,257	10,125,234	3,484,228
Current liabilities	13,310,425	8,380,517	4,051,906	1,659,062	2,934,924	3,736,541
Non-current liabilities	16,328,045	16,113,147	3,176,303	1,993,587	5,604,884	2,693,449
Net assets	19,321,703	27,183,821	2,369,897	2,220,534	4,189,724	1,264,987
Book value of the non-controlling interests	12,977,560	18,118,605	1,385,730	1,351,861	1,712,005	828,153
Sales	32,659,907	14,566,229	8,111,465	2,458,448	5,279,394	5,724,150
Net income	346,085	2,104,183	123,445	323,459	343,564	248,289
Total comprehensive income	990,673	3,482,915	159,849	359,522	548,808	357,574
Net income of the non-controlling interests	83,082	1,147,206	55,313	224,346	85,939	147,077
Total comprehensive income of the non-controlling interests	403,872	2,119,949	76,686	244,078	89,235	211,740
Net cash flows from operating activities	(957,563)	3,682,545	374,654	144,223	626,479	(406,972)
Net cash flows from investing activities	(3,620,830)	(2,708,498)	(51,163)	(196,151)	(1,956,524)	(250,804)
Net cash flows from financing activities before dividends paid to the non-controlling interests	5,629,091	(250,814)	220,624	78,897	1,106,927	941,661
Dividends paid to the non-controlling interests	(18,828)	(612,789)	(14,579)	(44,861)	(73,021)	(10,964)
Net increase (decrease) in cash and cash equivalents	1,031,870	110,444	529,536	(17,892)	(296,139)	272,921

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

2. Basis of preparation and summary of significant accounting policies

2.1 Basis of preparation

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

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

The accompanying interim condensed consolidated financial statements are stated in Korean won, the currency of the country in which the Group is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of the interim condensed consolidated financial statements and has been made at the rate of ₩1,184.90 to USD 1.00, the basic exchange rate in the Seoul Money Brokerage Service for cable transfers in Korean won on the last business day of the nine-month period ended September 30, 2021. Such translations into U.S. dollars should not be construed as representations that the Korean won amounts could be converted into U.S. dollars at that or any other rate.

2.2 Significant accounting policies

The significant accounting policies used for the preparation of the accompanying the interim condensed consolidated financial statements as of and for the nine-month period ended September 30, 2021, are the same as the accounting policies adopted for the preparation of consolidated financial statements as of and for the year ended December 31, 2020, except for adoption of new and revised KIFRSs applied in the current period, which are summarized below.

2.2.1 New and revised KIFRSs adopted in the current period

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

KIFRS 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 material impact on the Group’s financial position or management performance.

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.2.2 New and revised KIFRS issued, but not yet effective

KIFRS 1001 *Presentation of Financial Statements* (Amended)

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

KIFRS 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 Group 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 Group 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 combination is referred to the 2018 Conceptual Framework and add an exception that, for transactions and other events within the scope of KIFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets* or KIFRS 2121 *Leases*, an acquirer applies KIFRS 1037 or KIFRS 2121 and clarify that contingent assets are not recognized on the acquisition date. The Group plans to apply the standard for annual reporting period beginning on or after January 1, 2022, with early application permitted.

KIFRS 1116 *Leases* (Amended)

The application of the practical expedient, which provides relief to lessees from applying KIFRS 1116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic has been extended to lease reductions affecting the lease payments before June 30, 2022. A lessee should consistently apply practical expedients to similar contracts with similar characteristics. The Group plans to apply the other amendments for annual reporting period beginning on or after April 1, 2021, with early application permitted.

SK Inc. and its subsidiaries
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2. Basis of preparation and summary of significant accounting policies (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 illustrative examples and thus the effective date for the amendment was not specified. The Group plans to apply the other amendments for annual reporting period beginning on or after January 1, 2022, with early application permitted.

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

The Group changed its accounting policies relating to its determination of lease term in accordance with the interpretation of the 'Lease Term and Useful Life of Leasehold Improvements' published by the IFRS Interpretations Committee on December 16, 2019. In this regard, financial information for the nine-month period ended September 30, 2020, presented for comparative purposes, has been restated.

Adjustments based on the changes in accounting policies in the interim condensed consolidated financial statements are as follows:

(1) Interim condensed consolidated statements of financial position (Korean won in millions)

	September 30, 2020 (Unaudited)		
	Before the change	Amounts due to changes in policies	After the change
Assets			
Prepaid expenses	₩ 4,243,467	₩ (13,086)	₩ 4,230,381
Lease receivables	70,633	12,919	83,552
Guarantee deposits	1,030,204	-	1,030,204
Property, plant and equipment	45,052,687	(17,584)	45,035,103
Intangible assets	12,331,383	-	12,331,383
Right-of-use assets	4,396,994	845,152	5,242,146
Other assets	69,412,501	(1)	69,412,500
	<u>₩ 136,537,869</u>	<u>₩ 827,400</u>	<u>₩ 137,365,269</u>
Liabilities			
Accrued expenses	₩ 3,230,217	₩ (273)	₩ 3,229,944
Other payables	6,375,587	-	6,375,587
Provisions	690,317	24,277	714,594
Lease liabilities	3,955,357	818,653	4,774,010
Deferred tax liabilities	4,401,942	(4,061)	4,397,881
Other liabilities	64,619,661	(2)	64,619,659
	<u>₩ 83,273,081</u>	<u>₩ 838,594</u>	<u>₩ 84,111,675</u>
Equity			
Retained earnings	₩ 12,598,285	₩ (3,396)	₩ 12,594,889
Non-controlling interests	35,141,145	(7,798)	35,133,347
Other components of equity	5,525,358	-	5,525,358
	<u>₩ 53,264,788</u>	<u>₩ (11,194)</u>	<u>₩ 53,253,594</u>

SK Inc. and its subsidiaries
Notes to the interim condensed consolidated financial statements
September 30, 2021 and 2020 (Unaudited)

2. Basis of preparation and summary of significant accounting policies (cont'd)

(2) Interim condensed consolidated statements of comprehensive income (Korean won in millions)

	For the nine-month period ended September 30, 2020 (Unaudited)			
	Before the change	Amounts due to changes in policies	Adjustment on profit or loss of discontinued operations (*1)	After the change
Sales	₩ 62,459,763	₩ 1,321	₩ (811,710)	₩ 61,649,374
Cost of sales	58,745,263	7,255	(680,222)	58,072,296
Gross profit	3,714,500	(5,934)	(131,488)	3,577,078
Selling and administrative expenses	3,983,898	-	(40,098)	3,943,800
Operating loss	(269,398)	(5,934)	(91,390)	(366,722)
Finance income	3,991,300	47	(29,505)	3,961,842
Finance costs	4,589,924	7,780	(20,363)	4,577,341
Gain on investments in associates and joint ventures, net	556,032	-	-	556,032
Other non-operating income	1,370,146	(641)	(1,589)	1,367,916
Other non-operating expenses	844,320	(8,088)	(23,954)	812,278
Profit from continuing operations before income tax expense	213,836	(6,220)	(78,167)	129,449
Income tax expense from continuing operations	47,084	(1,628)	(37,578)	7,878
Profit for the period from continuing operations	166,752	(4,592)	(40,589)	121,571
Profit for the period from discontinued operations	45,201	-	40,589	85,790
Profit for the period attributable to:	211,953	(4,592)	-	207,361
Owners of the parent	331,684	(1,396)	-	330,288
Non-controlling interests	(119,731)	(3,196)	-	(122,927)
Total comprehensive income for the period	773,104	(4,592)	-	768,512
attributable to:				
Owners of the parent	556,034	(1,396)	-	554,638
Non-controlling interests	217,070	(3,196)	-	213,874
Earnings per share (Korean won)				
Basic earnings per share	6,298	(27)	-	6,271
Basic earnings per share from continuing operations	5,906	(27)	(279)	5,600

(*1) The Group decided to discontinue North America and Peru's oil development (E&P) operations and others during 2020, and retrospectively modified the effects on profit or loss of discontinued operations (See Note 28).

(3) Interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows

Interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows, presented for comparative purposes, have been restated in relation to the modification to the interim condensed consolidated statement of financial position and interim condensed consolidated statement of comprehensive income above.

3. Significant accounting judgments, estimates and assumptions

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

Those accounting judgments made by management in the preparation of the interim condensed consolidated financial statements for the nine-month period ended September 30, 2021, are consistent with those followed in the preparation of consolidated 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 Group invests in companies operating in various industries, including petroleum refining, telecommunications, wholesale and retail, chemicals, construction and others, and is exposed to market uncertainties due to the influence of COVID-19. This can negatively affect productivity, sales decline or delay, collection of existing receivables, discount rates and indicators used for various estimates, which can negatively affect the Group's financial position and financial performance. The Group prepared financial statements by reasonably estimating the impact of COVID-19 on the Group. However, there is significant uncertainty in estimating the impact of COVID-19 on the Group.

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Notes to the interim condensed consolidated financial statements
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4. Operating segments

(1) Overview of operating segments

The Group makes decisions on resources to be allocated to operating segments and divides the operating segments based on the internal reports which the Chief Operating Decision Maker periodically reviews to evaluate the performances of the operating segments. Details of segment operations of each segment are as follows:

Operating segments	Business
SK Innovation Co., Ltd.	Petroleum refining, chemical, lubricating oil, battery and resources development
SK Telecom Co., Ltd.	Telecommunication and security service
SK Networks Co., Ltd.	Information communication, rental and trade
SKC Co., Ltd.	Chemical, industrial materials, and mobility material
SK E&S Co., Ltd.	Gas and power generation
SK ecoplant Co., Ltd.	Construction and eco-friendly projects
Others	IT services, special gas manufacturing and sale, medicine and life science and others

(2) Details of financial information for each operating segment as of and for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in billions):

As of and for the nine-month period ended September 30, 2021									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK ecoplant Co., Ltd.	Others	Consolidation adjustments (*1)	Total
Total sales	₩ 32,660	₩ 14,566	₩ 8,111	₩ 2,458	₩ 5,279	₩ 5,724	₩ 6,267	₩ (3,846)	₩ 71,219
Internal sales	(364)	(297)	(888)	(239)	(204)	(182)	(1,672)	3,846	-
Net sales	32,296	14,269	7,223	2,219	5,075	5,542	4,595	-	71,219
Profit (loss) from continuing operations before income tax expense	824	2,638	100	401	482	278	3,911	(3,852)	4,782
Profit (loss) for the period from continuing operations	294	2,104	71	289	344	130	3,480	(3,847)	2,865
Total assets	48,960	51,677	9,598	5,873	12,730	7,695	53,397	(30,869)	159,061
Total liabilities	29,638	24,494	7,228	3,653	8,540	6,430	18,432	(900)	97,515
Depreciation	1,033	2,357	613	133	351	53	448	(35)	4,953
Amortization	72	765	18	23	5	32	82	247	1,244

As of and for the nine-month period ended September 30, 2020									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK ecoplant Co., Ltd.	Others	Consolidation adjustments (*1)	Total
Total sales	₩ 26,487	₩ 13,785	₩ 7,869	₩ 1,833	₩ 4,184	₩ 6,229	₩ 6,367	₩ (5,105)	₩ 61,649
Internal sales	(456)	(235)	(1,054)	(199)	(126)	(609)	(2,426)	5,105	-
Net sales	26,031	13,550	6,815	1,634	4,058	5,620	3,941	-	61,649
Profit (loss) from continuing operations before income tax expense	(2,595)	1,434	28	231	1,474	345	2,472	(3,260)	129
Profit (loss) for the period from continuing operations	(1,965)	1,130	23	173	1,078	262	2,070	(2,649)	122
Total assets	39,269	47,485	9,721	5,854	10,913	5,371	41,652	(22,900)	137,365
Total liabilities	23,514	23,174	7,443	3,789	6,699	4,281	14,032	1,180	84,112
Depreciation	907	2,362	596	123	292	49	425	(36)	4,718
Amortization	76	763	14	23	3	5	64	251	1,199

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

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4. Operating segments (cont'd)

(3) Details of financial information by geographical location as of and for the nine-month periods ended September 30, 2021 and 2020 (Korean won in billions):

	As of and for the nine-month period ended September 30, 2021						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Total sales	₩ 83,080	₩ 21,308	₩ 4,020	₩ 5,033	₩ 209	₩ (42,431)	₩ 71,219
Operating profit (loss)	5,915	231	88	69	22	(2,006)	4,319
Profit (loss) from continuing operations before income tax expense	8,520	1,149	74	(68)	936	(5,829)	4,782
Profit (loss) for the period from continuing operations	6,500	1,116	47	(49)	886	(5,635)	2,865
Total assets	175,358	17,666	5,531	18,674	1,394	(59,562)	159,061
Total liabilities	89,102	5,672	2,734	5,769	466	(6,228)	97,515

	As of and for the nine-month period ended September 30, 2020						
	Korea	Asia	Europe	North America	Others	Consolidation adjustments	Total
Total sales	₩ 75,476	₩ 17,168	₩ 2,639	₩ 3,922	₩ 60	₩ (37,616)	₩ 61,649
Operating profit (loss)	3,276	126	59	(50)	17	(3,795)	(367)
Profit (loss) from continuing operations before income tax expense	5,795	343	85	(138)	16	(5,972)	129
Profit (loss) for the period from continuing operations	5,053	313	80	(143)	13	(5,194)	122
Total assets	153,849	14,205	4,231	10,300	1,545	(46,765)	137,365
Total liabilities	76,421	3,969	2,060	2,985	167	(1,490)	84,112

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4. Operating segments (cont'd)

(4) Details of financial information by revenue from contracts with customers for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in billions):

As of and for the nine-month period ended September 30, 2021									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK ecoplant Co., Ltd.	Others	Consolidation adjustments	Total
1. Total sales	₩ 32,660	₩ 14,566	₩ 8,111	₩ 2,458	₩ 5,279	₩ 5,724	₩ 6,267	₩ (3,846)	₩ 71,219
2. Revenue from contracts with customers	32,636	14,566	6,700	2,458	5,274	5,711	5,664	(3,275)	69,734
Categories:									
Service sales	204	12,951	256	-	-	5,688	1,898	(1,393)	19,604
Finished goods sales	31,262	24	346	2,245	2,118	-	2,957	(819)	38,133
Merchandise sales	934	1,167	6,096	183	3,092	14	777	(1,051)	11,212
Other sales	236	424	2	30	64	9	32	(12)	785
	<u>32,636</u>	<u>14,566</u>	<u>6,700</u>	<u>2,458</u>	<u>5,274</u>	<u>5,711</u>	<u>5,664</u>	<u>(3,275)</u>	<u>69,734</u>
Timing of revenue recognition:									
Recognition at a point in time	32,432	1,615	6,444	2,458	734	23	3,766	(1,882)	45,590
Recognition over a period of time	204	12,951	256	-	4,540	5,688	1,898	(1,393)	24,144
	<u>32,636</u>	<u>14,566</u>	<u>6,700</u>	<u>2,458</u>	<u>5,274</u>	<u>5,711</u>	<u>5,664</u>	<u>(3,275)</u>	<u>69,734</u>
3. Revenue from other sources	24	-	1,411	-	5	13	603	(571)	1,485
As of and for the nine-month period ended September 30, 2020									
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK ecoplant Co., Ltd.	Others	Consolidation adjustments	Total
1. Total sales	₩ 26,487	₩ 13,785	₩ 7,869	₩ 1,833	₩ 4,184	₩ 6,229	₩ 6,367	₩ (5,105)	₩ 61,649
2. Revenue from contracts with customers	26,464	13,785	6,552	1,833	4,178	6,219	4,848	(3,621)	60,258
Categories:									
Service sales	205	12,302	282	-	-	6,200	1,712	(1,667)	19,034
Finished goods sales	25,660	21	363	1,635	1,564	-	2,572	(729)	31,086
Merchandise sales	333	1,070	5,905	171	2,533	19	300	(1,095)	9,236
Other sales	266	392	2	27	81	-	264	(130)	902
	<u>26,464</u>	<u>13,785</u>	<u>6,552</u>	<u>1,833</u>	<u>4,178</u>	<u>6,219</u>	<u>4,848</u>	<u>(3,621)</u>	<u>60,258</u>
Timing of revenue recognition:									
Recognition at a point in time	26,259	1,483	6,270	1,833	155	19	3,136	(1,954)	37,201
Recognition over a period of time	205	12,302	282	-	4,023	6,200	1,712	(1,667)	23,057
	<u>26,464</u>	<u>13,785</u>	<u>6,552</u>	<u>1,833</u>	<u>4,178</u>	<u>6,219</u>	<u>4,848</u>	<u>(3,621)</u>	<u>60,258</u>
3. Revenue from other sources	23	-	1,317	-	6	10	1,519	(1,484)	1,391

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5. Financial instruments

5.1 Financial assets

Details of financial assets as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021				Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	
Current assets:					
Cash and cash equivalents	₩ 2,179,653	₩ -	₩ 10,919,021	₩ -	₩ 13,098,674
Short-term financial instruments	4,211,029	-	2,644,446	-	6,855,475
Trade receivables (*1)	79,075	-	9,508,458	-	9,587,533
Other receivables	235,603	-	2,113,753	-	2,349,356
Short-term loans	-	-	185,570	-	185,570
Accrued income	-	-	130,778	-	130,778
Short-term investment securities	113,063	-	45	-	113,108
Guarantee deposits	-	-	402,461	-	402,461
Derivative financial assets	95,773	-	-	138,676	234,449
Lease receivables	-	-	24,171	-	24,171
	<u>6,914,196</u>	<u>-</u>	<u>25,928,703</u>	<u>138,676</u>	<u>32,981,575</u>
Non-current assets:					
Long-term financial instruments	15,266	-	17,188	-	32,454
Long-term trade receivables	-	-	354,133	-	354,133
Long-term other receivables	303,997	-	32,712	-	336,709
Long-term loans	-	-	380,243	-	380,243
Long-term investment securities	1,697,120	4,961,326	1,107	-	6,659,553
Guarantee deposits	-	-	645,785	-	645,785
Derivative financial assets	684,028	-	-	220,381	904,409
Lease receivables	-	-	40,255	-	40,255
	<u>2,700,411</u>	<u>4,961,326</u>	<u>1,471,423</u>	<u>220,381</u>	<u>9,353,541</u>
	<u>₩ 9,614,607</u>	<u>₩ 4,961,326</u>	<u>₩ 27,400,126</u>	<u>₩ 359,057</u>	<u>₩ 42,335,116</u>

(*1) Contract assets (unbilled receivables) amounting to ₩1,293,391 million as of September 30, 2021 are not included in the financial assets.

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Notes to the interim condensed consolidated financial statements
September 30, 2021 and 2020 (Unaudited)

5.1 Financial assets (cont'd)

	December 31, 2020				Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	
Current assets:					
Cash and cash equivalents	₩ 1,625,890	₩ -	₩ 8,471,050	₩ -	₩ 10,096,940
Short-term financial instruments	2,120,910	-	2,362,905	-	4,483,815
Trade receivables (*1)	140,357	-	7,765,586	-	7,905,943
Other receivables	211,476	-	1,419,921	-	1,631,397
Short-term loans	-	-	193,526	-	193,526
Accrued income	-	-	154,932	-	154,932
Short-term investment securities	150,624	-	45	-	150,669
Guarantee deposits	-	-	356,573	-	356,573
Derivative financial assets	75,022	-	-	54,799	129,821
Lease receivables	-	-	56,838	-	56,838
	<u>4,324,279</u>	<u>-</u>	<u>20,781,376</u>	<u>54,799</u>	<u>25,160,454</u>
Non-current assets:					
Long-term financial instruments	4,315	-	9,393	-	13,708
Long-term trade receivables	-	-	274,789	-	274,789
Long-term other receivables	305,699	-	35,400	-	341,099
Long-term loans	-	-	416,482	-	416,482
Long-term investment securities	987,981	3,366,930	1,098	-	4,356,009
Guarantee deposits	-	-	574,946	-	574,946
Derivative financial assets	524,082	-	-	72,133	596,215
Lease receivables	-	-	25,079	-	25,079
	<u>1,822,077</u>	<u>3,366,930</u>	<u>1,337,187</u>	<u>72,133</u>	<u>6,598,327</u>
	<u>₩ 6,146,356</u>	<u>₩ 3,366,930</u>	<u>₩ 22,118,563</u>	<u>₩ 126,932</u>	<u>₩ 31,758,781</u>

(*1) Contract assets (unbilled receivables) amounting to ₩965,473 million as of December 31, 2020 are not included in the financial assets.

