



SK Inc.

Condensed Separate Interim Financial Statements
June 30, 2024 and 2023
(with Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

To the Shareholders and Board of Directors of
SK Inc.

Reviewed Financial Statements

We have reviewed the accompanying condensed separate interim financial statements of SK Inc. (the "Company"), expressed in Korean won, which comprise the condensed separate interim statement of financial position as of June 30, 2024, the related condensed separate interim statements of comprehensive income (loss) for the three and six-month periods ended June 30, 2024 and 2023, changes in equity and cash flows for the six-month periods ended June 30, 2024 and 2023, and notes comprising a summary of material accounting policy information and other explanatory information.

Management's Responsibility for the Interim Financial Statements

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

Auditors' review responsibility

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

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

Conclusion

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

Other matters

The separate statement of financial position as of December 31, 2023, the related statement of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by us in accordance with KSAs and report thereon, dated March 12, 2024, expressed an unmodified opinion. The accompanying separate statement of financial position as of December 31, 2023, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.



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

The accompanying condensed separate interim financial statements as of June 30, 2024, for the three-month and six-month periods ended June 30, 2024 and 2023, and the separate statement of financial position as of December 31, 2023 have been translated into United States dollars solely for the convenience of the reader and such translation does not comply with K-IFRS. We have reviewed the translation and nothing came to our attention that cause us to believe that the condensed separate interim financial statements expressed in Korean won have not been translated into dollars on the basis set forth in note 2.1 to the condensed separate interim financial statements.

KPMG Samjony Accounting Corp.

Seoul, Korea
August 14, 2024

This report is effective as of August 14, 2024, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this review report, could have a material impact on the accompanying condensed separate interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

SK Inc.

**Condensed separate interim statements of financial position
as of June 30, 2024 and December 31, 2023**

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

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		June 31, 2024	December 31, 2023	June 31, 2024	December 31, 2023
Assets					
Current assets:					
Cash and cash equivalents	4	₩ 257,861	₩ 368,906	\$ 185,618	\$ 265,553
Short-term financial instruments	4,34	198,930	124,820	143,198	89,850
Trade receivables, net	4,5,24,30,34	645,431	645,441	464,606	464,613
Other receivables, net	4,5,30,34	7,105	3,792	5,114	2,730
Inventories, net	6	181	153	130	110
Other current assets	4,5,17,18,30,32,34	781,413	230,133	562,491	165,659
Assets held for sales	31	233,554	265,161	168,121	190,873
Total current assets		2,124,475	1,638,406	1,529,278	1,179,388
Non-current assets:					
Long-term other receivables, net	4,5,34	441	441	317	317
Long-term investment securities	4,7,34	802,602	842,810	577,744	606,687
Investments in subsidiaries	8	21,898,121	21,830,746	15,763,116	15,714,617
Investments in associates	9	317,024	288,280	228,206	207,515
Property, plant and equipment, net	10	581,190	589,096	418,363	424,054
Right-of-use asset, net	11	94,182	112,042	67,796	80,652
Investment properties, net	12	64,197	66,259	46,211	47,696
Intangible assets, net	13	2,139,628	2,151,930	1,540,187	1,549,043
Defined benefit assets	16	-	44,356	-	31,929
Other non-current assets	4,5,11,17,18,32,34	556,395	1,074,550	400,515	773,501
Total non-current assets		26,453,780	27,000,510	19,042,455	19,436,011
Total assets		₩ 28,578,255	₩ 28,638,916	\$ 20,571,733	\$ 20,615,399
Liabilities and equity					
Liabilities					
Current liabilities:					
Short-term borrowings	4,14,30,34	₩ 3,081,200	₩ 3,306,200	\$ 2,217,967	\$ 2,379,931
Trade payables	4,30,34	135,063	125,799	97,224	90,555
Other payables	4,30,32,34	51,033	88,659	36,736	63,820
Accrued expenses	4,34	131,477	197,240	94,642	141,981
Provisions	15	9,697	5,701	6,980	4,104
Current portion of long-term debt	4,14,32,34	1,674,052	1,494,144	1,205,048	1,075,543
Other current liabilities	4,17,18,24,30,34	336,735	308,241	242,395	221,884
Total current liabilities		5,419,257	5,525,984	3,900,992	3,977,818
Non-current liabilities:					
Bonds and long-term borrowings	4,14,32,34	6,070,318	6,290,320	4,369,650	4,528,016
Defined benefit liabilities	16	13,891	-	9,999	-
Deferred tax liabilities	28	317,755	305,129	228,732	219,644
Provisions	15	24,903	24,904	17,926	17,927
Other non-current liabilities	4,17,18,30,34	553,753	574,533	398,611	413,569
Total non-current liabilities		6,980,620	7,194,886	5,024,918	5,179,156
Total liabilities		12,399,877	12,720,870	8,925,910	9,156,974
Equity					
Share capital	1,19	16,143	16,143	11,620	11,620
Other paid-in capital	20,23	3,220,092	3,207,073	2,317,947	2,308,575
Retained earnings	21	12,709,560	12,460,837	9,148,834	8,969,793
Other components of equity	22	232,583	233,993	167,422	168,437
Total equity		16,178,378	15,918,046	11,645,823	11,458,425
Total liabilities and equity		₩ 28,578,255	₩ 28,638,916	\$ 20,571,733	\$ 20,615,399

See accompanying notes to the condensed separate interim financial statements.