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5.2 Financial liabilities

Details of financial liabilities as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021			
	Financial liabilities measured at FVTPL	Other financial liabilities	Financial liabilities designated as hedging instruments	Total
Current liabilities:				
Short-term borrowings	₩ -	₩ 7,522,619	₩ -	₩ 7,522,619
Trade payables	-	8,195,892	-	8,195,892
Other payables	30,229	5,663,046	-	5,693,275
Current portion of long-term debt	-	6,789,497	-	6,789,497
Accrued expenses	-	3,645,322	-	3,645,322
Dividends payable	-	887	-	887
Deposits withheld	-	215,401	-	215,401
Derivative financial liabilities	371,276	-	42,473	413,749
Lease liabilities	-	1,224,716	-	1,224,716
Finance guarantee liabilities	-	708	-	708
Financial liabilities at fair value through profit or loss	136,695	-	-	136,695
	<u>538,200</u>	<u>33,258,088</u>	<u>42,473</u>	<u>33,838,761</u>
Non-current liabilities:				
Bonds payable and long-term borrowings	-	43,759,019	-	43,759,019
Long-term other payables	-	1,763,511	-	1,763,511
Long-term accrued expenses	-	23,041	-	23,041
Deposits withheld	-	335,066	-	335,066
Derivative financial liabilities	423,515	-	29,415	452,930
Long-term lease liabilities	-	3,554,592	-	3,554,952
Financial guarantee liabilities	-	16,603	-	16,603
Financial liabilities at fair value through profit or loss	59,123	-	-	59,123
	<u>482,638</u>	<u>49,451,832</u>	<u>29,415</u>	<u>49,963,885</u>
	<u>₩ 1,020,838</u>	<u>₩ 82,709,920</u>	<u>₩ 71,888</u>	<u>₩ 83,802,646</u>

	December 31, 2020			
	Financial liabilities measured at FVTPL	Other financial liabilities	Financial liabilities designated as hedging instruments	Total
Current liabilities:				
Short-term borrowings	₩ -	₩ 6,201,430	₩ -	₩ 6,201,430
Trade payables	-	6,061,576	-	6,061,576
Other payables	36,573	5,690,598	-	5,727,171
Current portion of long-term debt	-	6,216,778	-	6,216,778
Accrued expenses	-	3,964,534	-	3,964,534
Dividends payable	-	840	-	840
Deposits withheld	-	210,035	-	210,035
Derivative financial liabilities	46,981	-	49,684	96,665
Lease liabilities	-	2,244,201	-	2,244,201
Finance guarantee liabilities	-	832	-	832
	<u>83,554</u>	<u>30,590,824</u>	<u>49,684</u>	<u>30,724,062</u>
Non-current liabilities:				
Bonds payable and long-term borrowings	-	36,843,510	-	36,843,510
Long-term trade payables	-	712	-	712
Long-term other payables	3,392	1,165,392	-	1,168,784
Long-term accrued expenses	-	10,610	-	10,610
Deposits withheld	-	262,079	-	262,079
Derivative financial liabilities	567,874	-	166,351	734,225
Long-term lease liabilities	-	3,421,750	-	3,421,750
Financial guarantee liabilities	-	21,447	-	21,447
	<u>571,266</u>	<u>41,725,500</u>	<u>166,351</u>	<u>42,463,117</u>
	<u>₩ 654,820</u>	<u>₩ 72,316,324</u>	<u>₩ 216,035</u>	<u>₩ 73,187,179</u>

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5.3 Fair values of financial instruments by hierarchy level

1) Fair values and book values of financial instruments as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021		December 31, 2020	
	Book value	Fair value	Book value	Fair value
Bonds payable	₩ 35,504,091	₩ 35,762,281	₩ 31,167,494	₩ 31,259,176
Borrowings	22,567,044	22,487,745	18,094,224	18,273,146

The fair value of bonds payable and borrowings was measured as the present value of the contractually determined stream of future cash flows discounted at the market interest rate (1.22% ~ 9.23%) regarding residual market risks. As the book values of other financial assets and other financial liabilities are reasonable approximations to fair values, the fair values have not been disclosed.

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

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

3) Details of fair values of financial instruments by hierarchy level as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 6,390,682	₩ 778,417	₩ 1,665,707	₩ 8,834,806
Financial assets measured at FVOCI	3,260,057	-	1,701,269	4,961,326
Derivative financial assets	12,477	1,093,419	32,962	1,138,858
	<u>₩ 9,663,216</u>	<u>₩ 1,871,836</u>	<u>₩ 3,399,938</u>	<u>₩ 14,934,990</u>
Financial liabilities:				
Financial liabilities measured at FVTPL	₩ -	₩ -	₩ 226,047	₩ 226,047
Derivative financial liabilities	8,545	198,605	659,529	866,679
	<u>₩ 8,545</u>	<u>₩ 198,605</u>	<u>₩ 885,576</u>	<u>₩ 1,092,726</u>
December 31, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 3,746,800	₩ 731,883	₩ 1,068,569	₩ 5,547,252
Financial assets measured at FVOCI	1,633,968	-	1,732,962	3,366,930
Derivative financial assets	4,552	721,484	-	726,036
	<u>₩ 5,385,320</u>	<u>₩ 1,453,367</u>	<u>₩ 2,801,531</u>	<u>₩ 9,640,218</u>
Financial liabilities:				
Financial liabilities measured at FVTPL	₩ -	₩ -	₩ 39,965	₩ 39,965
Derivative financial liabilities	329	271,262	559,299	830,890
	<u>₩ 329</u>	<u>₩ 271,262</u>	<u>₩ 599,264</u>	<u>₩ 870,855</u>

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6. Trade receivables

(1) Details of trade receivables as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021		December 31, 2020	
	Current	Non-current	Current	Non-current
Trade receivables:				
Trade receivables (*1)	₩ 10,249,623	₩ 378,478	₩ 8,502,117	₩ 294,879
Contract assets (unbilled receivables)	1,293,391	-	965,473	-
Allowance for doubtful accounts:				
Trade receivables	(662,090)	(24,345)	(596,174)	(20,090)
	<u>₩ 10,880,924</u>	<u>₩ 354,133</u>	<u>₩ 8,871,416</u>	<u>₩ 274,789</u>

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

(2) Contract assets and liabilities related with contracts with customers as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021	December 31, 2020
Contract assets: (*1)		
Construction business	₩ 1,074,480	₩ 838,273
Telecommunication business	183,529	148,281
Others	219,005	127,294
	<u>₩ 1,477,014</u>	<u>₩ 1,113,848</u>
Contract liabilities: (*2)		
Construction business	₩ 1,047,093	₩ 1,118,684
Telecommunication business	274,586	260,596
Others	850,307	868,660
	<u>₩ 2,171,986</u>	<u>₩ 2,247,940</u>

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

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

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6. Trade receivables (cont'd)

(3) Details of construction profit variation by changes of accounting estimates related to construction contracts as of September 30, 2021 are as follows (Korean won in millions):

	September 30, 2021				
	Change in estimated construction revenue	Change in estimated cost	Impact on current profit or loss	Impact on future profit or loss	Change in unbilled (overbilled) receivables
SK ecoplant Co., Ltd. and its subsidiaries	₩ 1,548,776	₩ 1,465,999	₩ 70,270	₩ 12,507	₩ 70,270
Others	1,624	595	941	88	941
	<u>₩ 1,550,400</u>	<u>₩ 1,466,594</u>	<u>₩ 71,211</u>	<u>₩ 12,595</u>	<u>₩ 71,211</u>

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

(4) Details of the construction contracts where the total contract revenue exceeds 5% of the preceding year's revenue under the percentage-of-completion method as of September 30, 2021 are as follows (Korean won in millions):

Subsidiary	Project	Contract date	Completion date	Percentage (%)	Unbilled receivables		Trade receivables (*1)	
					Amount	Allowance for doubtful accounts	Amount	Allowance for doubtful accounts
SK ecoplant Co., Ltd.	RRE Project	2009.12	2016.05	99.9	₩ -	₩ -	₩ -	₩ -
	Goseong High Fire power Construction	2014.07	2022.01	94.5	-	-	-	-

(*1) The balance does not include due from customer for construction work.

7. Inventories

Details of inventories as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021			December 31, 2020		
	Cost	Valuation allowance	Book value	Cost	Valuation allowance	Book value
Merchandise	₩ 920,736	₩ (31,414)	₩ 889,322	₩ 864,806	₩ (45,647)	₩ 819,159
Finished goods	2,650,991	(70,061)	2,580,930	1,563,756	(59,899)	1,503,857
Semi-finished goods and work in progress	1,516,545	(32,422)	1,484,123	845,458	(47,258)	798,200
Raw materials and sub-materials	2,035,403	(27,788)	2,007,615	1,354,419	(24,761)	1,329,658
Materials in transit	2,361,109	-	2,361,109	1,354,400	-	1,354,400
Supplies	403,059	(3,400)	399,659	311,475	(4,074)	307,401
Uncompleted contracts	47,004	-	47,004	57,673	-	57,673
Others	11,184	-	11,184	9,476	(327)	9,149
	<u>₩ 9,946,031</u>	<u>₩ (165,085)</u>	<u>₩ 9,780,946</u>	<u>₩ 6,361,463</u>	<u>₩ (181,966)</u>	<u>₩ 6,179,497</u>

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8. Investment securities

Details of investment securities as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021			
	Financial assets at FVTPL	Financial assets at FVOCI (*1)	Financial assets at amortized cost	Total
Equity instruments:				
Marketable equity instruments	₩ -	₩ 3,260,057	₩ -	₩ 3,260,057
Non-marketable equity instruments	200,846	1,691,064	-	1,891,910
	<u>200,846</u>	<u>4,951,121</u>	<u>-</u>	<u>5,151,967</u>
Bond instruments:				
Beneficiary securities and others	819,958	663	-	820,621
Debt securities	789,379	9,542	1,152	800,073
	<u>1,609,337</u>	<u>10,205</u>	<u>1,152</u>	<u>1,620,694</u>
	<u>₩ 1,810,183</u>	<u>₩ 4,961,326</u>	<u>₩ 1,152</u>	<u>₩ 6,772,661</u>
Current investment securities	₩ 113,063	₩ -	₩ 45	₩ 113,108
Non-current investment securities	1,697,120	4,961,326	1,107	6,659,553
	December 31, 2020			
	Financial assets measured at FVTPL	Financial assets measured at FVOCI (*1)	Financial assets measured at amortized cost	Total
Equity instruments:				
Marketable equity instruments	₩ -	₩ 1,633,968	₩ -	₩ 1,633,968
Non-marketable equity instruments	87,275	1,720,055	-	1,807,330
	<u>87,275</u>	<u>3,354,023</u>	<u>-</u>	<u>3,441,298</u>
Bond instruments:				
Beneficiary securities and others	572,689	662	-	573,351
Debt securities	478,641	12,245	1,143	492,029
	<u>1,051,330</u>	<u>12,907</u>	<u>1,143</u>	<u>1,065,380</u>
	<u>₩ 1,138,605</u>	<u>₩ 3,366,930</u>	<u>₩ 1,143</u>	<u>₩ 4,506,678</u>
Current investment securities	₩ 150,624	₩ -	₩ 45	₩ 150,669
Non-current investment securities	987,981	3,366,930	1,098	4,356,009

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

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9. Investments in associates and joint ventures

(1) Investments in associates and joint ventures

Details of investments in associates and joint ventures as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

Company	Domicile	Equity ownership (*1)	September 30, 2021		December 31, 2020
			Acquisition cost	Book value	Book value
Associates:					
SK Hynix Inc.	Korea	20.1%	₩ 5,420,310	₩ 12,998,373	₩ 11,750,425
Plug Power Inc. (*2,3)	USA	9.9%	1,793,533	1,897,003	-
Vingroup Joint Stock Company (*3)	Vietnam	6.1%	957,882	968,607	851,300
Eureka Midstream Holdings	USA	40.0%	465,582	518,281	465,917
VCM Services And Trading Development Joint Stock Company (*2,3)	Vietnam	16.3%	465,019	487,176	-
Masan Group Corporation (*3)	Vietnam	9.3%	457,718	427,347	367,832
Shenzhen Londian Electrics Co., Ltd.	China	26.0%	383,369	436,864	383,049
FR BR Aggregator	USA	39.0%	350,718	265,538	283,933
Darwin LNG Pty Ltd. (*2)	Australia	25.0%	349,037	365,901	-
Huizhou EVE United Energy Co., Ltd.	China	49.0%	344,465	418,661	353,815
Peru LNG Company, LLC	USA	20.0%	331,144	237,089	243,456
Daehan Oil Pipeline Corporation	Korea	41.0%	311,372	315,283	311,015
NHIP II Bison Holdings, LLC	USA	24.5%	297,511	301,007	244,325
Hana Card Co., Ltd. (*3)	Korea	15.0%	253,707	342,814	314,930
Yemen LNG Company Ltd. (*3,4)	Yemen	6.9%	252,813	-	-
Beijing BESK Technology Co., Ltd.	China	49.0%	247,427	254,320	235,604
Canakkale Highway And Bridge	Turkey	25.0%	258,043	265,830	208,272
Korea IT Fund (*5)	Korea	63.3%	242,170	322,279	323,294
ProteoVant Sciences, Inc. (*2)	USA	40.0%	222,370	216,287	-
Joyvio (*3)	China	14.0%	213,793	230,536	197,974
Content Wavve Corp (*6)	Korea	36.4%	165,341	155,087	75,803
Best Oil Company Limited	Myanmar	35.0%	153,024	122,452	159,557
TBM Co., Ltd. (*2,3)	Japan	10.1%	141,971	143,264	-
ENN (Zhoushan) LNG Co., Ltd. (*3)	China	10.0%	132,639	125,346	133,164
Others				<u>1,553,138</u>	<u>1,243,830</u>
				<u>23,368,483</u>	<u>18,147,495</u>
Joint ventures (*7):					
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	China	35.0%	676,332	1,116,122	942,775
Mitsui Chemicals & SKC Polyurethanes Co., Ltd.	Korea	50.0%	349,942	456,384	419,404
ZETA CAYMAN Limited	Cayman	50.0%	177,904	137,640	163,720
Eurasia Tunnel	Turkey	50.0%	174,215	310,446	254,324
Boryeong LNG Terminal Co., Ltd.	Korea	50.0%	133,323	143,250	146,568
SABIC SK Nexlene Company Pte. Ltd.	Singapore	50.0%	112,670	108,574	93,915
Hana Land Chip PEF 33 (*8)	Korea	-	-	-	262,881
Others				<u>456,512</u>	<u>587,881</u>
				<u>2,728,928</u>	<u>2,871,468</u>
				<u>₩26,097,411</u>	<u>₩ 21,018,963</u>

(*1) Equity ownership includes indirect investments held by the consolidated subsidiaries.

(*2) It was newly acquired during the nine-month period ended September 30, 2021.

(*3) The Group retains significant influence on the associate despite having less than 20% equity interests.

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

(*5) The entity was not included as consolidated subsidiaries as the Group does not have control over more than half of the voting rights by agreements.

(*6) The Group acquired 435,431 ordinary shares of Content Wavve Corp for ₩100,000 million in cash through an unequal paid-in capital increase, increasing the Group's share from 30% to 36.4% during the nine-month period ended September 30, 2021.

(*7) All joint arrangements that the Group has joint control over are structured through separate entities. The parties that have joint control with respect to the joint agreements hold the rights to the net assets of the agreements and accordingly, they are classified as joint ventures and accounted for using the equity method of accounting.

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

(*8) During the nine-month period ended September 30, 2021, the Group acquired additional 34.80% shares of Hana Land Chip PEF 33 and obtained control. Accordingly, the Group reclassified it from investment in joint ventures to investment in subsidiaries, and it was liquidated during the nine-month period ended September 30, 2021.

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

Changes in investments in associates and joint ventures accounted for using the equity method for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

		For the nine-month period ended September 30, 2021							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other capital movements	Dividends received	Others (*1, 2)	Ending balance
Associates	₩	18,147,495	₩ 3,464,913	₩ (23,682)	₩ 1,218,844	₩ 291,921	₩ (229,100)	₩ 498,092	₩ 23,368,483
Joint ventures		<u>2,871,468</u>	<u>77,275</u>	<u>(2,838)</u>	<u>151,783</u>	<u>72,382</u>	<u>(30,374)</u>	<u>(410,768)</u>	<u>2,728,928</u>
		<u>₩ 21,018,963</u>	<u>₩ 3,542,188</u>	<u>₩ (26,520)</u>	<u>₩ 1,370,627</u>	<u>₩ 364,303</u>	<u>₩ (259,474)</u>	<u>₩ 87,324</u>	<u>₩ 26,097,411</u>

		For the nine-month period ended September 30, 2020							
		Beginning balance	Acquisitions	Disposals	Equity profit or losses on investments	Other capital movements	Dividends received	Others (*2)	Ending balance
Associates	₩	19,416,778	₩ 516,303	₩ (1,973,726)	₩ 559,151	₩ 21,876	₩ (194,869)	₩ (520,713)	₩ 17,824,800
Joint ventures		<u>2,477,938</u>	<u>376,657</u>	<u>(29,114)</u>	<u>(3,119)</u>	<u>44,435</u>	<u>(39,202)</u>	<u>(61,663)</u>	<u>2,765,932</u>
		<u>₩ 21,894,716</u>	<u>₩ 892,960</u>	<u>₩ (2,002,840)</u>	<u>₩ 556,032</u>	<u>₩ 66,311</u>	<u>₩ (234,071)</u>	<u>₩ (582,376)</u>	<u>₩ 20,590,732</u>

(*1) Others include ₩262,881 million of transfer due to reclassification of Hana Land Chip PEF 33 to investment in subsidiaries.

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

(3) Details of unrecognized changes in equity method caused by discontinuing the application of equity method as of September 30, 2021 are as follows (Korean won in millions):

	Beginning balance	Changes	Ending balance
Pentaport Development Co., Ltd.	₩ 79,238	₩ 109	₩ 79,347
SK Telesys Corporation	3,960	-	3,960
Korea Consortium Kazakh B.V.	186,473	-	186,473
Yemen LNG Company Ltd. and others	45,279	2,656	47,935

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

(4) Condensed financial information of significant investments in associates and joint ventures as of September 30, 2021 are as follows (Korean won in millions):

	As of and for the nine-month period ended September 30, 2021						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income (loss)	Total comprehensive income (loss)
Associates:							
SK Hynix Inc.	₩ 24,910,504	₩ 58,358,544	₩ 10,545,603	₩ 14,008,999	₩ 30,621,183	₩ 6,285,784	₩ 7,213,925
Plug Power Inc.	5,884,700	974,480	297,502	837,581	222,260	(181,391)	(184,125)
Vingroup Joint Stock Company	8,734,750	13,092,443	8,301,357	6,003,245	2,988,253	72,288	72,288
VCM Services And Trading Development Joint Stock Company	361,683	403,334	417,844	246,483	711,805	(32,945)	(32,945)
Masan Group Corporation	1,792,174	4,496,135	1,986,305	2,664,151	2,026,851	68,693	68,693
Eureka Midstream Holdings	39,564	1,007,110	20,106	360,498	104,236	33,004	33,004
Shenzhen Londian Wason Holdings Group. Co., Ltd.	1,053,510	850,125	871,212	171,153	772,852	62,598	62,577
Darwin LNG Pty Ltd.	350,966	78,983	275,230	68,274	1,193,525	78,187	78,187
Huizhou EVE United Energy Co., Ltd.	631,787	665,846	341,244	83,513	829,754	81,421	81,421
Peru LNG Company, LLC	239,948	2,503,057	320,408	1,237,002	531,362	(138,968)	(138,968)
Daehan Oil Pipeline Corporation	99,569	938,889	38,680	266,894	131,051	22,828	22,828
Hana Card Co., Ltd.	8,683,370	524,042	1,529,956	5,699,636	945,930	199,031	200,206
Beijing BESK Technology Co., Ltd.	439,553	473,984	377,246	14,070	374,024	(2,814)	(2,814)
FR BR Aggregator	2,790	1,332,879	17,843	545,455	-	5,655	5,655
NHIP II Bison Holdings, LLC	21,786	1,050,915	-	1,008	-	(170,330)	(170,330)
Canakkale Highway And Bridge Korea IT Fund	71,251	3,897,572	146,579	2,758,923	582,133	5,397	36,370
ProteoVant Sciences, Inc.	121,282	387,580	-	-	28,815	19,979	15,317
Content Wavve Corp	217,134	70	7,431	4,024	-	(15,208)	(15,208)
Best Oil Company Limited	276,099	113,799	70,172	297,595	158,041	(52,669)	(52,669)
TBM Co., Ltd.	187,254	183,762	157,234	14,159	500,953	8,908	8,908
ENN (Zhoushan) LNG Co., Ltd.	147,746	96,600	95,054	40,324	8,428	(18,414)	(18,414)
	216,614	857,014	25,631	554,122	145,834	73,500	73,500
Joint ventures:							
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	873,526	4,557,559	988,714	1,470,529	6,289,566	205,396	205,396
Mitsui Chemicals & SKC Polyurethanes Co., Ltd.	584,232	1,004,240	462,781	128,508	976,981	84,850	87,872
ZETA CAYMAN Limited	687	275,487	893	-	-	(1,279)	(77,625)
Eurasia Tunnel	131,969	1,526,835	105,018	950,481	8,949	48,955	65,446
Boryeong LNG Terminal Co., Ltd	152,964	1,526,572	274,594	1,142,475	121,625	19,901	19,890
SABIC SK Nexlene Company Pte. Ltd.	241,813	511,642	98,660	361,517	322,563	44,850	989

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10. Property, plant and equipment

(1) Details of property, plant and equipment as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021	December 31, 2020
Acquisition cost	₩ 70,895,661	₩ 65,059,292
Accumulated depreciation and accumulated impairment losses	<u>(21,712,893)</u>	<u>(19,163,698)</u>
	<u>₩ 49,182,768</u>	<u>₩ 45,895,594</u>

(2) Changes in property, plant and equipment for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2021						Ending balance
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	
Land	₩ 8,514,509	₩ 853,059	₩ 59,051	₩ (128,089)	₩ -	₩ (46,535)	₩ 9,251,995
Buildings	4,567,149	233,375	21,635	(21,655)	(163,912)	1,303,711	5,940,303
Structures	1,660,194	48,911	16,178	(19,810)	(84,813)	348,552	1,969,212
Machinery and equipment	20,261,529	89,603	347,874	(97,997)	(2,936,944)	2,865,059	20,529,124
Vehicles	199,411	1,000	5,344	(1,156)	(24,854)	5,242	184,987
Operating lease assets	1,786,789	-	678,724	(22,973)	(331,622)	(196,632)	1,914,286
Others	3,382,742	21,074	974,151	(5,871)	(594,353)	508,175	4,285,918
Construction-in-progress	5,523,271	13,902	3,872,815	(3,859)	-	(4,299,186)	5,106,943
	<u>₩ 45,895,594</u>	<u>₩ 1,260,924</u>	<u>₩ 5,975,772</u>	<u>₩ (301,410)</u>	<u>₩ (4,136,498)</u>	<u>₩ 488,386</u>	<u>₩ 49,182,768</u>

	For the nine-month period ended September 30, 2020						Ending balance
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	
Land	₩ 8,787,048	₩ 51,173	₩ 13,108	₩ (209,138)	₩ -	₩ (47,867)	₩ 8,594,324
Buildings	4,271,484	48,069	8,487	(14,043)	(143,933)	198,786	4,368,850
Structures	1,518,777	6,337	3,583	(10,674)	(85,455)	126,992	1,559,560
Machinery and equipment	18,582,898	302,124	342,881	(20,987)	(2,813,009)	3,189,286	19,583,193
Vehicles	185,700	153	2,839	(1,050)	(23,930)	35,608	199,320
Operating lease assets	1,746,356	-	623,422	(27,298)	(324,007)	(235,736)	1,782,737
Others	3,537,088	6,553	809,032	(13,859)	(527,777)	(316,507)	3,494,530
Construction-in-progress	4,198,976	138,662	4,811,290	(33,449)	-	(3,662,890)	5,452,589
	<u>₩ 42,828,327</u>	<u>₩ 553,071</u>	<u>₩ 6,614,642</u>	<u>₩ (330,498)</u>	<u>₩ (3,918,111)</u>	<u>₩ (712,328)</u>	<u>₩ 45,035,103</u>

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

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11. Right-of-use assets and lease liabilities

(1) Details of right-of-use assets as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021	December 31, 2020
Acquisition cost	₩ 6,723,045	₩ 7,879,536
Accumulated depreciation and accumulated impairment losses	(2,022,416)	(1,701,056)
	<u>₩ 4,700,629</u>	<u>₩ 6,178,480</u>

(2) Changes in right-of-use assets for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

For the nine-month period ended September 30, 2021							
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 3,230,719	₩ 25,577	₩ 1,019,182	₩ (343,846)	₩ (412,724)	₩ (1,376,526)	₩ 2,142,382
Tank	217,252	-	2,071	(1,143)	(46,804)	141	171,517
Ships and vessels	1,013,186	-	-	-	(69,182)	29,466	973,470
Vehicles	1,264,696	1,291	244,225	(186,993)	(210,094)	43,351	1,156,476
Others	452,627	188	117,055	(106,110)	(66,433)	(140,543)	256,784
	<u>₩ 6,178,480</u>	<u>₩ 27,056</u>	<u>₩ 1,382,533</u>	<u>₩ (638,092)</u>	<u>₩ (805,237)</u>	<u>₩ (1,444,111)</u>	<u>₩ 4,700,629</u>

For the nine-month period ended September 30, 2020							
	Beginning balance	Business combination	Acquisitions	Disposals	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 1,912,681	₩ 76,325	₩ 976,286	₩ (166,302)	₩ (387,562)	₩ (288,688)	₩ 2,122,740
Tank	266,195	-	13,497	(4,358)	(50,813)	660	225,181
Ships and vessels	1,065,528	-	22,771	-	(66,902)	7,447	1,028,844
Vehicles	1,424,084	3,988	194,844	(94,864)	(213,713)	(1,604)	1,312,735
Others	492,290	5,539	139,651	(333,077)	(74,967)	323,210	552,646
	<u>₩ 5,160,778</u>	<u>₩ 85,852</u>	<u>₩ 1,347,049</u>	<u>₩ (598,601)</u>	<u>₩ (793,957)</u>	<u>₩ 41,025</u>	<u>₩ 5,242,146</u>

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

(3) Changes in lease liabilities for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

For the nine-month period ended September 30, 2021								
	Beginning balance	Business combination	Interest Increase	Interest expenses	Decrease	Transfer	Others (*1)	Ending balance
Lease liabilities	₩ 5,665,951	₩ 27,080	₩ 1,464,273	₩ 91,054	₩ (987,110)	₩ (50,662)	₩ (1,431,278)	₩ 4,779,308

For the nine-month period ended September 30, 2020								
	Beginning balance	Business combination	Interest Increase	Interest expenses	Decrease	Transfer	Others (*1)	Ending balance
Lease liabilities	₩ 4,647,511	₩ 84,974	₩ 1,250,431	₩ 95,908	₩ (863,834)	₩ (463)	₩ (440,517)	₩ 4,774,010

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

The Group recognized lease payments of ₩112,543 million (₩119,354 million as of September 30, 2020) in relation to short-term leases and ₩8,175 million (₩7,555 million as of September 30, 2020) in relation to leases of low-value assets during the nine-month period ended September 30, 2021.

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12. Investment property

(1) Details of investment property as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Acquisition cost	₩ 1,247,643	₩ 699,720
Accumulated depreciation and accumulated impairment loss	<u>(139,923)</u>	<u>(130,564)</u>
	<u>₩ 1,107,720</u>	<u>₩ 569,156</u>

(2) Changes in investment property for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

For the nine-month period ended September 30, 2021						
	<u>Beginning balance</u>	<u>Acquisition</u>	<u>Disposal</u>	<u>Depreciation</u>	<u>Others (*1)</u>	<u>Ending balance</u>
Land	₩ 501,528	₩ -	₩ (5,564)	₩ -	₩ 156,456	₩ 652,420
Buildings	63,800	83,719	(108,950)	(11,052)	423,628	451,145
Structures	3,828	452	-	(119)	(6)	4,155
	<u>₩ 569,156</u>	<u>₩ 84,171</u>	<u>₩ (114,514)</u>	<u>₩ (11,171)</u>	<u>₩ 580,078</u>	<u>₩ 1,107,720</u>
For the nine-month period ended September 30, 2020						
	<u>Beginning balance</u>	<u>Acquisition</u>	<u>Disposal</u>	<u>Depreciation</u>	<u>Others (*1)</u>	<u>Ending balance</u>
Land	₩ 241,383	₩ 111	₩ (6,527)	₩ -	₩ 156,569	₩ 391,536
Buildings	245,891	313	(84,660)	(5,992)	13,714	169,266
Structures	484	-	-	(49)	-	435
	<u>₩ 487,758</u>	<u>₩ 424</u>	<u>₩ (91,187)</u>	<u>₩ (6,041)</u>	<u>₩ 170,283</u>	<u>₩ 561,237</u>

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

13. Goodwill

(1) Changes in goodwill for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Beginning balance	₩ 4,463,951	₩ 2,598,464
Business combination (see Note 35)	850,669	1,598,442
Others (*1)	153,345	36,974
Ending balance	<u>₩ 5,467,965</u>	<u>₩ 4,233,880</u>

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

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14. Intangible assets

Details of intangible assets for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2021						
	Beginning balance	Business combination	Acquisitions	Disposals	Amortization	Others (*2)	Ending balance
Development costs	₩ 219,166	₩ 1,382	₩ 53,268	₩ (1,733)	₩ (45,642)	₩ 32,519	₩ 258,960
Facility usage rights	43,505	-	868	(7)	(5,305)	1,990	41,051
Industrial property rights	87,019	37,528	20,204	(272)	(7,671)	(16,385)	120,423
Frequency usage rights	1,932,765	-	219,577	-	(386,809)	-	1,765,533
Customer-related assets	2,999,320	59,269	5,139	(451)	(197,338)	92,444	2,958,383
Membership (*1)	284,835	-	15,755	(10,485)	-	478	290,583
Development costs for petroleum resource	1,149,011	-	55,953	-	(23,160)	(595,136)	586,668
Brand-related assets (*1)	2,631,393	10	-	-	-	4,273	2,635,676
Developed technology	989,587	-	-	-	(117,435)	74,309	946,461
Others (*3)	1,692,511	237,152	73,070	(6,614)	(460,885)	31,201	1,566,435
	<u>₩ 12,029,112</u>	<u>₩ 335,341</u>	<u>₩ 443,834</u>	<u>₩ (19,562)</u>	<u>₩ (1,244,245)</u>	<u>₩ (374,307)</u>	<u>₩ 11,170,173</u>

	For the nine-month period ended September 30, 2020						
	Beginning balance	Business combination	Acquisitions	Disposals	Amortization	Others (*2)	Ending balance
Development costs	₩ 151,824	₩ -	₩ 48,739	₩ (365)	₩ (27,656)	₩ 4,770	₩ 177,312
Facility usage rights	48,300	-	2,749	(3)	(5,438)	1,072	46,680
Industrial property rights	74,659	-	1,590	(139)	(4,926)	16,119	87,303
Frequency usage rights	2,647,501	-	-	-	(389,232)	(12,388)	2,245,881
Customer-related assets	2,221,365	710,404	8,893	(1,543)	(178,801)	70,215	2,830,533
Membership (*1)	237,662	50,365	26,928	(16,305)	-	(627)	298,023
Development costs for petroleum resource	1,492,031	-	118,922	-	(53,164)	(18,941)	1,538,848
Brand-related assets (*1)	2,596,643	-	-	-	-	22,333	2,618,976
Developed technology	941,534	50,814	-	-	(115,013)	921	878,256
Others (*3)	1,656,267	171,213	142,496	(12,785)	(424,642)	77,022	1,609,571
	<u>₩ 12,067,786</u>	<u>₩ 982,796</u>	<u>₩ 350,317</u>	<u>₩ (31,140)</u>	<u>₩ (1,198,872)</u>	<u>₩ 160,496</u>	<u>₩ 12,331,383</u>

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

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

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

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15. Borrowings and bonds payable

(1) Details of borrowings and bonds payable as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021		December 31, 2020	
	Current	Non-current	Current	Non-current
Short-term borrowings (*1)	₩ 7,522,619	₩ -	₩ 6,201,430	₩ -
Bonds and long-term borrowings:				
Bonds payable	5,435,742	30,068,349	4,767,907	26,399,587
Long-term borrowings	<u>1,353,755</u>	<u>13,690,670</u>	<u>1,448,871</u>	<u>10,443,923</u>
	<u>6,789,497</u>	<u>43,759,019</u>	<u>6,216,778</u>	<u>36,843,510</u>
	<u>₩ 14,312,116</u>	<u>₩ 43,759,019</u>	<u>₩ 12,418,208</u>	<u>₩ 36,843,510</u>

(*1) It includes borrowings collateralized for trade receivables of ₩109,103 million and ₩188,155 million as of September 30, 2021 and December 31, 2020, respectively, which were transferred but not derecognized.

(2) Details of bonds payable as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021	December 31, 2020
SK Inc.	₩ 6,590,000	₩ 6,400,000
SK Innovation Co., Ltd.	2,102,450	1,604,000
SK Energy Co., Ltd.	3,570,000	3,300,000
SK Geo Centric Co., Ltd. (formerly, SK Global Chemical Co., Ltd.)	1,860,000	1,610,000
SK Incheon Petrochem Co., Ltd.	2,005,000	1,870,000
SK Lubricants Co., Ltd.	720,000	840,000
SK Battery America, Inc.	1,184,900	-
SK Telecom Co., Ltd.	6,961,880	6,895,600
SK Broadband Co., Ltd.	1,745,470	1,686,400
SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.)	230,823	24,782
SK Networks Co., Ltd.	1,190,000	1,030,000
SK Magic Co., Ltd.	360,000	280,000
SK Rent-a-Car Co., Ltd.	720,000	375,000
SKC Co., Ltd.	399,645	312,943
SKC Solmics Co., Ltd.	-	41,760
SK Telesys Co., Ltd.	30,000	30,000
SKC Hightech & Marketing Co., Ltd.	10,000	59,376
SK E&S Co., Ltd.	1,380,000	1,020,000
Paju Energy Service Co., Ltd.	730,000	730,000
Narae Energy Service Co., Ltd.	360,000	420,000
Yeoju Energy Service Co., Ltd.	200,000	200,000
SK ecoplant Co., Ltd.	1,608,000	1,008,000
SK Materials Co., Ltd.	745,000	455,000
SK Siltron Co., Ltd.	779,000	924,000
SIGNET EV Inc.	2,800	-
	<u>35,484,968</u>	<u>31,116,861</u>
Addition: premium on bonds payable	19,123	50,633
Less: current portion	<u>(5,435,742)</u>	<u>(4,767,907)</u>
	<u>₩ 30,068,349</u>	<u>₩ 26,399,587</u>

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15. Borrowings and bonds payable (cont'd)

(3) Details of long-term borrowings as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

Financial institution	Description	Interest rate (%)	September 30, 2021	December 31, 2020
Korea Development Bank and others	General	0.00 ~ 4.75	₩ 7,738,061	₩ 6,050,756
Korea Development Bank and others	Fund for facility	0.00 ~ 4.90	4,437,705	2,925,741
Standard Chartered Bank and others	Foreign borrowings	0.00 ~ 8.00	1,083,375	1,374,882
Korea Energy Agency (*1)	Fund for mine exploration	0.00 ~ 8.80	54,186	83,853
Econg 1st Co., Ltd. and others	Callable preferred share	2.70 ~ 2.95	100,000	100,000
Korea Development Bank and others	Fund for operation	0.00 ~ 2.78	265,419	97,650
Korea Development Bank and others	Fund for supply pipeline	1.75	7,094	7,602
KEB Hana Bank	Fund for reasonable energy consumption	1.75	3,569	3,660
NH Bank	Fund for safety management	1.75	182	261
Korea Development Bank and others (*2)	Takeover	LIBOR(3M) + 1.60	165,886	152,320
Mizuho Bank and others (*3)	Takeover	EURIBOR(3M) + 0.70	221,264	215,457
MD Prime 1st Co., Ltd. and others	Others	3.07, 3.20	<u>1,007,818</u>	<u>909,976</u>
			15,084,559	11,922,158
Less: discount			(40,134)	(29,364)
Less: current portion			<u>(1,353,755)</u>	<u>(1,448,871)</u>
			<u>₩ 13,690,670</u>	<u>₩ 10,443,923</u>

(*1) As of September 30, 2021 and December 31, 2020, SK Innovation Co., Ltd., a subsidiary of the Group, holds a loan amounting to ₩50,850 million and ₩53,191 million from Korea Energy Agency for the purpose of oil exploration and development in which there is no repayment obligation in case for failure in exploration.

(*2) SK Geo Centric Co., Ltd. (formerly, SK Global Chemical Co., Ltd.), one of the subsidiaries, has a repayment obligation for borrowings of SK Global Chemical Americas, Inc. in the event of default. The purpose of the borrowings of SK Global Chemical Americas, Inc. was to acquire The Dow Chemical Company's EAA business domiciled in the US and Spain and its tangible and intangible assets.

(*3) SK Geo Centric Co., Ltd. (formerly, SK Global Chemical Co., Ltd.), one of the subsidiaries, has a repayment obligation for borrowings of SK Functional Polymer S.A.S in the event of default. The purpose of the borrowings of SK Functional Polymer S.A.S was to acquire high-functional polymer business and the related tangible and intangible assets.

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

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16. Provisions

Changes in provisions for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2021					
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current
Provision for sale warranties	₩ 91,319	₩ 29,307	₩ (5,236)	₩ 115,390	₩ 4,939	₩ 110,451
Provision for service / construction warranties	101,415	16,462	(14,213)	103,664	103,216	448
Provision for restoration	166,855	333,139	(8,290)	491,704	63,850	427,854
Provision for onerous contracts	353,075	10,795	(65,778)	298,092	281,980	16,112
Other provisions	<u>224,737</u>	<u>137,383</u>	<u>(185,777)</u>	<u>176,343</u>	<u>157,342</u>	<u>19,001</u>
	<u>₩ 937,401</u>	<u>₩ 527,086</u>	<u>₩ (279,294)</u>	<u>₩ 1,185,193</u>	<u>₩ 611,327</u>	<u>₩ 573,866</u>

	For the nine-month period ended September 30, 2020					
	Beginning balance	Business combination	Increase	Decrease	Ending balance	Non-current
Provision for sale warranties	₩ 75,025	₩ -	₩ 18,195	₩ (6,609)	₩ 86,611	₩ 81,875
Provision for service / construction warranties	93,034	-	13,870	(10,103)	96,801	96,801
Provision for restoration	160,170	626	16,392	(7,018)	170,170	46,344
Provision for onerous contracts	152,857	-	16,371	(42,517)	126,711	124,030
Other provisions	<u>335,545</u>	<u>3,056</u>	<u>140,190</u>	<u>(244,490)</u>	<u>234,301</u>	<u>220,511</u>
	<u>₩ 816,631</u>	<u>₩ 3,682</u>	<u>₩ 205,018</u>	<u>₩ (310,737)</u>	<u>₩ 714,594</u>	<u>₩ 492,422</u>
					<u>₩ 222,172</u>	

17. Defined benefit liabilities

(1) Details of defined benefit liabilities as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	September 30, 2021	December 31, 2020
Present value of defined benefit obligation	₩ 3,659,176	₩ 3,491,805
Fair value of plan assets (*1)	(2,971,170)	(3,054,840)
	<u>₩ 688,006</u>	<u>₩ 436,965</u>

(*1) As of December 31, 2020, the Group recognized ₩4,948 million as defined benefit assets.