SK Inc.
Condensed separate interim statements of comprehensive income (loss)
for the three-month and six-month periods ended June 30, 2024 and 2023

(Korean won in millions, except earnings (losses) per share)

	Notes	Korean won			
		June 30, 2024		June 30, 2023	
		Three-month	Six-month	Three-month	Six-month
Operating revenue	24,30	₩ 796,331	₩ 2,033,207	₩ 790,791	₩ 2,431,863
Operating expenses	25,30	<u>665,762</u>	<u>1,296,288</u>	<u>680,973</u>	<u>1,201,693</u>
Operating profit		130,569	736,919	109,818	1,230,170
Finance income	26	56,128	95,030	31,441	77,556
Finance costs	26	109,515	314,462	141,886	322,114
Other non-operating income	27	9,781	45,439	12,217	17,797
Other non-operating expenses	27	<u>35,758</u>	<u>38,848</u>	<u>246,048</u>	<u>247,370</u>
Profit (loss) before income tax expense		51,205	524,078	(234,458)	756,039
Income tax expense (benefit)	28	<u>5,743</u>	<u>647</u>	<u>(42,533)</u>	<u>(25,157)</u>
Profit (loss) for the period		<u>₩ 45,462</u>	<u>₩ 523,431</u>	<u>₩ (191,925)</u>	<u>₩ 781,196</u>
Other comprehensive income (loss):					
Items that will not be reclassified subsequently to profit or loss (net of tax):					
Remeasurements of the net defined benefit plans	16	(12,774)	(6,526)	(6,416)	(17,762)
Gain (loss) on valuation of financial assets measured at FVOCI		<u>(1,303)</u>	<u>(1,410)</u>	<u>(439)</u>	<u>29,329</u>
		<u>(14,077)</u>	<u>(7,936)</u>	<u>(6,855)</u>	<u>11,567</u>
Total comprehensive income (loss) for the period		<u>₩ 31,385</u>	<u>₩ 515,495</u>	<u>₩ (198,780)</u>	<u>₩ 792,763</u>
Earnings (losses) per share (Korean won):	29				
Basic earnings (losses) per ordinary share		₩ 825	₩ 9,492	₩ (3,386)	₩ 13,896
Basic earnings (losses) per preference share		875	9,542	(3,386)	13,946
Diluted earnings (losses) per ordinary share		786	9,465	(3,450)	13,778
Diluted earnings (losses) per preference share		875	9,542	(3,386)	13,946

(Continued)

SK Inc.
Condensed separate interim statements of comprehensive income (loss)
for the three-month and six-month periods ended June 30, 2024 and 2023 (cont'd)
(U.S. dollar in thousands, except earnings (losses) per share)

	Notes	Translation into U.S. dollar (Note 2)			
		June 30, 2024		June 30, 2023	
		Three-month	Six-month	Three-month	Six-month
Operating revenue	24,30	\$ 573,230	\$ 1,463,581	\$ 569,242	\$ 1,750,549
Operating expenses	25,30	479,241	933,118	490,191	865,025
Operating profit		93,989	530,463	79,051	885,524
Finance income	26	40,403	68,406	22,632	55,828
Finance costs	26	78,833	226,362	102,135	231,870
Other non-operating income	27	7,041	32,709	8,794	12,811
Other non-operating expenses	27	25,740	27,964	177,116	178,066
Profit (loss) before income tax expense		36,860	377,252	(168,774)	544,227
Income tax expense (benefit)	28	4,134	466	(30,617)	(18,109)
Profit (loss) for the period		<u>\$ 32,726</u>	<u>\$ 376,786</u>	<u>\$ (138,157)</u>	<u>\$ 562,336</u>
Other comprehensive income (loss):					
Items that will not be reclassified subsequently to profit or loss (net of tax):					
Remeasurements of the net defined benefit plans	16	(9,195)	(4,698)	(4,618)	(12,786)
Gain (loss) on valuation of financial assets measured at FVOCI		(938)	(1,015)	(316)	21,112
		(10,133)	(5,713)	(4,934)	8,326
Total comprehensive income (loss) for the period		<u>\$ 22,593</u>	<u>\$ 371,073</u>	<u>\$ (143,091)</u>	<u>\$ 570,662</u>
Earnings (losses) per share (U.S. dollar):	29				
Basic earnings (losses) per ordinary share		\$ 0.59	\$ 6.83	\$ (2.44)	\$ 10.00
Basic earnings (losses) per preference share		0.63	6.87	(2.44)	10.04
Diluted earnings (losses) per ordinary share		0.57	6.81	(2.48)	9.92
Diluted earnings (losses) per preference share		0.63	6.87	(2.44)	10.04

See accompanying notes to the condensed separate interim financial statements.

SK Inc.

Condensed separate interim statements of changes in equity
for the six-month periods ended June 30, 2024 and 2023

(Korean won in millions)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
	₩	₩	₩	₩	₩
As of January 1, 2023	16,143	3,151,633	12,514,748	205,275	15,887,799
Total comprehensive income for the period:					
Profit for the period	-	-	781,196	-	781,196
Remeasurements of the net defined benefit plans	-	-	(17,762)	-	(17,762)
Gain on valuation of financial assets measured at FVOCI	-	-	-	29,329	29,329
Transactions with owners:					
Dividends	-	-	(195,114)	-	(195,114)
Disposal of treasury stocks	-	4,554	-	-	4,554
Retirement of treasury stock	-	100,681	(100,681)	-	-
As of June 30, 2023	16,143	3,256,868	12,982,387	234,604	16,490,002
As of January 1, 2024	16,143	3,207,073	12,460,837	233,993	15,918,046
Total comprehensive income for the period:					
Profit for the period	-	-	523,431	-	523,431
Remeasurements of the net defined benefit plans	-	-	(6,526)	-	(6,526)
Loss on valuation of financial assets measured at FVOCI	-	-	-	(1,410)	(1,410)
Transactions with owners:					
Dividends	-	-	(192,820)	-	(192,820)
Granting of stock options	-	602	-	-	602
Acquisition and disposal of treasury stock	-	(62,945)	-	-	(62,945)
Retirement of treasury stock	-	75,362	(75,362)	-	-
As of June 30, 2024	16,143	3,220,092	12,709,560	232,583	16,178,378

SK Inc.