(2) Changes in defined benefit liabilities for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2020		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 3,491,805	₩ (3,054,840)	₩ 436,965
Business combination	3,181	-	3,181
Provision for pension benefits:			
Current service cost	338,902	-	338,902
Past service cost	157	-	157
Net interest expense (income)	60,010	(53,093)	6,917
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expenses)	-	16,168	16,168
Actuarial changes arising from changes in financial assumptions and others	(35,691)	-	(35,691)
Contributions by employer directly to plan assets	-	(68,315)	(68,315)
Benefit paid	(249,160)	245,768	(3,392)
Others	49,972	(56,858)	(6,886)
Ending balance	<u>₩ 3,659,176</u>	<u>₩ (2,971,170)</u>	<u>₩ 688,006</u>

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17. Defined benefit liabilities (cont'd)

	For the nine-month period ended September 30, 2020		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 3,171,225	₩ (2,763,924)	₩ 407,301
Business combination	14,743	(10,383)	4,360
Provision for pension benefits:			
Current service cost	331,135	-	331,135
Past service cost	738	-	738
Net interest expense (income)	50,021	(46,822)	3,199
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expenses)	-	7,510	7,510
Actuarial changes arising from changes in financial assumptions and others	46,969	-	46,969
Contributions by employer directly to plan assets	-	(93,238)	(93,238)
Benefit paid	(198,154)	211,137	12,983
Others	40,499	(34,926)	5,573
Ending balance	<u>₩ 3,457,176</u>	<u>₩ (2,730,646)</u>	<u>₩ 726,530</u>

18. Other assets and liabilities

(1) Details of other assets as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Current assets:		
Short-term loans	₩ 185,570	₩ 193,526
Accrued income	130,778	154,932
Advanced payments	982,779	830,073
Prepaid expenses	2,842,258	2,730,042
Guarantee deposits	402,461	356,573
Derivative financial assets	234,449	129,821
Lease receivables	24,171	56,838
Other contract assets	136,209	100,700
Others	134,055	121,713
	<u>₩ 5,072,730</u>	<u>₩ 4,674,218</u>
Non-current assets:		
Long-term prepaid expenses	₩ 1,164,955	₩ 1,428,210
Long-term loans	380,243	416,482
Guarantee deposits	645,785	574,946
Derivative financial assets	904,409	596,215
Long-term lease receivables	40,255	25,079
Other long-term contract assets	47,414	47,675
Others	287,267	217,889
	<u>₩ 3,470,328</u>	<u>₩ 3,306,496</u>

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18. Other assets and liabilities (cont'd)

(2) Details of other liabilities as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>September 30, 2021</u>		<u>December 31, 2020</u>	
Current liabilities:				
Accrued expenses	₩	3,645,322	₩	3,964,534
Dividends payable		887		840
Advances received		1,576,224		1,779,351
Unearned revenue		89,397		62,879
Withholdings		2,221,935		2,238,208
Deposits withheld		215,401		210,035
Current tax liabilities		1,180,244		1,161,735
Derivative financial liabilities		413,749		96,665
Lease liabilities		1,224,716		2,244,201
Finance guarantee liabilities		708		832
Financial liabilities at fair value through profit or loss		136,695		-
Other contract liabilities		368,568		297,350
Others		102,424		18,832
	₩	<u>11,176,270</u>	₩	<u>12,075,462</u>
Non-current liabilities:				
Long-term accrued expenses	₩	23,041	₩	10,610
Long-term unearned revenue		638,456		571,257
Deposits withheld		335,066		262,079
Derivative financial liabilities		452,930		734,225
Long-term lease liabilities		3,554,592		3,421,750
Financial guarantee liabilities		16,603		21,447
Financial liabilities at fair value through profit or loss		59,123		-
Other long-term contract liabilities		47,404		40,011
Others (*1)		226,862		209,330
	₩	<u>5,354,077</u>	₩	<u>5,270,709</u>

(*1) Includes long-term employee benefit liabilities amounting to ₩121,861 million and ₩117,973 million as of September 30, 2021 and December 31, 2020, respectively.

19. Derivative financial assets and liabilities

Details of derivative financial assets and liabilities as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>September 30, 2021</u>		<u>December 31, 2020</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Firm contracts	₩ 30,683	₩ 4,735	₩ (25,471)	₩ 5,488
Swap contracts	(146,593)	253,145	27,906	(640,075)
Forward contracts	(45,431)	(401,263)	10,036	2,008
Futures contracts	(10,294)	1,619	4,608	1,673
Options contracts	(7,665)	593,243	16,077	492,896
	₩ (179,300)	₩ 451,479	₩ 33,156	₩ (138,010)
Derivative financial assets	₩ 234,449	₩ 904,409	₩ 129,821	₩ 596,215
Derivative financial liabilities	(413,749)	(452,930)	(96,665)	(734,225)

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20. Equity

(1) Details of issued capital as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions, except for number of shares):

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Number of shares authorized for issue	400,000,000	400,000,000
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>₩ 15,385</u>

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

(2) Details of other paid-in capital as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Additional paid-in capital (*1)	₩ 5,605,831	₩ 5,605,831
Treasury shares (*2)	(1,811,340)	(1,811,454)
Others	3,163,904	1,455,769
	<u>₩ 6,958,395</u>	<u>₩ 5,250,146</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 September 30, 2021, treasury shares consist of those acquired to increase the enterprise value and to stabilize share price (7,033,831 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.

(3) Details of retained earnings as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Legal reserve (*1)	₩ 7,693	₩ 7,693
Voluntary reserve	62,897	62,897
Unappropriated retained earnings	12,815,889	12,426,086
	<u>₩ 12,886,479</u>	<u>₩ 12,496,676</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.

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20. Equity (cont'd)

(4) Details of other components of equity as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Net gain on valuation of financial assets measured at FVOCI	₩ 339,674	₩ 151,824
Equity adjustments of investments in associates and joint ventures	(66,337)	(163,810)
Net gain on valuation of derivative instruments	24,678	24,898
Net gain (loss) on translation of foreign operation	500,991	(340,075)
	<u>₩ 799,006</u>	<u>₩ (327,163)</u>

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

1) SK Inc.

	<u>1-1</u>	<u>1-2</u>	<u>1-3</u>	<u>2</u>
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 Group may settle the difference in cash or with treasury stock 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 years service from the grant date	3 years service from the grant date	4 years service from the grant date	2 years service from the grant date

Share compensation expense recognized during the current reporting period is ₩514 million (total : ₩5,177 million), and the remaining share compensation expense to be recognized in later periods is ₩871 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 September 30, 2021, the stock compensation expenses recognized in relation to Stock Grant are ₩119 million.

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

	<u>1-1</u>	<u>1-2</u>	<u>1-3</u>	<u>2</u>
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. Equity (cont'd)

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

	Current	Accumulated	Remaining	Total
Subsidiaries of SK Innovation Co., Ltd.	₩ 1,581	₩ 3,457	₩ 5,127	₩ 8,584
Subsidiaries of SK Telecom Co., Ltd.	4,156	11,745	13,264	25,009
Subsidiaries of SK Networks Co., Ltd.	635	1,363	1,852	3,215
Subsidiaries of SKC Co., Ltd.	1,250	2,544	3,396	5,940
Subsidiaries of SK E&S Co., Ltd.	-	496	14	510
Others	1,100	2,663	2,663	5,326
	<u>₩ 8,722</u>	<u>₩ 22,268</u>	<u>₩ 26,316</u>	<u>₩ 48,584</u>

21. Selling and administrative expenses

Details of selling and administrative expenses for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Salaries	₩ 359,947	₩ 1,079,214	₩ 327,467	₩ 980,881
Provision for pension benefits	28,836	95,452	37,981	144,190
Employee welfare benefits	68,078	231,245	59,497	195,190
Travel	12,828	31,615	8,569	29,073
Bad debt expenses	13,401	38,566	27,484	67,827
Communications	2,308	6,346	1,774	5,643
Utilities	8,663	24,770	7,728	23,579
Taxes and dues	67,737	123,483	20,030	71,480
Supplies	8,893	26,087	7,382	22,697
Rents	37,280	104,418	40,977	129,312
Depreciation	112,182	334,867	128,602	330,062
Amortization	63,028	223,633	63,597	183,351
Repairs	6,077	18,791	7,535	21,809
Insurance	15,933	41,828	10,513	32,397
Advertising	172,329	450,724	156,516	401,642
Research and development	131,232	368,085	106,267	284,090
Education and examination	12,268	51,299	10,886	37,446
Outsourcing technology services	200,793	583,434	197,303	648,730
Transport	108,984	287,281	80,242	227,186
Others	23,655	91,845	34,268	107,215
	<u>₩ 1,454,452</u>	<u>₩ 4,212,983</u>	<u>₩ 1,334,618</u>	<u>₩ 3,943,800</u>

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22. Finance income and costs

Details of finance income and costs for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Financial income:				
Interest income	₩ 43,699	₩ 119,352	₩ 40,353	₩ 147,820
Gain on foreign currency transactions	273,437	805,524	242,908	1,032,840
Gain on foreign currency translation	120,797	275,842	36,202	238,654
Gain on transactions of derivatives	282,692	676,204	279,035	2,134,494
Gain on valuation of derivatives	284,719	451,862	151,902	404,203
Others	6,785	145,261	2,692	3,831
	<u>₩ 1,012,129</u>	<u>₩ 2,474,045</u>	<u>₩ 753,092</u>	<u>₩ 3,961,842</u>

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Financial expenses:				
Interest expenses	₩ 371,363	₩ 1,060,840	₩ 346,182	₩ 1,057,562
Loss on foreign currency transactions	318,786	882,391	203,539	1,152,327
Loss on foreign currency translation	275,577	484,661	10,513	219,500
Loss on transactions of derivatives	244,541	848,436	228,153	2,031,064
Loss on valuation of derivatives	301,837	469,123	(16,476)	94,354
Others	38,562	85,865	9,309	22,534
	<u>₩ 1,550,666</u>	<u>₩ 3,831,316</u>	<u>₩ 781,220</u>	<u>₩ 4,577,341</u>

23. Other non-operating income and expenses

(1) Details of other non-operating income for the three-month and the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Other non-operating income:				
Dividend income	₩ 22,980	₩ 32,853	₩ 5,045	₩ 18,357
Rental income	183	667	235	835
Gain on disposal of trade receivables	7,528	25,824	7,321	14,834
Gain on disposal of investments in associates and joint ventures	24,708	399,157	257,655	961,731
Gain on disposal of property, plant and equipment	46,531	198,001	4,551	62,101
Gain on disposal of intangible assets	59,521	145,787	1,974	16,468
Others	106,317	1,050,999	144,262	293,590
	<u>₩ 267,768</u>	<u>₩ 1,853,288</u>	<u>₩ 421,043</u>	<u>₩ 1,367,916</u>

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23. Other non-operating income and expenses (cont'd)

(2) Details of other non-operating expenses for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Other non-operating expenses:				
Loss on disposal of trade receivables	₩ 3,605	₩ 11,364	₩ 3,690	₩ 12,144
Loss on impairment of investments in associates	457	3,801	-	434
Loss on disposal of property, plant and equipment	26,712	75,027	24,632	296,243
Loss on impairment of property, plant and equipment	2,372	5,032	8,199	83,191
Loss on disposal of intangible assets	325	2,139	5,132	6,115
Loss on impairment of intangible assets	-	2,726	1,482	14,715
Donations	5,377	44,969	14,605	66,609
Others	186,801	1,259,184	49,748	332,827
	<u>₩ 225,649</u>	<u>₩ 1,404,242</u>	<u>₩ 107,488</u>	<u>₩ 812,278</u>

24. Expense classified based on nature of expense

Details of classification based on nature of expenses for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Employee benefits	₩ 1,783,493	₩ 5,477,687	₩ 1,623,929	₩ 5,013,736
Depreciation and amortization	2,123,977	6,185,980	1,977,791	5,867,652
Network connection	210,547	634,924	270,398	672,394
Transport	215,507	594,437	204,632	500,641
Advertising	172,566	462,572	176,336	407,856
Lease payments and rents	114,412	325,319	158,445	409,769
Others	5,113,586	13,836,511	3,832,294	12,888,462
Use of raw materials and purchase of finished goods and merchandise	15,137,703	41,505,030	10,742,116	35,449,825
Changes in finished goods and semi-finished good	(865,737)	(2,123,115)	308,901	805,761
	<u>₩ 24,006,054</u>	<u>₩ 66,899,345</u>	<u>₩ 19,294,842</u>	<u>₩ 62,016,096</u>

25. Income taxes

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

The average effective tax rate from continuing operations in the nine-month periods ended September 30, 2021 and 2020 are 40.08% and 6.09%, respectively.

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26. Earnings (loss) per share

(1) Basic earnings (loss) per share for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Profit for the period attributable to owners of the parent	₩ 16,024	₩ 749,255	₩ 506,797	₩ 330,288
Less: preferred share dividends	(853)	(3,407)	(571)	(2,279)
Profit for the period attributable to ordinary share owners of the parent	15,171	745,848	506,226	328,009
Weighted-average number of ordinary share outstanding (*1)	<u>52,307,337</u>	<u>52,307,184</u>	<u>52,306,283</u>	<u>52,304,997</u>
Basic earnings per share (In Korean won)	<u>₩ 290</u>	<u>₩ 14,259</u>	<u>₩ 9,679</u>	<u>₩ 6,271</u>

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

The basis of calculating the weighted-average number of ordinary shares for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows:

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Weighted-average number of shares outstanding	70,360,297	70,360,297	70,360,297	70,360,297
Weighted-average number of treasury shares	(18,052,960)	(18,053,113)	(18,054,014)	(18,055,300)
Weighted-average number of issued shares outstanding	52,307,337	52,307,184	52,306,283	52,304,997

Diluted earnings per share for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Profit for the period attributable to ordinary share owners of the parent	₩ 15,171	₩ 745,848	₩ 506,226	₩ 328,009
Weighted-average number of diluted ordinary share outstanding	<u>52,407,962</u>	<u>52,415,377</u>	<u>52,368,554</u>	<u>52,362,291</u>
Diluted earnings per share (In Korean won)	<u>₩ 289</u>	<u>₩ 14,230</u>	<u>₩ 9,667</u>	<u>₩ 6,264</u>

The basis of calculating the weighted-average number of diluted ordinary shares for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows:

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Weighted-average number of shares outstanding	52,307,337	52,307,184	52,306,283	52,304,997
Effect of exercise of stock option	100,625	108,193	62,271	57,294
Weighted-average number of diluted ordinary shares outstanding	52,407,962	52,415,377	52,368,554	52,362,291

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26. Earnings (loss) per share (cont'd)

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

Basic earnings (losses) per share from continuing operations for the three-month and the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions, except basic earnings (losses) per share and weighted-average number of ordinary shares outstanding):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Profit for the period attributable to owners of the parent	₩ 15,171	₩ 745,848	₩ 506,226	₩ 328,009
Less: profit (loss) from discontinued operations	18,915	110,933	(567)	35,159
Profit (loss) for the period from continuing operations attributable to owners of the parent	(3,744)	634,915	506,793	292,850
Weighted-average number of ordinary shares outstanding	<u>52,307,337</u>	<u>52,307,184</u>	<u>52,306,283</u>	<u>52,304,997</u>
Basic earnings (loss) per share from continuing operations (In Korean won)	<u>₩ (72)</u>	<u>₩ 12,138</u>	<u>₩ 9,690</u>	<u>₩ 5,600</u>

Diluted earnings (losses) per share from continuing operations for the three-month and the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions, except basic earnings (losses) per share and weighted-average number of ordinary shares outstanding):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Profit (loss) for the period from continuing operations attributable to owners of the parent	₩ (3,744)	₩ 634,915	₩ 506,793	₩ 292,850
Weighted-average number of diluted ordinary shares outstanding	<u>52,307,337</u>	<u>52,415,377</u>	<u>52,368,554</u>	<u>52,362,291</u>
Basic earnings (loss) per share from continuing operations (In Korean won) (*1)	<u>₩ (72)</u>	<u>₩ 12,113</u>	<u>₩ 9,678</u>	<u>₩ 5,593</u>

(*1) For the three-month period ended September 30, 2021, the diluted loss per share from continuing operations is the same as the basic loss per share from continuing operations since there is no dilution effect related to the stock options.

(3) Basic earnings (loss) per share from discontinued operations

Basic earnings (loss) per share from discontinued operations for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions, except basic earnings (loss) per share and weighted-average number of ordinary shares outstanding):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Profit (loss) from discontinued operations	₩ 18,915	₩ 110,933	₩ (567)	₩ 35,159
Weighted-average number of ordinary shares outstanding	<u>52,307,337</u>	<u>52,307,184</u>	<u>52,306,283</u>	<u>52,304,997</u>
Basic earnings (loss) per share from discontinued operations (In Korean won)	<u>₩ 362</u>	<u>₩ 2,121</u>	<u>₩ (11)</u>	<u>₩ 671</u>

Diluted earnings (loss) per share from discontinued operations for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions, except basic earnings (loss) per share and weighted-average number of ordinary shares outstanding):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Profit (loss) from discontinued operations	₩ 18,915	₩ 110,933	₩ (567)	₩ 35,159
Weighted-average number of diluted ordinary shares outstanding	<u>52,407,962</u>	<u>52,415,378</u>	<u>52,306,283</u>	<u>52,362,291</u>
Basic earnings (loss) per share from discontinued operations (In Korean won)	<u>₩ 361</u>	<u>₩ 2,117</u>	<u>₩ (11)</u>	<u>₩ 671</u>

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27. Transactions with related parties

Balances on transactions arising from intercompany transactions within the Group were eliminated in preparing the interim condensed consolidated financial statements for the nine-month periods ended September 30, 2021 and 2020.