Condensed separate interim statements of changes in equity
for the six-month periods ended June 30, 2024 and 2023 (cont'd)

(U.S. dollar in thousands)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
As of January 1, 2023	\$ 11,620	\$ 2,268,668	\$ 9,008,601	\$ 147,765	\$ 11,436,654
Total comprehensive income for the period:	-	-	562,336	-	562,336
Profit for the period	-	-	(12,786)	-	(12,786)
Remeasurements of the net defined benefit plans	-	-	-	21,112	21,112
Gain on valuation of financial assets measured at FVOCI	-	-	-	-	-
Transactions with owners:					
Dividends	-	-	(140,451)	-	(140,451)
Disposal of treasury stocks	-	3,278	-	-	3,278
Retirement of treasury stock	-	72,474	(72,474)	-	-
As of June 30, 2023	\$ 11,620	\$ 2,344,420	\$ 9,345,226	\$ 168,877	\$ 11,870,143
As of January 1, 2024	\$ 11,620	\$ 2,308,575	\$ 8,969,793	\$ 168,437	\$ 11,458,425
Total comprehensive income for the period:	-	-	376,786	-	376,786
Profit for the period	-	-	(4,698)	-	(4,698)
Remeasurements of the net defined benefit plans	-	-	-	(1,015)	(1,015)
Loss on valuation of financial assets measured at FVOCI	-	-	-	-	-
Transactions with owners:					
Dividends	-	-	(138,799)	-	(138,799)
Granting of stock options	-	434	-	-	434
Acquisition and disposal of treasury stock	-	(45,310)	-	-	(45,310)
Retirement of treasury stock	-	54,248	(54,248)	-	-
As of June 30, 2024	\$ 11,620	\$ 2,317,947	\$ 9,148,834	\$ 167,422	\$ 11,645,823

SK Inc.

**Condensed separate interim statements of cash flows
for the six-month periods ended June 30, 2024 and 2023**

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

		For the six-month periods ended June 30			
		Korean won		Translation into U.S. dollar (Note 2)	
Notes		2024	2023	2024	2023
Cash flows from operating activities:					
		₩ 523,431	₩ 781,196	\$ 376,786	\$ 562,336
		(410,916)	(637,601)	(295,793)	(458,970)
	32	(24,541)	137,255	(17,666)	98,801
		9,334	8,228	6,719	5,923
		(193,774)	(158,936)	(139,486)	(114,408)
		689,245	1,168,658	496,145	841,245
		(10,184)	(25,216)	(7,331)	(18,151)
		582,595	1,273,584	419,374	916,776
Cash flows from investing activities:					
		(74,110)	22,310	(53,347)	16,060
		(13,289)	(12,298)	(9,566)	(8,853)
		(1,046)	(409)	(753)	(294)
		(16)	(5)	(12)	(4)
		7	-	5	-
		221	88,772	159	63,902
		-	23,065	-	16,603
		70,565	14,158	50,795	10,191
		2,166	389	1,559	280
		15,358	3	11,055	2
		(3,839)	(10,478)	(2,763)	(7,542)
		(95,961)	(459,295)	(69,076)	(330,618)
		-	(3,116)	-	(2,243)
		(22,097)	(62,939)	(15,906)	(45,306)
		(11,542)	(14,628)	(8,308)	(10,530)
		(1,002)	(593)	(721)	(427)
		970	2,450	698	1,764
		(133,615)	(412,614)	(96,181)	(297,015)
Cash flows from financing activities:					
		(225,000)	(888,860)	(161,964)	(639,836)
		756,869	1,186,012	544,824	853,737
		(192,820)	(195,114)	(138,799)	(140,451)
		(800,000)	(770,000)	(575,871)	(554,276)
		(34,813)	(32,994)	(25,060)	(23,750)
		(64,470)	2,263	(46,408)	1,629
		603	-	434	-
		(359)	-	(258)	-
		(559,990)	(698,693)	(403,102)	(502,947)
		(111,010)	162,277	(79,909)	116,814
		(35)	(251)	(26)	(181)
		368,906	115,840	265,553	83,386
		₩ 257,861	₩ 277,866	\$ 185,618	\$ 200,019

See accompanying notes to the condensed separate interim financial statements.

1. Corporate information

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

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

As of June 30, 2024, the share capital of the Company amounts to ₩16,143 million (including ₩113 million of preferred shares). Major shareholders and their equity ownership are Tae-won Chey, National Pension Service and Ki-won Choi, each holding 17.90%, 7.44% and 6.65% respectively, as of June 30, 2024.

2. Summary of basis of preparation and material accounting policy information

2.1 Basis of preparation

The Company prepares statutory condensed separate interim financial statements in the Korean language in accordance with Korean International Financial Reporting Standards (“K-IFRS”), No. 1034 *Interim Financial Reporting* enacted by the Act on External Audit of Stock Companies. The accompanying condensed separate interim financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor’s review report thereon, the Korean version, which used for regulatory reporting purposes, shall prevail.

The condensed separate interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as of December 31, 2023.

The accompanying condensed separate interim financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of the condensed separate interim financial statements and has been made at the rate of ₩1,389.20 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 six-month period ended June 30, 2024. Such translations into U.S. dollar should not be construed as representations that the Korean won amounts could be converted into U.S. dollar at that or any other rate.

Pursuant to K-IFRS No. 1027, the condensed separate interim financial statements are accounted for, by parent, investor in an associate or a joint venture on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.

2. Summary of basis of preparation and material accounting policy information (cont'd)

2.2 Material accounting policy information

The material accounting policy information adopted in the preparation of the condensed separate interim financial statements is consistent with that followed in the preparation of the Company's annual separate financial statements for the year ended December 31, 2023, except for the adoption of new standards and interpretations effective as of January 1, 2024.

2.2.1 New and amended standards and interpretations

The Company has applied amendments to K-IFRS issued that are mandatorily effective for accounting periods beginning on or after January 1, 2024.