(1) Details of significant transactions with the related parties for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

		September 30, 2021			
		Sales, etc.		Expenses, etc.	
		Three-month	Nine-month	Three-month	Nine-month
	Company name				
Other related parties	Daehan Oil Pipeline Corporation	₩ 227	₩ 5,184	₩ 15,540	₩ 46,686
	SABIC SK Nexlene Company Pte. Ltd.	275	603	53,375	152,969
	Korea Nexlene Company	49,366	134,606	2	631
	Best Oil Company Limited	158,017	530,725	3	257
	Asia Bitumen Trading Pte. Ltd.	4,200	6,745	9,479	9,479
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	330	985	178,028	465,837
	Baic Eletronics SK(Jiangsu) Technology Co., Ltd.	16,871	47,190	129,723	316,241
	Xinglu (HongKong) Ltd.	30,628	78,005	4,191	4,191
	F&U Credit Information Co., Ltd.	965	2,926	12,777	38,677
	Wave City Development Co., Ltd.	11,906	13,056	-	-
	SK Hynix Inc.	514,651	2,307,511	5,639	15,341
	SK Hynix Semiconductor (China) Ltd.	100,044	271,425	528	1,206
	SK Hynix semiconductor (Chongqing) Ltd.	7,579	25,284	-	-
	SK Hynix Semiconductor HK Ltd.	-	-	235,291	688,816
	SK Hynix System IC Co., Ltd.	9,447	32,836	2	33
	Happynarae Co., Ltd.	3,732	18,279	80,946	259,489
	SKC Evonik Peroxide Korea Co., Ltd.	5	3,904	13,048	37,871
	Mitsui Chemicals & SKC Polyurethanes, Inc.	68,992	203,518	3,638	12,273
	Boryeong LNG Terminal Co., Ltd.	9,030	41,457	27,520	70,630
	Huizhou EVE United Energy Co., Ltd.	50,875	90,966	215,561	507,838
	Daewon Green Energy Co., Ltd.	8,386	109,808	-	-
	Eurasia Tunnel	624	2,053	-	-
	Xe-Pian Xe-Namnoy Power Company	979	7,075	-	-
Others	115,258	324,531	24,631	86,917	
Others (*2)	Ulsan Aromatics Co., Ltd.	23,150	50,866	17,707	50,677
	SK D&D Co., Ltd.	932	92,077	1,496	3,949
	SK Chemicals Co., Ltd.	22,555	62,674	7,387	17,611
	SK Gas Co., Ltd.	63,653	105,922	74,950	165,987
	Ubins Co., Ltd.	193	794	20,150	56,795
	Others	102,487	206,982	89,021	219,748
		<u>₩ 1,375,357</u>	<u>₩ 4,777,987</u>	<u>₩ 1,220,633</u>	<u>₩ 3,230,149</u>

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27. Transactions with related parties (cont'd)

		September 30, 2020			
		Sales, etc.		Expenses, etc.	
	Company name	Three-month	Nine-month	Three-month	Nine-month
Other	Daehan Oil Pipeline Corporation	₩ 603	₩ 5,331	₩ 15,274	₩ 45,743
related	SABIC SK Nexlene Company Pte. Ltd.	71	212	42,516	117,906
parties	Korea Nexlene Company	35,633	120,857	1	7
	Best Oil Company Limited	78,383	357,741	-	-
	Asia Bitumen Trading Pte. Ltd.	5,835	38,363	-	1,982
	Hana land chip PEF 33 (*1)	8,129	16,165	9,724	26,911
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	362	1,102	130,584	380,347
	F&U Credit Information Co., Ltd.	676	1,934	12,864	39,332
	Wave City Development Co., Ltd.	8,574	33,547	58	68
	SK Hynix Inc.	796,765	2,654,356	4,728	27,285
	SK Hynix Semiconductor (China) Ltd.	19,374	208,906	408	1,339
	SK Hynix semiconductor (Chongqing) Ltd.	5,695	16,723	-	-
	SK Hynix Semiconductor HK Ltd.	-	-	145,465	510,176
	SK Hynix System IC Co., Ltd.	20,794	60,389	1	1
	Happynarae Co., Ltd.	8,197	29,473	88,812	288,951
	SKC Evonik Peroxide Korea Co., Ltd.	-	3,674	13,072	35,431
	Mitsui Chemicals & SKC Polyurethanes, Inc.	53,325	152,623	3,847	12,356
	Boryeong LNG Terminal Co., Ltd.	21,086	70,183	31,297	65,310
	Huizhou EVE United Energy Co., Ltd.	16,974	46,518	40,142	97,129
	Eurasia Tunnel	-	2,028	-	-
	Xe-Pian Xe-Namnoy Power Company	-	15,413	-	-
	Others	27,880	83,083	41,789	126,311
Others (*2)	Ulsan Aromatics Co., Ltd.	13,744	37,571	11,841	52,371
	SK Chemicals Co., Ltd.	22,877	76,209	6,531	55,191
	SK Gas Co., Ltd.	8,436	22,728	44,722	203,172
	Ubins Co., Ltd.	125	439	20,454	57,312
	Others	32,144	49,021	126,730	174,009
		<u>₩ 1,185,682</u>	<u>₩ 4,104,589</u>	<u>₩ 790,860</u>	<u>₩ 2,318,640</u>

(*1) During the nine-month period ended September 30, 2021, the Group acquired additional 34.80% shares of Hana Land Chip PEF 33 and obtained control, and thus, it was excluded from other related parties.

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

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27. Transactions with related parties (cont'd)

(2) Details of significant outstanding balances of receivables and payables with the related parties as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	Company name	September 30, 2021		December 31, 2020	
		Receivables		Receivables	
		(*1)	Payables	(*1)	Payables
Other	Daehan Oil Pipeline Corporation	₩ 98	₩ 8,422	₩ 332	₩ 8,094
related parties	SABIC SK Nexlene Company Pte. Ltd.	4,049	39,707	7,329	29,817
	Korea Nexlene Company	20,808	132	13,112	156
	Best Oil Company Limited	160,032	29,551	93,789	37,647
	Hana land chip PEF 33 (*2)	-	-	5,983	8,579
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	357	11,425	417	11
	Baic Eletronics SK(Jiangsu) Technology Co., Ltd.	-	135,178	6,211	59,562
	Xinglu (HongKong) Ltd.	31,350	4,225	36,866	-
	Korea Consortium Kazakh B.V. (*3)	111,470	-	146,170	-
	F&U Credit Information Co., Ltd.	58	5,983	43	4,699
	HanaCard Co., Ltd.	7,401	56,512	352	145,328
	Wave City Development Co., Ltd.	5,753	-	42,562	19
	SK Hynix Inc.	699,506	66,746	681,053	119,197
	SK Hynix Semiconductor (China) Ltd.	49,635	447	35,687	314
	SK Hynix Semiconductor (Chongqing) Ltd.	14,859	66	12,660	-
	SK Hynix Semiconductor HK Ltd.	-	76,296	-	55,500
	SK Hynix System IC Co., Ltd.	9,542	72	15,906	29
	Happynarae Co., Ltd.	5,263	25,187	3,817	40,622
	SKC Evonik Peroxide Korea Co., Ltd.	-	4,735	-	4,819
	Mitsui Chemicals & SKC Polyurethanes, Inc.	30,097	2,717	12,117	2,815
	Boryeong LNG Terminal Co., Ltd.	4,515	8,602	4,921	2,141
	Pentaport Development Co., Ltd.	71,753	-	74,238	-
	Huizhou EVE United Energy Co., Ltd.	15,832	220,135	19	72,276
	Eurasia Tunnel	25,093	-	35,619	-
SK E&C JURONG Investment Singapore Pte. Ltd. (*3)	59,914	-	59,914	-	
Xe-Pian Xe-Namnoy Power Company	157,921	26,004	139,128	26,004	
Others	161,098	37,468	51,042	18,186	
Others (*4)	Ulsan Aromatics Co., Ltd.	4,457	6,704	3,942	6,415
	SK Chemicals Co., Ltd.	22,364	2,579	14,567	2,266
	SK Gas Co., Ltd.	4,467	215,638	12,655	242,355
	Ubins Co., Ltd.	51	3,767	535	18,624
	Others	29,245	25,447	16,251	22,067
		<u>₩ 1,706,988</u>	<u>₩ 1,013,745</u>	<u>₩ 1,527,237</u>	<u>₩ 927,542</u>

(*1) The Company recognized bad debt expense and reversal of bad debt each amounting to ₩3,269 million and ₩(-)32,624 million for the nine-month period ended September 30, 2021 (for the nine-month period ended September 30, 2020: bad debt expense of ₩1,792 million, write-off and others of ₩(-)1,784 million). The Company recognized the allowance for doubtful accounts amounting to ₩282,196 million and ₩311,551 million as of September 30, 2021 and December 31, 2020, respectively.

(*2) During the nine-month period ended September 30, 2021, the Group acquired additional 34.80% shares of Hana Land Chip PEF 33 and obtained control, and thus, it was excluded from other related parties.

(*3) As of September 30, 2021 and December 31, 2020, the Group recognized loss allowances in entirety for the corresponding receivables.

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

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27. Transactions with related parties (cont'd)

(3) Details of significant treasury transactions with related-parties for the nine-month period ended September 30, 2021 and 2020 are as follows (Korean won in millions and foreign currencies in thousands):

Company name	Currency	September 30, 2021		September 30, 2020	
		Loans	Collection	Loans	Collection
Halio, Inc. (formerly, Kinestral Technologies Inc.)	USD	-	-	-	2,483
Yemen LNG Company Ltd.	KRW	3,813	-	5,191	-
Huizhou EVE United Energy Co., Ltd.	KRW	-	-	69,810	-
Zhejiang Shenxin SK Packaging Co., Ltd.	KRW	-	-	8	866
Peru LNG Company, LLC	KRW	6,996	-	-	-
Eurasia Tunnel	KRW	-	11,243	3,963	15,853
Xe-Pian Xe-Namnoy Power Company	KRW	17,436	-	-	-
Yongjin Industrial Complex Development Co., Ltd.	KRW	5,072	-	-	-
PT REGAS ENERGITAMA INFRASTRUKTUR	KRW	5,077	-	-	-

(4) There were additional capital contribution transactions for investments in associates and joint ventures for the nine-month periods ended September 30, 2021 and 2020 (see Note 9 'Investments in associates and joint ventures').

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

Key management personnel consists of registered executives who are responsible for the planning, operation and control of the Company's business activities. Details of compensation for them for the three-month and the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	September 30, 2021		September 30, 2020	
	Three-month	Nine-month	Three-month	Nine-month
Salaries	₩ 4,066	₩ 12,311	₩ 3,848	₩ 10,978
Provision for pension benefits	622	7,774	514	6,172
Share compensation expense	146	633	227	653
	<u>₩ 4,834</u>	<u>₩ 20,718</u>	<u>₩ 4,589</u>	<u>₩ 17,803</u>

28. Discontinued operations

(1) Details of discontinued operations

SK Innovation Co., Ltd., a subsidiary of the Group, decided to suspend operations in North American and Peruvian petroleum development (E&P) businesses during the prior period, and is in the process of selling and withdrawing related assets as of September 30, 2021, and profit or loss arising from the relevant business units are classified as profit or loss for the period from discontinued operations. The purpose of the sale of oil development (E&P) businesses in North America and Peru is in line with the long-term policy of subsidiaries to focus their capabilities on core businesses.

SK Networks Co., Ltd., a subsidiary of the Group, decided to discontinue operations with the sale of its resource business to clean up non-core businesses, strengthen its financial soundness and secure investment funds, before the prior period. Meanwhile, the oil retail business, which had been classified as discontinued operations due to the decision to sell it before the prior period, was sold in June 2020.

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28. Discontinued operations (cont'd)

SKC Co., Ltd., a subsidiary of the Group, finalized its plan to sell all of its shares in SK Bioland Co., Ltd. in August 2020 which operated the BHC sector and sold it to Hyundai HCN Co., Ltd. in October 2020. The Group confirmed a plan to sell SKC Eco Solutions Co., Ltd. in December 2020 in order to promote the Exit strategy of EVA and Back Sheet solar power business and PVDF business for construction. In addition, during June 2021, the facilities related to the telecommunication equipment division of Techdream Co., Ltd., are determined to be sold with SKC Infra Services Co., Ltd., a subsidiary. The facilities were sold to Pantech C&I Engineering CO., LTD. in August 2021.

SK ecoplant Co., Ltd., a subsidiary of the Group, decided to sell its entire stake in SK TNS Co., Ltd., a subsidiary of the Group, to Network Infra Holdings LLC, for the purpose of converting a portfolio focused on eco-friendly and new energy through a resolution of the board of directors on January 7, 2021. The sale was completed in April 2021.

(2) Profit or loss for the period from the discontinued operation for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2021						Total
	Petroleum Development business in SK innovation Co., Ltd.	Resource business and others in SK Networks Co., Ltd.	EVA solar business in SKC Co., Ltd.	SKC Infra Service Co., Ltd. and others	SK TNS Co., Ltd.		
Revenue	₩ 624,117	₩ 109,059	₩ 3,447	₩ 199,094	₩ 282,593	₩ 1,218,310	
Expenses	516,182	36,159	1,674	163,462	126,141	843,618	
Profit before income tax expense	107,935	72,900	1,773	35,632	156,452	374,692	
Income tax expense	55,427	20,260	-	3,142	37,819	116,648	
Profit for the period from discontinued operations	₩ 52,508	₩ 52,640	₩ 1,773	₩ 32,490	₩ 118,633	₩ 258,044	
Attributable to:							
Owners of the parent	19,401	23,390	763	13,986	53,393	110,933	
Non-controlling interests	33,107	29,250	1,010	18,504	65,240	147,111	

	For the nine-month period ended September 30, 2020								Total
	Petroleum Development business in SK innovation Co., Ltd.	Oil retail business in SK Networks Co., Ltd.	Resource business and others in SK Networks Co., Ltd.	EVA solar business in SKC Co., Ltd.	SKC Infra Service Co., Ltd. and others	SK Bioland Co., Ltd.	SK TNS Co., Ltd.		
Revenue	₩ 323,786	₩ 512,318	₩ 23,228	₩ 9,792	₩ 155,197	₩ 67,953	₩ 361,656	₩ 1,453,930	
Expenses	244,271	404,650	23,114	62,925	166,698	65,131	343,152	1,309,941	
Profit (loss) before income tax expense	79,515	107,668	114	(53,133)	(11,501)	2,822	18,504	143,989	
Income tax expense (benefit)	28,351	26,056	(6,001)	-	3,392	565	5,836	58,199	
Profit (loss) for the period from discontinued operations	₩ 51,164	₩ 81,612	₩ 6,115	₩ (53,133)	₩ (14,893)	₩ 2,257	₩ 12,668	₩ 85,790	
Attributable to:									
Owners of the parent	18,905	36,260	2,716	(23,086)	(6,471)	981	5,854	35,159	
Non-controlling interests	32,259	45,352	3,399	(30,047)	(8,422)	1,276	6,814	50,631	

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28. Discontinued operations (cont'd)

(3) Details of cash flows relating to discontinued operations for the nine-month period ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2021						Total
	Petroleum Development business in SK innovation Co., Ltd.	Resourse business and others in SK Networks Co., Ltd.	EVA solar business in SKC Co., Ltd.	SKC Infra Service Co., Ltd. and others	SK TNS Co., Ltd.		
Cash flows from operating activities	₩ 138,008	₩ (11,722)	₩ 260	₩ (297)	₩ (74,204)	₩ 52,045	
Cash flows from investing activities	(3,218)	76,188	(470)	(12)	541	73,029	
Cash flows from financing activities	(79,171)	3,910	(68)	(259)	(14,643)	(90,231)	

	For the nine-month period ended September 30, 2020								
	Petroleum Development business in SK innovation Co., Ltd.	Oil retail business in SK Networks Co., Ltd.	Resourse business and others in SK Networks Co., Ltd.	EVA solar business in SKC Co., Ltd.	SKC Infra Service Co., Ltd. and others	SK Bioland Co., Ltd.	SK TNS Co., Ltd.		
Cash flows from operating activities	₩ 94,433	₩ (85,762)	₩ (13,650)	₩ 50	₩ (155)	₩ 6,341	₩ 21,186	₩ 22,443	
Cash flows from investing activities	(23,543)	1,269,923	13,179	(1,202)	(2,061)	(6,668)	(50,547)	1,199,081	
Cash flows from financing activities	-	-	(13,146)	(1,720)	(3,306)	(2,486)	(24,427)	(45,085)	

29. Assets and liabilities held for sale

Details of non-current assets and non-current liabilities held for sale as of September 30, 2021 are as follows (Korean won in millions):

		September 30, 2021	
		Assets	Liabilities
Investment securities	ESR Cayman Limited (*1)	₩ 643,093	₩ -
Business segment	China business segment(*2)	118,242	38,890
	Resources business segment(*2)	28,012	9,969
Associates	Zhejiang Shenxin SK Packaging Co., Ltd.	6,660	-
Property, plant and equipment and others	EVA/Back Sheet and PVDF	3,316	-
	Gas station and Incheon Logistics Center (*3)	67,611	-
Intangible assets and others	Land of Seo-gu, Incheon (*4)	38,534	-
	Peru mining area (*5)	601,350	8,382
		<u>₩ 1,506,818</u>	<u>₩ 57,241</u>

(*1) As the the Group decided to sell all of its investments in associates during the year ended December 31, 2020, it classified the investments as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell. The Group has sold some of the shares during the year ended December 31, 2020, and the sale of remaining shares is underway as of September 30, 2021.

(*2) SK Networks Co., Ltd., a subsidiary, decided to discontinue China business and oil retail business resources segments during the previous period and business segment and others before the prior reporting period. The Group classified related assets and liabilities as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell.

(*3) SK Energy Co., Ltd. entered into a contract to sell the land, buildings, and tanks of Incheon Logistics Center and a gas station. The Group measured the related assets at the lower of their carrying value or fair values less costs to sell.

(*4) As of July 13, 2021, SK Incheon Petrochemical Co., Ltd. entered into a contract to sell 7 branches of land, including 257-2 Seongnam-dong, Seo-gu, Incheon. The Group measured the related assets at the lower of their carrying values or fair value less costs to sell.

(*5) SK Innovation Co., Ltd., a subsidiary, signed a contract to sell the entire stake in Blocks 56 and 88 in Peru to Pluspetrol for the purpose of adjusting the E&P business portfolio and converting the business model during the prior period. The Group classified related assets and liabilities as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell.

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30. Cash flow information

(1) Details of non-cash adjustments for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	For the nine-month periods ended	
	September 30, 2021	September 30, 2020
Provision for pension benefits	₩ 345,976	₩ 335,072
Depreciation	4,952,906	4,718,108
Amortization	1,244,245	1,198,872
Bad debt expenses	42,528	72,862
(Reversal of) Valuation loss on inventories	(16,881)	36,849
Interest expenses	1,067,736	1,088,127
Loss on foreign currency translation	627,323	247,740
Loss on valuation of derivatives	469,123	95,525
Loss on disposal of trade receivables	11,364	12,155
Loss on disposal of investments in associates and joint ventures	-	20,035
Loss on disposal of investments in associates	3,801	434
Loss on disposal of property, plant and equipment	75,027	300,215
Loss on impairment of property, plant and equipment	5,032	88,568
Loss on disposal of intangible assets	5,280	6,684
Loss on impairment of intangible assets	85,087	18,695
Income tax expense	2,033,275	66,080
Gain on investments in associates and joint ventures	(1,370,627)	(556,032)
Interest income	(140,771)	(149,829)
Gain on foreign currency translation	(419,676)	(268,323)
Gain on valuation of derivatives	(451,899)	(404,203)
Dividends income	(32,853)	(18,360)
Gain on disposal of trade receivables	(25,824)	(14,834)
Gain on disposal of investments in associates and joint ventures	(399,157)	(961,731)
Gain on disposal of property, plant and equipment	(198,478)	(64,331)
Gain on disposal of intangible assets	(147,625)	(16,533)
Others	(1,059,571)	(11,020)
	<u>₩ 6,705,341</u>	<u>₩ 5,840,825</u>

(2) Details of working capital adjustments for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	For the nine-month periods ended	
	September 30, 2021	September 30, 2020
Trade receivables	₩ (1,683,852)	₩ 1,573,441
Other receivables	(427,056)	420,973
Inventories	(3,584,568)	1,725,106
Trade payables	2,664,260	(1,709,029)
Other payables	(656,356)	1,206,590
Advances received	(111,972)	(131,147)
Retirement benefits paid	(199,188)	(157,655)
Plan assets	120,595	82,973
Others	(392,675)	(963,615)
	<u>₩ (4,270,812)</u>	<u>₩ 2,047,637</u>

(3) Significant non-cash transactions for the nine-month periods ended September 30, 2021 and 2020 are as follows (Korean won in millions):

	For the nine-month periods ended	
	September 30, 2021	September 30, 2020
Decrease in other payables due to acquisition of property, plant and equipment and others	₩ (516,693)	₩ (756,750)

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31. Commitments and contingencies

(1) Guarantees provided for the Group as of September 30, 2021 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantee	Guarantor	Currency	Amount	Description of guarantee
SK Inc.	Korea Software Financial Cooperative	KRW	406,145	Performance guarantees for contract and others
	Seoul Guarantee Insurance	KRW	5,729	Performance guarantees for contract and others
Netruck Co., Ltd.	Seoul Guarantee Insurance	KRW	961	Performance insurances for warranties and others
SK Telink Co., Ltd.	Seoul Guarantee Insurance	KRW	2,947	Performance guarantees for contract
SK Planet Co., Ltd.	Seoul Guarantee Insurance	KRW	7,578	Performance guarantees for contract and others
SK Broadband Co., Ltd.	Seoul Guarantee Insurance	KRW	40,268	Guarantee of warranties-contract
	Korea Contents Gongje Union	KRW	47,647	Guarantee of warranties-contract
SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.)	Korea Software Financial Cooperative	KRW	143,419	Guarantee of bid payment and others
SK M & Service Co., Ltd.	Seoul Guarantee Insurance	KRW	2,340	Guarantee of payment and others
	Shinhan Bank	KRW	100	Guarantee of payment in Korean won
PS&Marketing Corp.	Seoul Guarantee Insurance	KRW	609	Performance guarantees
Dreamus company Co., Ltd.	Seoul Guarantee Insurance	KRW	652	Performance guarantees for contract
One store Co., Ltd.	Seoul Guarantee Insurance	KRW	2,539	Guarantee for E-commerce and others
	Hana Bank	KRW	100	Performance guarantees for contract
Home&Service Co., Ltd.	Seoul Guarantee Insurance	KRW	4	Specific debt guarantee
SK Store Co., Ltd.	Kookmin Bank	KRW	1,200	Performance guarantees and others
11street Co., Ltd.	Hana Bank	KRW	70	Performance guarantees and others
	Seoul Guarantee Insurance	KRW	32,888	Guarantee of deposit on lease and others
FSK L&S Co., Ltd.	Seoul Guarantee Insurance	KRW	2,370	Performance guarantees for contract and others
Service Top Co., Ltd.	Seoul Guarantee Insurance	KRW	12	Performance guarantees for contract
SK Networks Co., Ltd.	Hana Bank	KRW	2,000	Guarantee of payment for goods
	Seoul Guarantee Insurance	KRW	9,080	Performance guarantees for contract
	Korea Trade Insurance Corporation	KRW	24,081	Guarantee of debt
SK Networks Service Co., Ltd.	Seoul Guarantee Insurance	KRW	12,940	Performance guarantees for sales contract
	Hana Bank	KRW	1,200	Performance guarantees for contract
SK Magic Co., Ltd.	Seoul Guarantee Insurance	KRW	20,066	Performance insurances for warranties and others
	Machinery Financial Cooperative	KRW	241	Performance insurances for warranties and others
SK Magic Service Co., Ltd.	Seoul Guarantee Insurance	KRW	651	Guarantee of payment for home shopping and others
SK Rent-a-Car Co., Ltd.	Seoul Guarantee Insurance	KRW	7,624	Performance guarantees for contract
MINTIT Co., Ltd.	Korea Technology Finance Corporation	KRW	2,125	Guarantee of debt
SK Telesys Co., Ltd.	Seoul Guarantee Insurance	KRW	601	Guarantee of warranties and contract
SK Nexilis Co., Ltd.	Seoul Guarantee Insurance	KRW	55	Guarantee of payment
SK E&S Co., Ltd.	Seoul Guarantee Insurance	KRW	111,272	Performance guarantees for contract and others
	Kookmin Bank	USD	80,000	Guarantee of debt
	Shinhan Bank	USD	80,000	Guarantee of debt
Yeongnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,112	Guarantee of warranties and approval
Chonnam City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	252	Guarantee of warranties and payment
Busan City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	1,289	Guarantee of seizure contract and others
Jeonbuk Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	228	Performance guarantees and warranties
Chungcheong Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	977	Performance guarantees and others
Ko-one Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,612	Performance guarantees for contract
Paju Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	440	Performance guarantees for approval and others
Narae Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	5,508	Guarantee of license to use state property and others
Kangwon City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	2,003	Performance guarantees for contract and approval
Yeoju Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,297	Performance guarantees for deposit on approval
Prism Energy International. Zhoushan Limited	Citibank China	CNY	40,000	Guarantee of Terminal fee
BU12 Australia Pty. Ltd., BU13 Australia Pty. Ltd.	ANZ Bank	USD	261,950	BU gas field restoration costs

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31. Commitments and contingencies (cont'd)

Guarantee	Guarantor	Currency	Amount	Description of guarantee		
SK ecoplant Co., Ltd. (formerly, SK Engineering & Construction Co., Ltd.)	HSBC and others	KRW	726	Performance guarantees for overseas construction and others		
		USD	717,519	Performance guarantees for overseas construction and others		
		EUR	37,985	Performance guarantees for overseas construction and others		
		SGD	12,398	Performance guarantees for overseas construction and others		
		KWD	88,087	Performance guarantees for overseas construction and others		
		QAR	411,068	Performance guarantees for overseas construction and others		
		TRY	30,688	Performance guarantees for overseas construction and others		
		SAR	8,117	Performance guarantees for overseas construction and others		
		THB	278,254	Performance guarantees for overseas construction and others		
		KZT	7,568,929	Performance guarantees for overseas construction and others		
		VND	658,933,299	Performance guarantees for overseas construction and others		
		HKD	20,061	Performance guarantees for overseas construction and others		
		IQD	2,600,000	Performance guarantees for overseas construction and others		
		AED	96,894	Performance guarantees for overseas construction and others		
		PLN	8,316	Performance guarantees for overseas construction and others		
		Hana Bank		USD	169,221	Performance guarantees for overseas construction and others
				GBP	18,900	Performance guarantees for overseas construction and others
				EUR	84,940	Performance guarantees for overseas construction and others
				SAR	182,198	Performance guarantees for overseas construction and others
		Korea Eximbank		USD	91,369	Performance guarantees for overseas construction and others
EUR	60,750			Performance guarantees for overseas construction and others		
Korea Housing Guarantee Co., Ltd. Seoul Guarantee Insurance		KRW	2,321,210	Housing guarantees and others		
		KRW	323,696	Performance guarantees for domestic construction and others		
Engineering Financial Cooperative Construction Guarantee Cooperative		KRW	1,162,960	Domestic construction contract		
		KRW	3,402,630	Performance guarantees for domestic construction and others		
Environment Management Corporation Co., Ltd.	Construction Guarantee Cooperative Seoul Guarantee Insurance	KRW	25,117	Performance guarantees for business, construction, warranties and others		
		KRW	51,477	Performance guarantees for contract, payment, construction, advance payment and others		
		KRW	110,116	Guarantees for contract, advance payment, warranties and others		
SK Materials Co., Ltd. Signet EV Inc.	Seoul Guarantee Insurance Seoul Guarantee Insurance	KRW	1,549	Performance guarantees and others		
		KRW	2,420	Performance guarantees for contract, payment, warranties and deposits		
SK Pinx Co., Ltd.	Seoul Guarantee Insurance	KRW	283	Performance guarantees for sales contract		
SK Siltron Co., Ltd.	Shinhan Bank	USD	19,000	Guarantee of foreign currencies		
SK Forest Co., Ltd.	Construction Guarantee Cooperative	KRW	24,806	Performance guarantees for contract		
Hweechan Co., Ltd.	Seoul Guarantee Insurance	KRW	66	Guarantee of supply and others		

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31. Commitments and contingencies (cont'd)

(2) Guarantees provided to others as of September 30, 2021 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantor	Guarantee	Currency	Amount	Description of guarantee
SK Innovation Co., Ltd.	Petro Peru and others	USD	11,000	Performance guarantees for mandatory work and others
SK Geo Centric Co., Ltd. (formerly, SK Global Chemical Co., Ltd.)	Sabic SK Nexlene Company Pte. Ltd.	USD	220,000	Guarantee of debt
SK Telink Co., Ltd.	IOT Wave Co., Ltd. and others	KRW	1,210	Performance guarantees for insurance and others
Iberian Lube Base Oils S.A.	Puertos del Estado	EUR	891	Guarantees for construction
SK Communications Co., Ltd.	Railway Administration and others	EUR	269	Guarantee for installing facilities and others
	Green umbrella Purchaser or right holder	KRW	40	Performance guarantees for contract
Dreamus Company Co., Ltd.	of electronic payment method	KRW	2,500	Protection of user funds from electronic financiers
	Youngkwang Precision Industry Co., Ltd. and others	KRW	184	Performance guarantees for contract
SKC Co., Ltd.	PI Advanced Materials Co., Ltd.	USD	7,836	Guarantee for litigation
	SKC Int'l	CNY	8,400	Guarantee of local financing
SK E&S Co., Ltd.	Boryeong LNG Terminal Co., Ltd.	KRW	350,000	Guarantee of debt
Environment Management Corporation Co., Ltd.	Dongbugwon Puleunmul Co., Ltd. and others	KRW	31,600	Guarantee of debt
	Geochang Malgunmool Sarang Co., Ltd. and others	KRW	30,960	Guarantee for loan agreement
	Gyeongsan Pure Water Co. Ltd. and others	KRW	1,976	Performance guarantees for business
	SBC General Trading & Contracting Co. WLL and others	KWD	6,432	Performance guarantees for contract and others
	Pohang Clean Water Co., Ltd. and others	KRW	763,245	Cash deficiency support agreement
	Gweonseon District 6 redevelopment maintenance business association and others	KRW	156,687	Guarantees for reconstruction project financing
	Customers of Gwanggyo SK view	KRW	754,974	Guarantee of debt
Lu 1 City SK leaders view and others	KRW	1,854,980	Guarantee of completion	
Member of employee stock ownership association	KRW	1,109	Guarantee of payment	
Callable preferred share investor	KRW	130,000	Cash deficiency support agreement	
Fuel cell power generation project	KRW	85,558	Performance assurance related to long-term maintenance contracts	
Contractor issuing guarantee for sale	KRW	2,479,359	Joint surety	

In addition, SK ecoplant Co., Ltd., a subsidiary of the Group, provides other construction companies with performance guarantees for domestic construction, and the amount of the guarantees is ₩818,795 million as of September 30, 2021.

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31. Commitments and contingencies (cont'd)

(3) The Group's significant pending litigations as of September 30, 2021, in which the Group is a plaintiff are as follows (Korean won in millions):

Plaintiff	Defendant	Description	Claim	Status
SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.)	Individual and others	Claim for injunction to ban of transfer and others	KRW 975	Second trial in progress and others
PS&Marketing Corp.	Individual and others	Claim for payment and others	KRW 151	First trial in progress and others
SK Networks Co., Ltd.	Individual and others	Claim for payment and others	KRW 1,554	First trial in progress and others
SK Magic Co., Ltd.	Namdaemun Tax Office Chief and others	Claim for cancellation the imposition of corporate tax and others	KRW 2,690	First trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for payment and others	KRW 137	First trial in progress and others
SKC Co., Ltd.	Individual	Claim against a payment order	KRW 2,634	First trial in progress
SK Telesys Co., Ltd.	YOOJIN21 Co., Ltd. and others	Claim for construction payment and others	KRW 1,161	First trial in progress and others
SK E&S Co., Ltd.	Governor of JeollaNamdo province	Claim for cancellation of warning disposition and others	KRW 2	First trial in progress
Busan City Gas Co., Ltd.	YCP Co., Ltd.	Claim for settlement	KRW 4,699	First trial in progress
CAILIP GAS MARKETING, LLC	ChevronU.S.A.Inc	Claim for compensation for loss of natural gas supply	USD 84,531	First trial in progress
	Hidalgo Wind Farm II,LLC and others	Claim for compensation for power purchase settlement	USD 11,774	First trial in progress
SK ecoplant Co., Ltd. (formerly, SK Engineering & Construction Co., Ltd.)	Korea Rail Network Authority	Claim for payment of construction and others	KRW 4,168	Second trial in progress
	Korea Specialty Contractor	Claim for deposit of construction performance and others	KRW 3,296	First trial in progress
	Finanacial Cooperative	Claim for deposit of construction performance and others	KRW 5,803	Third trial in progress
	Plant & Mechanical Contractors Financial Cooperative	Claim for payment of construction	KRW 17,051	First trial in progress
	Korea National Oil Corporation	Claim for payment of construction and others	KRW 6,065	Second trial in progress and others
	Republic of Korea and others	Claim for payment of construction	KRW 44	First trial in progress
	Korea Land & Housing Corporation	Claim related to Jangrim Jinhae	KRW 3,459	Third trial in progress
	Korea Gas Corporation	Claim related to performance guarantee and others	KRW 108,275	First trial in progress and others
	Individual and others	A final and conclusive bond investigation trial of KNPCCFP	KRW 1,942	First trial in progress
The Eco Platform Co., Ltd.	Legal manager of Seobon Construction Co., Ltd. Siheung City and others	Claim related to settlement of operating and management expenses and others	KRW 24,508	First trial in progress

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31. Commitments and contingencies (cont'd)

The Group's significant pending litigations as of September 30, 2021, in which the Group is a defendant are as follows (Korean won in millions):

Defendant	Plaintiff	Description	Claim	Status
Signet EV Inc.	World Factory CO., Ltd.	Claim for service charge	KRW 68	Second trial in progress
SKShieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.)	Individual and others	Claim for damages and others	KRW 1,492	First trial in progress and others
PS & Marketing Corp.	Individual	Litigation for affirmation of non-existence of debt	KRW 40	Second trial in progress
SK Networks Co., Ltd.	Individual and others	Claim for damages and others	KRW 4,932	First trial in progress and others
SK Magic Co., Ltd.	Lotte Insurance Co., Ltd. and others	Claim for compensation and others	KRW 276	First trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for compensation and others	KRW 815	First trial in progress and others
SK Nexilis Co., Ltd.	Individual and others	Claim for damages	KRW 2,900	First trial in progress
Ko-one Energy Service Co., Ltd.	Korea Land & Housing corporation	Claim for cancellation of allotted charges	KRW 323	First trial in progress
Chungcheong energy Service Co., Ltd.	Korea Land & Housing corporation	Claim for cancellation of allotted charges	KRW 1,104	Second trial in progress
Narae energy service Co., Ltd.	Kimcheon Energy Service Co., Ltd.	Claim for Contract amount reduction confirmation	KRW 2,694	First trial in progress
SK ecoplant Co., Ltd. (formerly, SK Engineering & Construction Co., Ltd.)	K-Water Resources Corporation	Claim for design compensation cost return and others	KRW 4,004	Third trial in progress and others
	Incheon Metropolitan City	Claim for design compensation cost return and others	KRW 7,804	Third trial in progress and others
	Hanwha Engineering & Construction Corp.	Claim for cost share	KRW 5,087	First trial in progress
	Woori Bank	Claim for payment of construction	KRW 12,096	First trial in progress
	Suwon Sky View resident's representative and others	Claim for damages and others	KRW 44,623	First trial in progress and others
	Korea Rural Community Corporation	Claim for damages	KRW 8,036	Second trial in progress
	Korea Gas Corporation	Claim for damages and others	KRW 47,295	First trial in progress
	Republic of Korea	Claim for damages and others	KRW 6,045	Second trial in progress and others
	Busan Transportaion Corporation	Claim for design compensation cost return and others	KRW 519	Third trial in progress
	Individual and others	Claim for apartment and others	KRW 198,131	First trial in progress and others
The Eco Platform Co., Ltd.	Siheung City and others	Claim for cost share and others	KRW 2,650	First trial in progress

On April 29, 2019, LG Chem Ltd. and its newly established subsidiary through physical division, LG Energy Solution Ltd. (collectively, "LGC") filed their complaints with the U.S. International Trade Commission ("ITC") against SK Innovation Co., Ltd. and SK Battery America, Inc. (collectively, "SKI"), subsidiaries of the Group, alleging SKI's infringement of LGC's trade secrets and seeking a ban on SKI's importation of certain lithium ion batteries, battery cells and etc. into the United States.

LGC filed an additional complaint with the ITC against SKI seeking an import ban as remediation for SKI's alleged infringement of LGC's patents on September 26, 2019.

In addition, LGC filed a complaint with US District Court of Delaware against SKI for the misappropriation of trade secrets on April 29, 2019 and also filed a complaint with US District Court of Delaware against SKI for the infringement on the patents on September 26, 2019.

On May 15, 2021, SK Innovation Co., Ltd. and LGC settled an agreement that SK Innovation Co., Ltd. will pay ₩1 trillion in cash to LG Energy Solution Ltd. throughout 2021 and 2022 and pay royalties up to ₩1 trillion corresponding to a certain percentage of sales from 2023 to LG Energy Solution Ltd. under the condition of withdrawing all related domestic and international disputes, exemption from all liabilities incurred, no further additional identical or similar disputes for the next 10 years and permanent license over trade secrets and patents in disputes, etc. ₩1 trillion of cash to be paid to LG Energy Solution Ltd., was reflected as other non-operating expenses under the consolidated interim financial statements for the period ended September 30, 2021 and royalties of ₩1 trillion to be paid to LG Energy Solution Ltd. will be reflected as expenses in the consolidated interim financial statements at the time of payment.

31. Commitments and contingencies (cont'd)

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

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

The Perupetro S.A., a Peruvian state-owned oil company and mining rights management agency, received an injunction from the local judiciary to suspend the liquidation procedure of the operator for the nine-month ended September 30, 2020 and the Peruvian Environmental Assessment and Supervision Authority (OEFA) granted a fine to the operator related to the restoration of the workplace and environmental pollution charge for the nine-month period ended September 30, 2021. Accordingly, SK Innovation Co., Ltd. paid expenses of ₩1,527 million at the request of the operator and the amount was reflected as loss from discontinued operations for the nine-month period ended September 30, 2021.

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

SKC Co., Ltd., a subsidiary of the Group, guarantees 50% of claim amounts related to the patent litigation filed by Kaneka Corporation against PI Advanced Materials Co., Ltd. As of September 30, 2021, the appeal of the lawsuit in the U.S. was rejected and the jury's verdict determined damages, but the final ruling was not made because some of the compensation for damages were not confirmed. Meanwhile, during the prior period, Kaneka Corporation filed a lawsuit against PI Advanced Materials Co., Ltd. in Korea based on a portion of final judgment on the U.S. jury's verdict. Accordingly, the Group paid PI Advanced Materials Co., Ltd. USD 7,836 thousand which is 50% of USD 15,671 thousand in damages. Based on the final results of litigation, the Group may have to pay more according to the ratio as specified by the payment arrangement. As of September 30, 2021, the final result of trial 1 and the timing of payment of compensation for damage are not estimable.

(4) Commitments

- 1) In accordance with the Commercial Code of the Republic of Korea, the Company, SK Innovation Co., Ltd., SK Energy Co., Ltd., SK Geo Centric Co., Ltd., (formerly, 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 of the Company arising before the spin-off. The Company and SK Biopharmaceuticals Co., Ltd. are collectively responsible for any obligations of the Company that occurred before the spin-off on April 1, 2011.
- 2) The Company entered into a contract to lease the headquarter building from SK REIT Co., Ltd. Under the terms of the lease, the lease period is until July 5, 2026, and the Company has an option to extend the lease term for 5 years before the termination of contract. Meanwhile, the Company has the preemptive right to purchase the building at the fair value when the lessor elects to dispose the property.

31. Commitments and contingencies (cont'd)

- 3) The Company holds IT outsourcing and IT system maintenance agreements to provide hardware and information systems maintenance and development service entered into between the Company and SK Group companies and others.
- 4) The Company entered into a contract with Gyeonggi province on May 31, 2011 to purchase land located in Pangyo Land Development District. The total agreement amount is ₩82,964 million (the Company's portion: ₩45,536 million (54.9%)), which will be used for the construction of urban infrastructure facilities ("designated purpose" of the land). On the other hand, the building was completed and registered for ownership preservation in August 2014. For 10 years from the time of ownership preservation registration, the purpose land and buildings are restricted to third parties.
- 5) The Group 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:

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

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

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

As of September 30, 2021, the value of the agreements amounting to ₩169,131 million is recognized in long-term borrowings (see Note 15).

31. Commitments and contingencies (cont'd)

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

	Total return swap
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 are to settle the amount that deducts the issue price from the net selling price. If the amount is positive, the investor pays to the Company, and if the amount is negative, the Company pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.
Premium	The Company is to pay to the investor the amount equivalent to 3.07% of the total shares held by the investors annually. When the investor receives dividends on the shares held, the amount is paid to the Company.
Call option	On each premium payment date and each quarterly payment date that arrives between the date of resolution of the board of directors to select the IPO organizer and the date of submission of the preliminary review request for listing, the Company has the right to purchase the shares held by the investor at the initial contract price of the ordinary shares with a certain level of additional charges.

As of September 30, 2021, the value of the agreements amounting to ₩677,775 million is recognized in long-term borrowings (see Note 15).