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

The amendments only affect the presentation of current and non-current liabilities in the statement of financial position, clarifying that the classification of current and non-current liabilities is based on the entity's rights existing at the end of the reporting period and highlighting that the entity's expectation of deferring the settlement of the liabilities. At the end of the reporting period, if the borrowing arrangement is in compliance, the right is explained and the definition is clarified by transferring cash, equity instruments, or other assets or services to the counterparty. The amendments do not have any significant impact on the Company's financial position or management performance.

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

This amendment requires the disclosure of important information to users of financial statements, such as the impact on accounting policies and financial statements related to the direct holding of virtual assets, holding on behalf of customers, or issuing virtual assets. The amendments do not have any significant impact on the Company's financial position or management performance.

Amendments to K-IFRS No. 1007 *Statement of Cash Flows* and No. 1107 *Financial Instruments: Disclosures*

The amendment requires users of financial statements to disclose information about supplier financial agreements so that users can assess the impact of supplier financial agreements on the entity's debt, cash flows and liquidity risk exposure when applying them. The amendments do not have any significant impact on the Company's financial position or management performance.

Amendments to K-IFRS No. 1016 *Lease*

The amendment clarified that the lease or revised lease fees should be calculated in a manner that does not recognize the gains or losses related to the right to use held by the seller-less user when subsequently measuring lease liabilities arising from sales fleece. The amendments do not have any significant impact on the Company's financial position or management performance.

2.2.2 New and revised K-IFRSs issued, but not yet effective

The new and amended K-IFRSs that are issued, but not yet effective, as of June 30, 2024 are disclosed below.

Amendments to K-IFRS No. 1021 *The Effects of Changes in Foreign Exchange Rates* and No. 1101 *First-time Adoption of K-IFRS*

The amendments require the entity to assess exchangeability with other currencies, estimate spot exchange rates in the event of a lack of exchangeability, and disclose such effects. The amendments are intended to help users of financial statements understand the risks and impacts of a company's exposure to other currencies. The Group plans to apply the standard for annual reporting period beginning on or after January 1, 2025, with early application permitted.

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

SK Inc.
Notes to the condensed separate interim financial statements
June 30, 2024 and 2023

3. Significant accounting judgements, estimates and assumptions

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

Those accounting judgments made by management in the preparation of the condensed separate interim financial statements for the six-month period ended June 30, 2024 are consistent with those followed in the preparation of the separate financial statements for the year ended December 31, 2023.

4. Financial instruments

4.1 Financial assets

Details of financial assets as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024				
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	Total
Current assets:					
Cash and cash equivalents	₩ 229,755	₩ -	₩ 28,106	₩ -	₩ 257,861
Short-term financial instruments	104,030	-	94,900	-	198,930
Trade receivables (*1)	-	-	383,633	-	383,633
Lease receivables	-	-	38,929	-	38,929
Short-term loans	-	-	581,394	-	581,394
Short-term other receivables	-	-	7,105	-	7,105
Accrued income	-	-	6,115	-	6,115
Guarantee deposits	-	-	16,790	-	16,790
Derivative financial assets	20,099	-	-	-	20,099
	<u>₩ 353,884</u>	<u>₩ -</u>	<u>₩ 1,156,972</u>	<u>₩ -</u>	<u>₩ 1,510,856</u>
Non-current assets:					
Long-term financial instruments	₩ -	₩ -	₩ 2,683	₩ -	₩ 2,683
Long-term lease receivables	-	-	217,154	-	217,154
Long-term investment securities	251,627	550,650	325	-	802,602
Long-term loans	-	-	162	-	162
Long-term other receivables	-	-	441	-	441
Long-term guarantee deposits	-	-	37,746	-	37,746
Derivative financial assets	298,524	-	-	-	298,524
	<u>₩ 550,151</u>	<u>₩ 550,650</u>	<u>₩ 258,511</u>	<u>₩ -</u>	<u>₩ 1,359,312</u>
	<u>₩ 904,035</u>	<u>₩ 550,650</u>	<u>₩ 1,415,483</u>	<u>₩ -</u>	<u>₩ 2,870,168</u>

(*1) Contract assets (unbilled receivables) amounting to ₩261,798 million as of June 30, 2024 are not included in the financial instruments.

SK Inc.
Notes to the condensed separate interim financial statements
June 30, 2024 and 2023

4. Financial instruments (cont'd)

4.1 Financial assets (cont'd)

	December 31, 2023				
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	Total
Current assets:					
Cash and cash equivalents	₩ 278,302	₩ -	₩ 90,604	₩ -	₩ 368,906
Short-term financial instruments	54,920	-	69,900	-	124,820
Trade receivables (*1)	-	-	463,882	-	463,882
Lease receivables	-	-	36,741	-	36,741
Short-term loans	-	-	25,824	-	25,824
Short-term other receivables	-	-	3,792	-	3,792
Accrued income	-	-	1,566	-	1,566
Guarantee deposits	-	-	11,910	-	11,910
Derivative financial assets	46,347	-	-	-	46,347
	<u>₩ 379,569</u>	<u>₩ -</u>	<u>₩ 704,219</u>	<u>₩ -</u>	<u>₩ 1,083,788</u>
Non-current assets:					
Long-term financial instruments	₩ -	₩ -	₩ 1,637	₩ -	₩ 1,637
Long-term lease receivables	-	-	230,891	-	230,891
Long-term investment securities	260,784	581,716	310	-	842,810
Long-term loans	-	-	501,132	-	501,132
Long-term other receivables	-	-	441	-	441
Long-term guarantee deposits	-	-	42,239	-	42,239
Derivative financial assets	298,524	-	-	-	298,524
	<u>₩ 559,308</u>	<u>₩ 581,716</u>	<u>₩ 776,650</u>	<u>₩ -</u>	<u>₩ 1,917,674</u>
	<u>₩ 938,877</u>	<u>₩ 581,716</u>	<u>₩ 1,480,869</u>	<u>₩ -</u>	<u>₩ 3,001,462</u>

(*1) Contract assets (unbilled receivables) amounting to ₩181,559 million as of December 31, 2023 are not included in the financial instruments.