- 8) The Company entered into a cash deficiency support agreement with Hudson Energy NY, LLC, a subsidiary of Plutus Capital NY, Inc., to lend funds for the shortfall of payment for loans and credit limit of USD 226,000 thousand.
- 9) The Company entered into a cash deficiency support agreement with Abrasax Investment Inc., a subsidiary of SK Pharmteco Inc. to lend funds for the shortfall of payment for loans and credit of up to USD 315,000 thousand.
- 10) As of September 30, 2021, Prism Energy International Pte., Ltd., a subsidiary, provides LOU (Letter of Undertaking) to ship owners HHIENS1 Shipholding S.A., HHIENS2 Shipholding S.A., HHIENS3 Shipholding S.A. and HHIENS4 Shipholding S.A. in connection with LNG carriers. Accordingly, if SK Shipping Co., Ltd. fails to fulfill the contract (BBCHP) signed with the shipping company, SK E&S Co., Ltd. will assume all obligations related to the execution of the contract.
- 11) 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 September 30, 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.

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31. Commitments and contingencies (cont'd)

12) As of September 30, 2021, details of contracts of the subsidiaries of SK E&S Co., Ltd. are as follows:

Contracting parties	Description of contract	Counterparty	Term of contract
Kangwon City Gas Co., Ltd. and 7 subsidiaries	Contract for the supply of long-term natural gas (*1)	Korea Gas Corporation Co., Ltd.	-
SK E&S Co., Ltd.	Contract of supply for natural gas	Tanggung PSC Contractor Parties	2006.1 ~ 2026.7
	Contract for the repair and maintenance of gas turbine	GE International Inc.	2004.6 ~ 2026.12 (estimated)
	Contract for the storage and vaporization service of natural gas	POSCO ENERGY Co., Ltd.	2005.6 ~ 2025.12 2020.7 ~ 2040.12
	Rental contract of the plant and tower site	POSCO Co., Ltd.	2003.8 ~ 2028.12
	Contract for the REC trading	Godeok Green Energy Co., Ltd. and others	20 years from contract
Paju Energy Service Co., Ltd.	Contract for the long-term maintenance program	Siemens AG and others	2014.6 ~ 2031.6 (estimated)
	Contract for the REC trading	GeoGeum Solar Park Co., Ltd. and others	15 years from 2018
	Contract for LTSA	Doosan Fuelcell Co., Ltd.	10 years from performance warranty date
Narae Energy Service Co., Ltd.	Contract for the long-term maintenance program	Siemens AG and others	2015.1 ~ 2032.1 (estimated)
	Contract for the long-term maintenance program	Doosan Heavy Industries & Construction Co., Ltd.	12 years from 2012
	Contract for the operation and maintenance program	Jeonbuk Group Energy Co., Ltd. and Gimcheon Energy Service Co., Ltd.	2015.1 ~ 2025.1
	Contract for the supply of long-term natural gas	Korea Gas Corporation Co., Ltd.	20 years from 2015.5
	Contract for the REC trading	K Solar E Ho Co., Ltd. and others	20 years from contract
Narae Energy Service Co., Ltd. and Paju Energy Service Co., Ltd.	Contract for the use plumbing system	Korea Gas Corporation Co., Ltd.	20 years from 2017
SK E&S Co., Ltd. and Narae Energy Service Co., Ltd.	Contract for the storage and vaporization service of natural gas	Boryeong LNG Terminal Co., Ltd.	20 years from 2017
Yeoju Energy Service Co., Ltd.	Contract for LTSA	Siemens Gas & Power GmbH	2019.12 ~ 2047.12 (estimated)
Busan City Gas Co., Ltd.	Rental contract	Siemens Energy Ltd.	Until 2022
SK E&S LNG, LLC	Contract for the liquefaction and storage of natural gas	Megamart Co., Ltd. and others	20 years from 2020
	Contract for the use pipeline of natural gas	Kinder Morgan, Inc.	20 years from 2020
Prism Energy International Pte. Ltd.	Contract of supply for natural gas	Chevron Australia Pty. Ltd. and others	2017.1 ~ 2022.3
	Contract of supply for natural gas	PETRONAS LNG LTD.	2019.6 ~ 2023.12
	Time charter contract	SK Shipping Co., Ltd.	20 years from ship delivery date
	Contract of supply for LNG	Generadora San Felipe Limited Partnership	10 years from commencement date
SK E&S Australia Pty. Ltd.	Contract for FPSO	BW Offshore Singapore Pte. Ltd. (Australia Branch)	15 years from service date
	Contract for the liquefaction service of natural gas	Darwin LNG Pty. Ltd. and others	2020.12 (contract) 15 years from service date (estimated)
Prism Energy International Zhoushan Limited	Contract for the storage and vaporization service of natural gas	ENN (Zhoushan) LNG Co., Ltd.	2020.7 ~ 2030.7
	Contract of sale for natural gas	Beijing Gas Blue Sky Holdings Ltd. and others	2020.7 ~ 2030.7

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

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31. Commitments and contingencies (cont'd)

- 13) As of September 30, 2021, details of construction contracts about the subsidiaries of SK E&S Co., Ltd. are as follows (Korean won in millions):

Description of contract	Name of subsidiaries	Contract opponent	Term of contract	Amount
Contract for heat piping and others	Narae Energy Service Co., Ltd.	Eulmyo general construction Co., Ltd. and others	2020.11 ~ 2022.06	₩ 10,829
Contract for Yeosu natural gas power plant 154kV connection facility construction	Yeosu Energy Service Co., Ltd.	Korea Electric Power Corporation	2019.12 ~ 2021.07	₩ 18,160

- 14) As of September 30, 2021, details of material contracts of resource development by the subsidiaries of SK E&S Co., Ltd. are as follows:

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

- 15) SK Innovation Co., Ltd., SK Energy Co., Ltd. and SK Incheon Petrochemical Co., Ltd., subsidiaries of the Group, pay electricity bills and tariffs through B2B corporate purchase agreement contracts and national tax cards signed with some financial institutions, and pay the bill to the credit card company at the end of the credit donation period under the agreement. As of September 30, 2021, the related amount payable is ₩1,274,924 million.

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

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

31. Commitments and contingencies (cont'd)

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

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

Details of rights granted to investor are as follows.

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

18) SK Telecom Co., Ltd., a subsidiary of the Group, sells its mobile handsets to customers on an installment payment plan through agents. SK Telecom Co., Ltd. entered into transfer agreements with the agents for the receivables of handset's installment payments, under which all the rights and obligations of the receivables are transferred to SK Telecom Co., Ltd. Then, SK Telecom Co., Ltd. entered into an asset securitization contract with a special purpose company for the receivables, and accordingly, the balance of the receivables as of September 30, 2021 is ₩579,753 million which is recorded as other receivables and long-term other receivables.

31. Commitments and contingencies (cont'd)

- 19) Regarding the paid-in capital increase transaction of a subsidiary, T-Map Mobility Co., Ltd., during the nine-month period ended September 30, 2021, SK Telecom Co., Ltd. signed an agreement between the new issuer and the shareholder. If the requirements after the paid-in capital increase are not met according to the agreement, the new issuer may exercise the right to claim for mutual sale of ordinary shares of T-Map Mobility Co., Ltd. held by SK Telecom Co., Ltd. If the underwriter exercises such rights, SK Telecom Co., Ltd. may exercise its right to purchase shares. As of September 30, 2021, SK Telecom Co., Ltd. recognized a total of ₩88,613 million in derivative financial liabilities for the rights included in the inter-shareholder agreement.
- 20) SK Materials Co., Ltd., a subsidiary, has a shareholders' agreement with Showa Denko K.K in respect to an investment in SK Showa Denko Co., Ltd., a subsidiary. Under this agreement, Showa Denko K.K holds a right to sell 630,000 shares (15%) of interests in SK Showa Denko Co., Ltd. at a par value of ₩5,000 to SK Materials Co., Ltd.
- 21) SK Siltron Co., Ltd., a subsidiary, has entered into an agreement between its existing shareholders and shareholders regarding the acquisition of shares in Teraon Co., Ltd., a related company investment during the nine-month period ended September 30, 2021. Under the agreement, SK Siltron Co., Ltd., a subsidiary, has a call option to hold 75% of Teraon Co., Ltd.'s shares and can be exercised between October 1, 2021 and September 30, 2022.
- 22) The Company signed a contract with certain shareholders of SIGNET EV Inc., a subsidiary, in which the shareholders can sell their shares to the Company at ₩50,000 per share when certain conditions are met.
- 23) SK ecoplant Co., Ltd., a subsidiary, entered into a share subscription agreement (scheduled acquisition price of ₩215.1 billion) in order to acquire Clenko Co., Ltd. The acquisition will be completed for the nine-month period ended September 30, 2021, and the details are as follows (Korean won in millions):

	Expected date of acquisition	Estimated acquisition share (%)	Estimated acquisition price
Clenko Co., Ltd.	Undetermined	100%	₩ 215,100

31. Commitments and contingencies (cont'd)

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

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

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

(5) Hybrid bonds

Details of hybrid bonds as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

Issue segment	Description	Issue date	Maturity date (*1)	Interest rate (%) (*2)	September 30, 2021	December 31, 2020
Group of SK Innovation	1st private equity bond type	2019.03.15	2049.03.15	4.20	₩ 600,000	₩ 600,000
Group of SK Telecom	2-1 private equity bond type	2018.06.07	2078.06.07	3.70	300,000	300,000
	2-2 private equity bond type	2018.06.07	2078.06.07	3.65	100,000	100,000
Group of SK E&S	2nd Korean currency type	2019.10.11	2049.10.11	3.30	330,000	330,000
	3rd Korean currency type	2020.07.14	2050.07.14	3.60	400,000	400,000

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

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

(6) Others

As of September 30, 2021, 55 notes (including 44 blank notes) and 72 checks (including 71 blank checks) are provided to financial institutions as collateral for borrowings.

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32. Pledged assets

The following assets were pledged as collateral for the Group's borrowings and others as of September 30, 2021 (Korean won in millions and foreign currencies in thousands):

Subsidiaries	Asset	Currency	Collateralized amount (*1)	Provided to	Description
SK Innovation Co., Ltd.	Investments in associates	KRW	-	Yemen LNG Company and others	Collateral for project financing
SK Incheon Perochemical Co., Ltd.	Property, plant and equipment	KRW	30,000	Korea Development Bank	Collateral for borrowing
Netruck Co., Ltd.	Property, plant and equipment	KRW	4,500	Shinhan Bank	Collateral for borrowing
SK Broadband Co., Ltd.	Property, plant and equipment	KRW	1,513	Lessor	Restricted real rights for office lease
Incross Co., Ltd.	Financial instruction	KRW	23,998	Naver Co., Ltd. and others	Performance guarantees for contract
One store Co., Ltd.	Investment property and others	KRW	612	Shinhan Bank	Collateral for borrowing
SK Networks Co., Ltd.	Property, plant and equipment	KRW	390,963	Korea Development Bank and others	Collateral for sales and others
SK Magic Co., Ltd.	Property, plant and equipment	KRW	96,000	Korea Development Bank	Collateral for borrowing
SK Rent-a-Car Co., Ltd.	Property, plant and equipment	KRW	329,963	Korea Development Bank and others	Collateral for borrowing
SKC Solmics Co., Ltd.	Property, plant and equipment	KRW	91,100	Korea Development Bank and others	Collateral for borrowing
Woori Fine Chem Co., Ltd.	Property, plant and equipment	KRW	6,480	Kookmin Bank and others	Collateral for borrowing
SKCFTH Co., Ltd.	Investment subsidiaries	KRW	690,000	Korea Development Bank and others	Collateral for borrowing
SK Nexilis Co., Ltd.	Property, plant and equipment	KRW	396,000	Korea Development Bank and others	Collateral for borrowing
SKC, Inc.	Property, plant and equipment	USD	70,000	Standed Chartered Bank	Collateral for borrowing
SK E&S Co., Ltd.	Investments in subsidiaries	KRW	300,000	Korea Development Bank and others	Collateral for PF
	Investments in joint ventures	KRW	170,396	Korea Development Bank and others	Collateral for PF
		USD	14,000	BANGKOK BANK PUBLIC COMPANY LIMITED	Collateral for PF
	Investments in associates	KRW	18,621	Korea Development Bank and others	Collateral for PF
Ko-one energy service Co., Ltd.	Investments in associates	KRW	2,711	Kookmin Bank and others	Collateral for PF
Busan City Gas Co., Ltd.	Investments in associates	KRW	5,153	Shinhan Bank and others	Collateral for PF
	Investment property	KRW	3,990	Megamart Co., Ltd. and others	Leasehold deposits
Paju Energy Service Co., Ltd.	Property, plant and equipment	KRW	360,000	Kookmin Bank and others	Collateral for borrowing
Chonnam City Gas Co., Ltd.	Property, plant and equipment	KRW	81	LG Hello Vision Co., Ltd.	Collateral for deposits received
Narae Energy Service Co., Ltd.	Property, plant and equipment and others	KRW	589,000	Korea Development Bank and others	Collateral for borrowing
Yeoju Energy Service Co., Ltd.	Property, plant and equipment	KRW	601,200	Korea Development Bank and others	Collateral for PF
Busan Jungkwan Energy Co., Ltd.	Property, plant and equipment	KRW	100,800	NH Bank and others	Collateral for PF
IGE Co., Ltd.	Property, plant and equipment	KRW	24,000	Korea Development Bank	Collateral for PF
SK ecoplant Co., Ltd. (formerly SK Engineering & Construction Co., Ltd.)	Investment securities and others	KRW	599,737	Korea Housing Guarantee Co., Ltd. and others	Collateral for borrowing and others
DDS Co., Ltd.	Investment property	KRW	142,000	Kookmin Bank and others	Collateral for borrowing
Samwon ENT Co., Ltd.	Property, plant and equipment	KRW	3,000	Korea Development Bank	Collateral for borrowing
Daewon Green Energy Co., Ltd.	Others	KRW	5,200	Industrial Bank of Korea	Collateral for borrowing
The Eco Platform Co., Ltd.	Others	KRW	5,280	Korea Development Bank	Collateral for borrowing
	Property, plant and equipment	KRW	31,416	Hana Bank and others	Collateral for borrowing
	Equity instruments and others	KRW	1,117,620	Korea Development Bank and others	Collateral for borrowing and others
	Others	KRW	954,305	Hana Bank and others	Establishing pledge and others
SK Industrial Development China Co., Ltd.	Others	CNY	2,000,000	Bank of China communications	Collateral for borrowing
SK Materials Co., Ltd.	Property, plant and equipment	KRW	137,000	Korea Development Bank	Collateral for borrowing
		USD	3,500	Korea Development Bank	Collateral for borrowing
		JPY	3,690,000	Korea Development Bank	Collateral for borrowing
		KRW	1,668	Yeongju city and Gyeongsang Buk-do	Government subsidy
SK Materials Japan Co., Ltd.	Property, plant and equipment	JPY	315,000	MUFG Bank	Collateral for borrowing
SK Materials Airplus Inc.	Property, plant and equipment	KRW	752,900	Kyungnam Bank and others	Collateral for borrowing
SK Showa Denko Co., Ltd.	Property, plant and equipment	KRW	23,473	Korea Development Bank	Collateral for borrowing
SK Siltron Co., Ltd.	Property, plant and equipment	KRW	674,686	Korea Development Bank and others	Collateral for borrowing
SK Biotek Co., Ltd.	Property, plant and equipment	KRW	120,000	Korea Development Bank	Collateral for borrowing
Hweechan Co., Ltd.	Property, plant and equipment	KRW	8,640	Hana Bank	Collateral for borrowing
SK REITS CO., LTD.	Investment property	KRW	761,414	The lender and the lessor	Collateral for borrowing and lease
CLEAN ENERGY REITS CO., LTD.	Investment property	KRW	572,267	The lender and the lessor	Collateral for borrowing and lease
Signet EV Inc.	Property, plant and equipment and others	KRW	10,800	Woori Bank	Collateral for borrowing

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

SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.), a subsidiary, provides its shares in Capstec Co., Ltd. as collateral for its long-term borrowing of ₩1,755,083 million.

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33. Guarantees provided among the Group entities

Guarantees provided among the Group entities as of September 30, 2021 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantor	Guarantee	Currency	Amount	Description of guarantee
SK Inc.	Abrasax Investment Inc.	USD	315,000	Cash deficiency support of debt
	Hudson Energy NY, LLC	USD	226,000	Cash deficiency support of debt
SK Innovation Co., Ltd.	SK Battery America, Inc.	USD	1,680,000	Guarantee of debt
	SK Battery Hungary Kft.	USD	250,000	Guarantee of debt
	SK Hi-tech Battery Materials (Jiangsu) Co., Ltd.	HUF	9,810,000	Guarantee of local factory construction
	SK Hi-Tech Battery Materials Poland Sp. Zo.o.	USD	50,000	Guarantee of debt
	SK Battery Manufacturing Kft.	CNY	500,000	Guarantee of debt
	SK Ningbo Performance Rubber Co., Ltd.	USD	130,000	Guarantee of debt
SK Geo Centric Co., Ltd. (formerly, SK Global Chemical Co., Ltd.)	SK Global Chemical Americas, Inc.	USD	500,000	Guarantee of debt
	SK Functional Polymer, S.A.S	EUR	14,000	Guarantee of payment for license agreement
SK ie technology Co., Ltd.	SK Hi-Tech Battery Materials(Jiang Su) Co., Ltd.	USD	160,000	Guarantee of payment for principal of debt
	SK Shieldus Co., Ltd. (formerly, ADT Caps Co., Ltd.)	EUR	216,000	Guarantee of payment for principal of debt
SK Telink Co., Ltd.	SK Telink Co., Ltd.	CNY	550,816	Guarantee of financial obligation
	SK Telink Co., Ltd.	USD	15,806	Guarantee of financial obligation
F&U Credit Information Co., Ltd.	SK Telink Co., Ltd.	KRW	1	Performance guarantees for insurance and others
SK Networks Co., Ltd.	SK Networks Deutschland GmbH	KRW	30	Performance guarantees for insurance (payment, warranties, contract)
	SK Networks Hong Kong Ltd.	EUR	1,000	Standing surety for investee
	SK Networks (Shanghai) Co., Ltd.	USD	102,600	Standing surety for investee
	SK Networks America, Inc.	USD	62,500	Standing surety for investee
	SK Networks (Xiamen) Steel Processing Center Co., Ltd.	CNY	54,000	Standing surety for investee
	SK Networks Resources Australia Pty. Ltd.	USD	14,000	Standing surety for investee
SKC Co., Ltd.	SKC, Inc.	AUD	8,000	Standing surety for investee
	SKC (Jiangsu) High Tech Plastics Co., Ltd.	USD	109,000	Guarantee of payment
	SK Telesys Co., Ltd.	USD	75,950	Guarantee of payment
	SKC (Natong) PU Specialty Co., Ltd.	CNY	270,000	Guarantee of payment
	SKC (Natong) Semiconductor Materials Technology Co., Ltd.	KRW	30,000	Guarantee of financial obligation
	Callip GAS Marketing, LLC	CNY	146,107	Guarantee of payment
SK E&S Co., Ltd.	Paju Energy Service Co., Ltd.	USD	7,000	Guarantee of payment
	Narae Energy Service Co., Ltd.	USD	10,700	Guarantee of payment
	Yeoju Energy Service Co., Ltd.	USD	180,000	Guarantee for derivative hedge and others
	Prism Energy International Pte. Ltd.	KRW	500,000	Guarantee of debt and others
	SK E&S LNG, LLC	KRW	290,000	Guarantee of debt and others
SK E&S Americas, Inc.	SK E&S LNG, LLC	KRW	200,000	Guarantee of payment for principal of debt
	Callip Gas Marketing, LLC	USD	691,000	Guarantee for derivative hedge and others
	SKEC Anadolu, LLC	USD	63,000	Guarantee for derivative hedge and others
SK ecoplant Co., Ltd. (formerly, SK Engineering & construction Co., Ltd.)	Silvertown Investco Limited.	USD	9,342	Performance guarantee for LPG injection
	Sunlake Co., Ltd.	USD	40,000	Performance guarantee for purchase contract of Feed Gas
	The Eco Platform Co., Ltd.	EUR	67,512	Performance guarantees for contract and others
Environment Management Corporation Co., Ltd		GBP	10,671	Guarantee of financial obligation
	Gyeounbuk Environment Energy Co., Ltd.	CAD	6,000	Guarantee of financial obligation
	Gyeongsan Clean Water Way Co., Ltd.	KRW	71,746	Fund supplement agreement for loan agreement
	Dalseong Maleunmulgil Co., Ltd.	KRW	2,500	Guarantee of debt
	Honam Environment Energy Co., Ltd.	KRW	5,330	Fund supplement agreement for loan agreement
	SK Materials Jiangsu Co., Ltd.	KRW	2,240	Fund supplement agreement for loan agreement
	SK Materials Taiwan Co., Ltd.	KRW	8,000	Guarantee of debt
	SK Materials Japan Co., Ltd.	USD	29,000	Guarantee of debt
SK Biotek Co., Ltd.	SK Biotek Ireland Limited.	USD	2,000	Guarantee of debt
	SK Siltron USA, Inc.	JPY	276,000	Guarantee of debt
		USD	50,000	Guarantee for credit limit
		EUR	10,000	Performance guarantees
		USD	6	Guarantee of long-term debt

34. Financial risk management

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

34.1 Financial risk management

34.1.1 Risk management activities

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

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

34.1.2 Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In addition, the maximum exposure to credit risk as of September 30, 2021 and December 31, 2020 is as follows (Korean won in millions):

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Financial assets measured at FVTPL	₩ 9,413,761	₩ 6,059,081
Financial assets measured at FVOCI	10,205	12,907
Financial assets measured at amortized cost	27,400,126	22,118,563
Derivatives designated as hedging instruments	<u>359,057</u>	<u>126,932</u>
	<u>₩ 37,183,149</u>	<u>₩ 28,317,483</u>

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

34.1.2.1 Trade and other receivables

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

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

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34.1.2.2 Guarantee

SK ecoplant Co., Ltd., one of the subsidiaries, offers payment guarantees for loans of project financing. The financing liabilities related to the payment guarantees recognized are ₩15,618 million as of September 30, 2021. The Group recognizes the financial guarantee liabilities related to the payment guarantees contracted with the Group, such as SK ecoplant Co., Ltd., as of September 30, 2021 and December 31, 2020.