SK Inc.
Notes to the condensed separate interim financial statements
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4. Financial instruments (cont'd)

4.2 Financial liabilities

Details of financial liabilities as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024				
	Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Other financial liabilities	Total
Current liabilities:					
Short-term borrowings	₩ -	₩ 3,081,200	₩ -	₩ -	₩ 3,081,200
Current portion of long-term debt	-	1,674,052	-	-	1,674,052
Trade payables	-	135,063	-	-	135,063
Other payables (*1)	-	42,838	-	-	42,838
Accrued expenses (*1)	-	39,482	-	-	39,482
Lease liabilities	-	-	-	74,686	74,686
Dividends payable	-	183	-	-	183
Leasehold deposits received	-	244	-	-	244
Derivative financial liabilities	40,074	-	-	-	40,074
	<u>₩ 40,074</u>	<u>₩ 4,973,062</u>	<u>₩ -</u>	<u>₩ 74,686</u>	<u>₩ 5,087,822</u>
Non-current liabilities:					
Long-term borrowings	₩ -	₩ 299,719	₩ -	₩ -	₩ 299,719
Bonds	-	5,770,599	-	-	5,770,599
Long-term lease liabilities	-	-	-	264,260	264,260
Leasehold deposits received	-	25,252	-	-	25,252
Derivative financial liabilities	250,903	-	-	-	250,903
	<u>₩ 250,903</u>	<u>₩ 6,095,570</u>	<u>₩ -</u>	<u>₩ 264,260</u>	<u>₩ 6,610,733</u>
	<u>₩ 290,977</u>	<u>₩ 11,068,632</u>	<u>₩ -</u>	<u>₩ 338,946</u>	<u>₩ 11,698,555</u>

(*1) The amount of accrued liabilities under the employee benefit system was excluded as it is not subject to financial product disclosure.

SK Inc.
Notes to the condensed separate interim financial statements
June 30, 2024 and 2023

4. Financial instruments (cont'd)

4.2 Financial liabilities (cont'd)

	December 31, 2023				
	Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Other financial liabilities	Total
Current liabilities:					
Short-term borrowings	₩ -	₩ 3,306,200	₩ -	₩ -	₩ 3,306,200
Current portion of long-term debt	-	1,494,144	-	-	1,494,144
Trade payables	-	125,799	-	-	125,799
Other payables (*1)	-	80,941	-	-	80,941
Accrued expenses (*1)	-	63,895	-	-	63,895
Lease liabilities	-	-	-	80,933	80,933
Dividends payable	-	178	-	-	178
Leasehold deposits received	-	544	-	-	544
Derivative financial liabilities	807	-	-	-	807
	<u>₩ 807</u>	<u>₩ 5,071,701</u>	<u>₩ -</u>	<u>₩ 80,933</u>	<u>₩ 5,153,441</u>
Non-current liabilities:					
Long-term borrowings	₩ -	₩ 499,651	₩ -	₩ -	₩ 499,651
Bonds	-	5,790,669	-	-	5,790,669
Long-term lease liabilities	-	-	-	287,077	287,077
Leasehold deposits received	-	24,388	-	-	24,388
Derivative financial liabilities	250,904	-	-	-	250,904
	<u>₩ 250,904</u>	<u>₩ 6,314,708</u>	<u>₩ -</u>	<u>₩ 287,077</u>	<u>₩ 6,852,689</u>
	<u>₩ 251,711</u>	<u>₩ 11,386,409</u>	<u>₩ -</u>	<u>₩ 368,010</u>	<u>₩ 12,006,130</u>

(*1) The amount of accrued liabilities under the employee benefit system was excluded as it is not subject to financial product disclosure.

SK Inc.
Notes to the condensed separate interim financial statements
June 30, 2024 and 2023

4. Financial instruments (cont'd)

4.3 Fair values of financial instruments by hierarchy level

1) The fair value and book value of financial instruments that are not measured at fair value as of June 30, 2024 and December 31, 2023, are as follows. (Korean won in millions):

	June 30, 2024		December 31, 2023	
	Book Value	Fair value	Book Value	Fair value
Bonds	₩ 7,244,651	₩ 7,173,797	₩ 7,284,813	₩ 6,939,522
Borrowings	3,580,919	3,326,530	3,805,851	3,784,920

The fair value of Bonds and borrowings is calculated as the present value of contractual cash flows discounted at a market interest rate, which reflects the remaining risk, with discount rates ranging from 3.55% to 4.09%. For financial assets and liabilities measured at amortized cost, the carrying amount is a reasonable approximation of fair value, and thus, separate fair value disclosures have been omitted.

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

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

Details of fair value of financial instruments by hierarchy level as of June 30, 2024 and December 31, 2023 are as follows (Korean Won in millions):

	June 30, 2024				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets:					
Financial assets measured at FVTPL (Excludes derivative assets)	₩ 585,412	₩ 153,280	₩ 333,785	₩ 98,347	₩ 585,412
Financial assets measured at FVOCI	550,650	7,924	-	542,726	550,650
Derivative financial assets	318,623	-	20,099	298,524	318,623
Financial liabilities:					
Derivative financial liabilities	₩ 290,977	₩ -	₩ 40,074	₩ 250,903	₩ 290,977
	December 31, 2023				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets:					
Financial assets measured at FVTPL (Excludes derivative assets)	₩ 594,006	₩ 166,728	₩ 333,222	₩ 94,056	₩ 594,006
Financial assets measured at FVOCI	581,716	9,700	-	572,016	581,716
Derivative financial assets	344,871	-	46,347	298,524	344,871
Financial liabilities:					
Derivative financial liabilities	₩ 251,711	₩ -	₩ 807	₩ 250,904	₩ 251,711

The Company recognizes the movement of financial instrument at fair value between hierarchy levels at the end of the reporting period where changes in events and situations result in movement between the hierarchy levels. During period ended December 31, 2023, the listing of GI Innovation, Inc. resulted in a transfer from Level 3 to Level 1. No significant change between hierarchy levels 1 and 2 occurred during the period ended June 30, 2024.

SK Inc.
Notes to the condensed separate interim financial statements
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5. Trade and other receivables

Details of trade receivables as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024			December 31, 2023		
	Gross amount	Allowance for doubtful accounts	Carrying amount	Gross amount	Allowance for doubtful accounts	Carrying amount
Trade receivables	₩ 645,794	₩ (363)	₩ 645,431	₩ 645,804	₩ (363)	₩ 645,441
Short-term loans	581,394	-	581,394	25,824	-	25,824
Other receivables	7,105	-	7,105	3,792	-	3,792
Accrued Revenues	6,115	-	6,115	1,566	-	1,566
Guarantee deposits	16,790	-	16,790	11,910	-	11,910
Lease receivables	38,929	-	38,929	36,741	-	36,741
Long-term loans	162	-	162	501,132	-	501,132
Long-term other receivables	441	-	441	441	-	441
Long-term guarantee deposits	37,746	-	37,746	42,239	-	42,239
Long-term lease receivables	217,154	-	217,154	230,891	-	230,891
	<u>₩ 1,551,630</u>	<u>₩ (363)</u>	<u>₩ 1,551,267</u>	<u>₩ 1,500,340</u>	<u>₩ (363)</u>	<u>₩ 1,499,977</u>

6. Inventories

(1) Details of inventories as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024			December 31, 2023		
	Acquisition Cost	Valuation allowance	Book value	Acquisition Cost	Valuation allowance	Book value
Raw materials	₩ 181	₩ -	₩ 181	₩ 153	₩ -	₩ 153

(2) The gains and losses recognized in relation to inventories for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2024	June 30, 2023
Loss (reversal) on valuation of inventories	₩ -	₩ -

SK Inc.
Notes to the condensed separate interim financial statements
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7. Investment securities

Details of investment securities as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024			
	Equity instruments		Debt instruments	
	Listed	Unlisted	Listed	Unlisted
Non-current assets				
Financial assets measured at FVTPL (*1)	₩ 153,280	₩ 14,100	₩ -	₩ 84,247
Financial assets measured at FVOCI	7,924	542,726	-	-
Financial assets measured at amortized cost	-	-	-	325
	<u>₩ 161,204</u>	<u>₩ 556,826</u>	<u>₩ -</u>	<u>₩ 84,572</u>

(*1) They consist of GRAB Holdings Ltd. and SES AI Corporation and others.

	December 31, 2023			
	Equity instruments		Debt instruments	
	Listed	Unlisted	Listed	Unlisted
Non-current assets				
Financial assets measured at FVTPL (*1)	₩ 166,728	₩ 12,430	₩ -	₩ 81,626
Financial assets measured at FVOCI	9,700	572,016	-	-
Financial assets measured at amortized cost	-	-	-	310
	<u>₩ 176,428</u>	<u>₩ 584,446</u>	<u>₩ -</u>	<u>₩ 81,936</u>

(*1) They consist of GRAB Holdings Ltd. and SES AI Corporation and others.

The Company has applied an irrevocable option to designate equity instruments held for strategic investment purposes, not for short-term trading purposes, as measures of fair value through other comprehensive income at the time of initial recognition.

SK Inc.
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8. Investments in subsidiaries

Details of investments in subsidiaries as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	Domicile	Principal business activity	June 30, 2024		December 31, 2023		Fiscal year-end month
			Ownership percentage (%) ^(*1)	Book value	Ownership percentage (%) ^(*1)	Book value	
SK Innovation Co., Ltd. (*2)	Korea	Resource development	36.22	₩ 3,466,879	34.45	₩ 3,466,879	December
SK Telecom Co., Ltd. (*2)	Korea	Mobile tele-communication	30.57	2,929,870	30.01	2,929,870	December
SK E&S Co., Ltd.	Korea	City gas business and power generation investment	90.00	2,600,000	90.00	2,600,000	December
SK Square Co., Ltd. (*2)	Korea	Trading and distribution	31.50	2,486,149	30.55	2,486,149	December
SK Networks Co., Ltd. (*2)	Korea	Manufacture of other chemical products	43.90	706,229	41.20	706,229	December
SKC Co., Ltd. (*2)	Korea	Construction	40.64	548,654	40.64	548,654	December
SK Ecoplant Co., Ltd. (*2)	Korea	Manufacturing and sales of silicon thin sheet	44.48	545,300	44.48	545,300	December
SK Siltron Co., Ltd.	Korea	Special-gas manufacturing and sales	51.00	622,606	51.00	622,606	December
SK Specialty Co., Ltd.	Korea	Real estate development and trading	100.00	600,467	100.00	600,467	December
SK REIT Co., Ltd. (*2)	Korea	Medicine and life science	32.41	436,452	32.41	436,452	March, June, September, December
SK Biopharmaceuticals Co., Ltd.	Korea	Manufacture and sale of industrial gas	64.02	369,226	64.02	369,226	December
SK Materials airplus Incorporated.	Korea	Condominiums /resort business	100.00	339,588	100.00	339,588	December
Hweechan Co., Ltd.	Korea	Manufacturing of motors generators, and electrical conversion devices	100.00	335,912	100.00	335,912	December
SK Signet Inc. (*3)	Korea	Semiconductor manufacturing	-	212,955	-	212,955	December
SK Powertech Co., Ltd.	Korea	Development of precursor products	98.59	150,919	98.59	150,919	December
SK Tri Chem Co., Ltd.	Korea	Semiconductor distribution and sales	65.00	102,505	65.00	102,505	December
SK materials G14 Co., Ltd.	Korea	Landscape construction	75.00	62,692	75.00	62,692	December
SK Forest Co., Ltd.	Korea	Semiconductor industrial photosensitive agent manufacturing and sales	100.00	61,387	100.00	61,387	December
SK Materials Performance Co., Ltd.	Korea	Semiconductor distribution and sales	100.00	57,070	100.00	57,070	December
SK Resonac Co., Ltd.	Korea	Organic light emitting diode material manufacturing, distribution and sales	51.00	23,150	51.00	23,150	December
SK Materials JNC Co., Ltd.	Korea		51.00	20,287	51.00	20,287	December