	September 30, 2021		December 31, 2020	
SK Innovation Co., Ltd.	₩	1,373	₩	1,790
SK ecoplant Co., Ltd.		15,618		20,169
SK Biotek Co., Ltd.		320		320
	₩	17,311	₩	22,279

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

34.1.2.3. Other financial assets

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

34.1.3 Liquidity risk

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

The contractual maturity of financial liabilities as of September 30, 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
Borrowings	₩ 22,567,044	₩ 23,642,121	₩ 4,823,794	₩ 4,354,130	₩ 13,081,033	₩ 1,383,164
Bonds payable	35,504,091	38,587,111	1,441,055	4,775,111	24,822,747	7,548,198
Derivative financial liabilities	433,350	455,482	103,373	303,105	45,994	3,010
Trade payables	8,195,892	8,195,892	7,852,411	343,481	-	-
Lease liabilities	4,779,308	5,239,582	129,992	1,130,806	2,566,731	1,412,053
Other liabilities	11,752,938	12,077,964	7,158,600	2,653,109	1,982,240	284,015
	₩ 83,232,623	₩ 88,198,152	₩ 21,509,225	₩ 13,559,742	₩ 42,498,745	₩ 10,630,440

34.1.4 Market risk

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

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34.1.4.1 Currency risk

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

Details of foreign currencies and liabilities as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions and foreign currencies in thousands):

	Currency	September 30, 2021		December 31, 2020	
		Foreign currencies	Korean won equivalent	Foreign currencies	Korean won equivalent
Assets	USD	6,887,986	₩ 8,161,574	4,399,956	₩ 4,787,152
	JPY	18,748,763	198,396	16,926,984	178,454
	CNY	2,623,330	480,148	2,995,196	500,078
	EUR	264,974	364,156	352,292	471,451
	Others		927,066		437,237
			₩ 10,131,340		₩ 6,374,372
Liabilities	USD	11,455,125	₩ 13,573,178	6,966,664	₩ 7,579,730
	JPY	10,739,458	113,643	12,517,757	131,970
	CNY	2,857,187	522,951	2,773,350	463,039
	EUR	264,929	364,095	376,452	503,783
	Others		555,014		559,060
			₩ 15,128,881		₩ 9,237,582

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

Currency	September 30, 2021		December 31, 2020	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ (541,160)	₩ 541,160	₩ (279,258)	₩ 279,258
JPY	8,475	(8,475)	4,648	(4,648)
CNY	(4,280)	4,280	3,704	(3,704)
EUR	6	(6)	(3,233)	3,233

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

34.1.4.2 Interest rate risk

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

34.2 Capital risk management

The fundamental goal of capital management is to keep a sound financial structure. The Group is using the debt ratio, calculated as total debt divided by total amount of capital, as an indicator of capital management. The Group maintains a debt ratio of 158.4% as of September 30, 2021. The maturity of the debt is dispersed in the long term; so, debt-repayments are not demanding.

The Group's debt ratio as of September 30, 2021 and December 31, 2020 are as follows (Korean won in millions):

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Total liabilities	₩ 97,515,057	₩ 85,805,044
Total equity	61,546,015	51,859,918
Debt ratio	158.4%	165.5%

35. Business combination

As of September 30, 2021, details of business combination are as follows.

(1) General information

The Group acquired 103,000 million third-party shares (35%) of Hana Land Chip PEF 33, as of January 1, 2021, as the deemed acquisition date. Hana Land Chip PEF 33 has been reclassified from investment in joint ventures to investment in subsidiaries, and it was liquidated for the nine-month period ended September 30, 2021

Maeripji Management Co., Ltd., a subsidiary of the Group, acquired an additional 30% of the voting shares of YS TEC Co., Ltd., an unlisted company that primarily engages in the activity of landfill waste on January 15, 2021. Accordingly, YS TEC Co., Ltd. has been reclassified from investment in joint ventures to investment in subsidiaries.

SK E&S Co., Ltd., a subsidiary of the Group, gained control by acquiring 100% of the shares in Busan Jungkwan Energy Co., Ltd. on January 1, 2021, as the deemed acquisition date. Busan Jungkwan Energy Co., Ltd. started commercial operation of 2 power generation facilities with a capacity of 50MW in October 2008 and January 2012, respectively, and produces and supplies heat and electricity in Busan Jungkwan District in a stable manner.

Crest Acquisition LLC, a subsidiary of the Group, acquired 70% of shares and gained control in Yposkesi, SAS, a French gene and cell therapy (GCT) drug consignment production (CMO) company, on March 31, 2021, as the deemed acquisition date to strengthen global drug consignment production business.

SK ecoplant Co., Ltd., a subsidiary of the Company, gained control by acquiring a stake in five waste disposal companies during the nine-month period ended September 30, 2021. SK ecoplant Co., Ltd. acquired a 50% stake in Seongju Tech Co., Ltd., an unlisted company, on April 28, 2021, acquired 100% stake in DDS Co., Ltd., an unlisted company which the main operating business is medical waste disposal, on June 24, 2021, acquired 100% stake in Samwon ENT Co., Ltd., an unlisted company which the main operating business is waste incineration, on June 30, 2021, acquired 100% stake in Saehan Environment Co., Ltd., an unlisted company which the main operating business is waste incineration, on August 6, 2021 and acquired 100% stake in Daewon Green Energy Co., Ltd., an unlisted company which the main operating business is waste incineration, on August 27, 2021.

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35. Business combination (cont'd)

Tmap Mobility Co., Ltd., a subsidiary of the Company, acquired 100% shares of YLP Inc. (168,012 shares) and gained control. Out of the total cost of business combination amount ₩79,000 million, ₩55,598 million was paid in cash and acquired 70.4% stake (118,242 shares). In addition, 29.6% (49,770 shares) of Tmap Mobility Co., Ltd. owned by YLP Inc. was transferred on June 29, 2021, and 267,700 shares (₩23,402 million) were issued to shareholders in exchange for shares. On August 12, 2021, in order to expand the business portfolio related to the electric car charging business, which is high-growth field, the Group acquired 5,920,000 new convertible preferred shares of Signet EV Inc. and 1,620,087 old convertible preferred shares from the existing shareholders through a third-party allocation paid-in capital increases and obtained a control over the entity by acquiring 53.4% of voting rights.

(2) Identifiable assets acquired and liabilities assumed

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

	Hana Land Chip PEF 33	YS TEC Co., Ltd.	Busan Jungkwan Energy Co., Ltd.	Yposkesi, SAS	5 waste diposal companies	YLP Inc.	Signet EV Inc.
Assets:							
Cash and cash equivalents	₩ 6,989	₩ 26,900	₩ 1,673	₩ 12,091	₩ 16,989	₩ 5,897	₩ 226,611
Trade and other receivables	323	3,971	6,958	7,636	3,218	4,480	7,895
Inventories	-	-	-	19,024	110	-	15,626
Property, plant and equipment	1,003,000	27,802	136,343	18,528	65,293	104	9,854
Right-of-use assets	-	73	47	25,238	889	327	482
Intangible assets	-	129,359	19,631	105,613	2	3,532	77,204
Deferred tax assets	-	-	8,419	3,222	1,532	-	-
Other assets	-	980	4,954	5,348	585	325	11,155
	<u>1,010,312</u>	<u>189,085</u>	<u>178,025</u>	<u>196,700</u>	<u>88,618</u>	<u>14,665</u>	<u>348,827</u>
Liabilities:							
Trade and other payables	₩ 7,593	₩ 4,599	₩ 4,006	₩ 7,495	₩ 6,436	₩ 3,542	₩ 9,424
Borrowing liabilities	308,500	-	103,874	20,558	42,555	1,000	14,233
Lease liabilities	-	75	45	25,238	909	327	486
Defined benefit liabilities	-	-	1,281	1,339	561	-	-
Deferred tax liabilities	-	31,148	-	-	-	305	14,409
Other liabilities	-	7,761	51,683	27,480	513	48	82,253
	<u>316,093</u>	<u>43,583</u>	<u>160,889</u>	<u>82,110</u>	<u>50,974</u>	<u>5,222</u>	<u>120,805</u>
Fair value of identifiable net assets	<u>₩ 694,219</u>	<u>₩ 145,502</u>	<u>₩ 17,136</u>	<u>₩ 114,590</u>	<u>₩ 37,644</u>	<u>₩ 9,443</u>	<u>₩ 228,022</u>

As of September 30, 2021, the fair value of the assets acquired and liabilities assumed was determined tentatively because independent valuation was not completed.

(3) Goodwill

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

	Hana Land Chip PEF 33	YS TEC Co., Ltd.	Busan Jungkwan Energy Co., Ltd.	Yposkesi, SAS	5 waste diposal companies	YLP Inc.	Signet EV Inc.
a. The total consideration transferred (*1)	₩ 694,805	₩ 402,645	₩ 21,098	₩ 240,185	₩ 235,609	₩ 79,000	₩ 272,588
b. Fair value of proportionate share of acquired net assets:							
Fair value of the net identifiable assets	694,219	145,502	17,135	114,590	37,644	9,443	228,022
Non-controlling Interests (*2)	-	-	-	(44,690)	(307)	-	(106,298)
	<u>694,219</u>	<u>145,502</u>	<u>17,136</u>	<u>69,900</u>	<u>37,337</u>	<u>9,443</u>	<u>121,724</u>
c. Goodwill (c=a-b)	<u>₩ 586</u>	<u>₩ 145,502</u>	<u>₩ 17,136</u>	<u>₩ 114,590</u>	<u>₩ 37,644</u>	<u>₩ 9,443</u>	<u>₩ 228,022</u>

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

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

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35. Business combination (cont'd)

(3) Details of assets and liabilities of the Group retroactively adjusted due to the business combination as of December 31, 2020 are as follows (Korean won in millions):

	Amount before adjustment	Retroactive adjustment	Amount after adjustment
Assets:			
Investments in associates and joint ventures	20,809,118	209,845	21,018,963
Lands	8,527,871	(13,362)	8,514,509
Buildings	4,568,817	(1,668)	4,567,149
Investment properties	570,554	(1,398)	569,156
Goodwill	4,755,455	(291,504)	4,463,951
Facility usage rights	66,014	(22,509)	43,505
Customer-related assets	2,842,553	156,767	2,999,320
Other intangible assets	1,702,097	(9,586)	1,692,511
Liabilities:			
Deferred tax liabilities	4,542,659	26,586	4,569,245

36. Events after the reporting period

36.1 Merger of SK Materials Co., Ltd.

On August 20, 2021, the Group's Board of Directors decided to merge SK Materials Co., Ltd. in order to improve the growth on the advanced materials field and management efficiency. On October 29, 2021, the board of directors' resolution for a small merger with SK Materials Co., Ltd. was approved. Details of the merger are as follows.

Surviving company after merger: SK, Inc

Extinct company after merger: SK Materials Co., Ltd.

Date of merger: December 1, 2021

Merging ratio: Ordinary share of SK, Inc. : Ordinary share of SK Materials Co., Ltd.
= 1.000000 : 1.5778412

36.2 Split-off from the SK Innovation Co., Ltd.

SK Innovation Co., Ltd., a subsidiary, split-off of its battery and E&P businesses from the Company as of October 1, 2021 followed by the resolution of the stockholders' meeting held on September 16, 2021 for the purposes of strengthening the capacity of these businesses in order to respond to changes in the internal and external business environments and enhancing the corporate values. The new split-off companies are SK On Co., Ltd. and SK Earthon Co., Ltd.

36.3 Disposal of treasury shares of SK Innovation Co., Ltd.

In accordance with the resolution of the Board of Directors' meeting held on October 1, 2021, SK Innovation Co., Ltd., a subsidiary, decided to dispose its treasury shares to the members of SK Innovation Co., Ltd. and its subsidiaries. The expected disposal dates are October 29, 2021 and December 16, 2021, and the expected number of shares to be disposed was 462,745. On October 29, 2021, the actual number of shares disposed was 448,830 with the amount of ₩110,349 million. The remaining treasury shares to be disposed can be changed depending on the agreement between SK Innovation Co., Ltd. and its subsidiaries and the share price on the disposal date.

36. Events after the reporting period (cont'd)

36.4 Spin-off of SK Telecom Co., Ltd.

SK Telecom Co., Ltd. a subsidiary of the Company, will be spin-off on November 1, 2021 according to the shareholder's meeting held on October 12, 2021 and will be re-listed on November 29, 2021.

The information related to SK Telecom Co., Ltd.'s spin-off is as follows:

	<u>Company</u>	<u>Business division</u>
Surviving company	SK telecom Co., Ltd.	Businesses including wired and wireless communications business
New company	SK Square Co., Ltd.	Business sectors for the purpose of managing shares in related investment companies, such as semiconductors and New ICT, and new investments

The schedule for the segmentation plan is as follows:

	<u>Date</u>
Split date	November 1, 2021
Split registration date	November 2, 2021
Period of suspension of trading (scheduled date)	October 26, 2021 ~ November 26, 2021
Re-listed date (scheduled date)	November 29, 2021

36.5 Equivalent stock split of SK Telecom Co., Ltd.

SK Telecom Co., Ltd., a subsidiary of the Company, approved to split its shares at shareholder's meeting held on October 12, 2021 for the purpose of expanding the number of shares issued and outstanding, and the effect of the stock split took place on October 28, 2021. The total number of shares to be issued changed from 72,060,143 shares (value per share: ₩500) to 360,300,715 shares (value per share: ₩100). The allocation of new shares of the split-off company to the shareholders is based on the number of shares worth ₩100 per share, which were held by the shareholders subsequent to the stock split. The allocation of the split-off company's new shares per its common share are as follows.

	<u>A new split-off corporation</u>
Name of the company	SK Square Co., Ltd
Rate per common shares of split-off company	0.3926375 shares

36.6 Disposal of treasury shares of SK Telecom Co., Ltd.

SK Telecom Co., Ltd., a subsidiary, decided to dispose its treasury shares at the Board meeting held on October 12, 2021. Details are as follows.

	<u>Details</u>
Type and number of shares	520,000 Ordinary shares
Share prices subject to disposal	₩304,500 per share
Expected disposal amount	₩158,340 million
Expected disposal period	October 25, 2021 ~ January 12, 2022
Purpose of disposal	Bonus payment of its treasury shares

36. Events after the reporting period (cont'd)

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

SK Telecom Co., Ltd. declared to pay interim dividend in accordance with the Board's resolution on November 1, 2021 as follows:

	Details
Amount of interim dividend	₩ 2,500 per share (total amount of dividend: ₩ 177,902 millions)
Ratio of dividend to market value	0.80%
Basic date for dividend	September 30, 2021
Date of dividend payment	Within November 21, 2021 on the basis of Article 165-12 (3) of the Capital Market and Financial Investment Business Act

36.8 New investment decision of SK ecoplant Co., Ltd.

SK ecoplant Co., Ltd., a subsidiary of the Company, decided to invest ₩303.5 billion in Bloom Energy Corporation through the Board's resolution on October 8, 2021.

36.9 Expand of investment in eco-friendly businesses of SK ecoplant Co., Ltd.

SK ecoplant Co., Ltd., a subsidiary of the Company, decided on ₩208 billion in share acquisition of three companies including Green Environmental Technology Co., Ltd.

36.10 Split-off of SK ecoplant Co., Ltd.

SK ecoplant Co., Ltd., a subsidiary of the Company, decided to split-off of its plant division followed by the Board's resolution on October 28, 2021 and to sell some of its newly established entity's shares to PEF at ₩450 billion.

36.11 Merger agreement of Environment Management Corporation Co., Ltd.

Environment Management Corporation Co., Ltd., a subsidiary of the SK ecoplant Co., Ltd. (subsidiary of the Company), signed a merger agreement (merging Maeripji Management Co., Ltd. and The Eco Platform Co., Ltd., a parent company of Environment Management Corporation Co., Ltd.) with Environmental Energy Co., a subsidiary of Environment Management Corporation Co., Ltd., as of December 1, 2021 followed by the resolutions of the Board of Director's meeting held on August 31, 2021 and the shareholders' meeting held on October 28, 2021. The creditors' protection procedures for the merger are ongoing at the moment, and there is no impact on the interim condensed consolidated financial statements.

36.12 Issuance of redeemable convertible preferred shares of SK E&S Co., Ltd.

On November 5, 2021, SK E&S Co., Ltd., a subsidiary of the Company, issued 4,094,293 shares of redeemable convertible preferred shares without voting rights. SK E&S Co., Ltd. has the right to repay all preferred shares in cash or other assets with the choice of SK E&S Co., Ltd. by resolution of the Board of Directors. If the preferred shareholder informs SK E&S Co., Ltd. in writing of the conversion rights within the conversion claim period or gives a written notice that SK E&S Co., Ltd. will not exercise its right to repay or exercise its right to repay within two months from the date of receipt of the conversion claim, the preferred shareholder may exercise its right to conversion right.

36. Events after the reporting period (cont'd)

36.13 Public purchase of Busan City Gas Co., Ltd. by SK E&S Co., Ltd.

SK E&S Co., Ltd., a subsidiary of the Company, made a public purchase from September 16, 2021 to October 15, 2021 in order to acquire all remaining outstanding shares of Busan City Gas Co., Ltd., which are not held by Busan City Gas Co., Ltd. As of October 20, 2021, SK E&S Co., Ltd.'s stake in Busan City Gas Co., Ltd. changed from 67.32% to 84.34% and ownership of SK E&S Co., Ltd., including treasury shares of Busan City Gas Co., Ltd., changed from 76.40% to 93.42%.

36.14 Share exchange contract between SK E&S Co., Ltd. and Busan City Gas Co., Ltd.

SK E&S Co., Ltd., a subsidiary of the Company, signed a share exchange contract with Busan City Gas Co., Ltd., a subsidiary of the Company, on October 18, 2021. As of the share exchange date, the remaining shares of Busan City Gas Co., Ltd., which the shareholders own other than the shares owned by SK E&S Co., Ltd., will be transferred to SK E&S Co., Ltd., and SK E&S Co., Ltd. will issue ₩85,000 in cash per share in exchange.