SK Inc.
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8. Investments in subsidiaries (cont'd)

	Domicile	Principal business activity	June 30, 2024		December 31, 2023		Fiscal year-end month
			Ownership percentage (%) ^(*1)	Book value	Ownership percentage (%) ^(*1)	Book value	
Evertch enterprise Co., Ltd.	Korea	Manufacturing of other chemical products	98.20	₩ 20,579	98.20	₩ 20,579	December
SK REITs Management Co., Ltd.	Korea	Real estate acquisition and rental and development	100.00	7,000	100.00	7,000	December
Ackerton Partners Co., Ltd.	Korea	Consulting	100.00	6,300	100.00	6,300	December
SK Pharmteco Inc.	USA	Investment	100.00	1,651,228	100.00	1,651,228	December
Plutus Capital NY, Inc.	USA	Investment	100.00	824,005	100.00	824,005	December
SK China Company, Ltd. (*4)	Hong Kong	Consulting and investment	27.42	557,117	27.42	557,117	December
SK South East Asia Investment Pte. Ltd. (*4)	Singapore	Investment	20.00	345,010	20.00	345,010	December
Golden Pearl EV Solutions Limited.	Hong Kong	Investment	100.00	281,360	100.00	281,360	December
SK Japan Inc. (Formerly, SK Japan Investment) (*4)	Japan	Investment	50.00	200,573	50.00	200,573	December
Einstein Cayman Limited.	Cayman	Investment	100.00	182,625	100.00	182,625	December
Tillandsia, Inc.	USA	Investment	100.00	190,260	100.00	190,260	December
Chamaedorea, Inc. (*5)	USA	Investment	100.00	170,433	100.00	117,377	December
Areca, Inc.	USA	Investment	100.00	155,155	100.00	155,155	December
Energy Solution Group, Inc. (*4)	USA	Energy solution and electric car charger	50.00	130,109	50.00	130,109	December
Tellus Investment Partners, Inc. (*5)	USA	Investment	100.00	103,818	100.00	96,250	December
Saturn Agriculture Investment Co., Ltd.	Hong Kong	Investment	81.00	67,093	81.00	67,093	December
Energy Solution Holdings Inc. (*4)	USA	Investment	29.09	54,752	29.09	54,752	December
I Cube Capital, Inc.	USA	Investment	100.00	52,173	100.00	52,173	December
SK Life Science Labs, Inc. (*4)	USA	Development of new drugs	40.00	41,302	40.00	41,302	December
Digital Center Capital Inc.	USA	Investment	100.00	27,684	100.00	27,684	December
Auxo Capital Inc. (*5)	USA	Investment	100.00	34,432	100.00	26,167	December
SK S.E.Asia Pte. Ltd.	Singapore	Investment	100.00	25,847	100.00	25,847	December
SK C&C Beijing Co., Ltd.	China	Computer system integration advisory	100.00	25,481	100.00	25,481	December
SK Investment Management Co., Ltd.	Hong Kong	Investment	82.24	10,099	82.24	10,099	December
SK GI Management	Cayman	Investment	100.00	9,523	100.00	9,523	December
SK MENA Investment B.V. (*4)	Netherland	Investment	11.54	5,178	11.54	5,178	December
SK Latin Americas Investment S.A. (*4)	Spain	Investment	11.54	5,135	11.54	5,135	December
Gemini Partners Pte. Ltd. (*4)	Singapore	Consulting	20.00	2,601	20.00	2,601	December
Tellus (Hong Kong) Investment	Hong Kong	Investment	100.00	1,985	100.00	1,985	December
SK C&C USA, Inc.	USA	Computer system integration advisory	100.00	1,971	100.00	1,971	December
SK Technology Innovation Company (*4)	Cayman	Research and development	2.12	1,876	2.12	1,876	December

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8. Investments in subsidiaries (cont'd)

	Domicile	Principal business activity	June 30, 2024		December 31, 2023		Fiscal year-end month
			Ownership percentage (%) ^(*1)	Book value	Ownership percentage (%) ^(*1)	Book value	
Castanea Biosciences Inc.	USA	Investment	100.00	48	100.00	48	December
Halio, Inc. (*7)	USA	Discolored glass manufacturing	66.16	-	66.16	28,586	December
Socar Mobility Malaysia, SDN. BHD.	Malaysia	Rental of cars	93.74	-	93.74	-	December
SK C&C India Pvt. Ltd.	India	Computer system integration advisory	100.00	-	100.00	-	December
S&G Technology	Saudi Arabia	Computer system integration advisory and others	51.00	-	51.00	-	December
MiraiTech Inc. (*6)	Japan	Investment consulting	100.00	2,693	-	-	December
Planeta Pte. Ltd. (*4,6)	Singapore	Development of carbon emission rights business	38.47	11,366	-	-	December
SK Americas, Inc. (Formerly, SK USA, Inc.) (*4,6)	USA	Management advisory	20.00	13,013	-	-	December
				₩ 21,898,121		₩ 21,830,746	

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

(*2) SK Innovation Co., Ltd. and 6 other companies were classified as investments in subsidiaries as the Company is able to exercise de facto control. The remaining voting rights of SK Innovation Co., Ltd. and 6 other companies are widely dispersed, and the Company's voting rights are sufficient to give it power.

(*3) The Company has acquired convertible preferred stocks with voting rights of the entity and as a result, holds 51.39% of voting rights.

(*4) When the investment equity ratio of the Company and its subsidiaries is combined, control can be exercised, therefore the investment is classified as a subsidiary.

(*5) Additional investment was made during the six-month period ended June 30, 2024.

(*6) Newly acquired during the six-month period ended June 30, 2024.

(*7) During the six-month period ended June 30, 2024, there were signs of damage, so the loss of investment damage to subsidiaries was recognized.

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9. Investments in associates

Details of investments in associates as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	Domicile	Principal business activity	June 30, 2024		December 31, 2023		Fiscal year-end month
			Ownership percentage (%)	Book value	Ownership percentage (%)	Book value	
LTCAM Co.,Ltd.(*2)	Korea	Semiconductor process material	37.47	₩ 44,438	37.47	₩ 44,438	December
SMCore Inc.	Korea	Manufacturing and sales of automated logistics system	26.60	28,940	26.60	28,940	December
Standigm Inc. (*1,2)	Korea	Medical and pharmaceutical research and development industries	12.14	14,410	12.14	14,410	December
Cloocus Co., Ltd. (*1,2)	Korea	Information and communication service	16.19	6,500	16.19	6,500	December
TBU Inc. (*2)	Korea	Electric vehicle charging	31.59	5,700	31.59	5,700	December
Soft berry Inc. (*1,2)	Korea	Logistics infra	19.01	5,684	19.01	5,684	December
A4x Inc. (*1)	Korea	Block chain validator	8.33	5,078	8.33	5,078	December
PUMP Co., Ltd. (*1,2)	Korea	Electric Kick Scooter Rental Business	12.02	5,000	12.02	5,000	December
THIRA-UTECH Co., Ltd. (*1,2)	Korea	Service manufacturing	12.79	4,200	12.79	4,200	December
Superblock Co., Ltd. (*1,2)	Korea	Block chain mainnet	3.33	3,109	3.33	3,109	December
TWO LINE CODE Inc.	Korea	Software development	23.54	2,300	23.54	2,300	December
The Wave Talk, Inc. (*1,2)	Korea	Manufacturing and technical services	3.74	2,038	3.74	2,038	December
Todo Works Corp. (*1,2)	Korea	Sales of Assistive Devices for People with Disabilities and Medical Devices	10.25	2,037	10.25	2,037	December
Team Blackbird, Inc. (*1,2)	Korea	Software development	3.22	1,998	3.22	1,998	December
ACRYL Inc. (*1,2,3)	Korea	Information service	5.83	126	16.12	312	December
Daehan Kanggun BcN Co., Ltd. (*2,4)	Korea	Wired communication	0.20	-	0.20	-	December
Swift Navigation (*1,2)	USA	GPS software development	9.51	46,496	9.53	46,496	December
Belstar Superfreeze Holdings, LLC (*2)	Cayman	Warehouse business	20.98	36,839	20.98	36,839	December
9352-7281 Quebec Inc.	Canada	Investment	40.09	31,558	40.09	31,558	December
ION Clean Energy, Inc. (*1,5)	USA	Development of carbon capture technology	9.61	28,930	-	-	December
Hummingbird Bioscience Holdings Pte. Ltd. (*1,2)	Singapore	Monoclonal Antibody Drug Development	8.97	19,026	8.97	19,026	December
VantAI Holdings, Inc (*2)	USA	Medicine research and development	40.00	7,817	40.00	7,817	December
Visible Patient S.A.S. (*2)	France	Manufacturing related to medicine	22.14	7,507	22.14	7,507	December

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9. Investments in associates (cont'd)

	Domicile	Principal business activity	June 30, 2024		December 31, 2023		Fiscal year-end month
			Ownership percentage (%)	Book value	Ownership percentage (%)	Book value	
FSK Holdings Co., Ltd.	Hong Kong	IT service	30.00	6,245	30.00	6,245	December
DSK EV Investment Limited. (*1)	Cayman	Investment	3.32	1,048	3.32	1,048	December
Mozido Corfire, Inc. (*1)	USA	System consulting	19.94	-	19.94	-	December
Wave City Co., Ltd (*1)	Korea	Other financial support services	0.10	-	0.10	-	December
				₩ <u>317,024</u>		₩ <u>288,280</u>	

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

(*2) It is the ownership percentage that takes preferred share with voting rights into consideration.

(*3) We disposed of some during the six-month period ended June 30, 2024.

(*4) We have classified the indirect ownership interests held by our subsidiaries as investments in associates.

(*5) Investment securities are reclassified as investments in associates during the six-month period ended June 30, 2024.

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10. Property, plant and equipment

(1) Details of property, plant and equipment as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024			December 31, 2023		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 100,292	₩ -	₩ 100,292	₩ 100,209	₩ -	₩ 100,209
Buildings	322,551	(87,283)	235,268	322,189	(82,366)	239,823
Structures	11,646	(3,163)	8,483	11,646	(2,917)	8,729
Machinery	18,383	(1,712)	16,671	18,560	(1,126)	17,434
Vehicles	12,552	(6,123)	6,429	12,552	(5,713)	6,839
Furniture and fixtures	454,397	(321,977)	132,420	460,353	(318,143)	142,210
Construction-in-progress	81,627	-	81,627	73,852	-	73,852
	<u>₩ 1,001,448</u>	<u>₩ (420,258)</u>	<u>₩ 581,190</u>	<u>₩ 999,361</u>	<u>₩ (410,265)</u>	<u>₩ 589,096</u>

(2) Details of changes in property, plant and equipment for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2024					
	Beginning balance	Acquisition	Disposal	Depreciation	Transfers(*1)	Ending balance
Land	₩ 100,209	₩ -	₩ -	₩ -	₩ 83	₩ 100,292
Buildings	239,823	-	-	(4,801)	246	235,268
Structures	8,729	-	-	(246)	-	8,483
Machinery	17,434	-	(821)	(642)	700	16,671
Vehicles	6,839	-	-	(410)	-	6,429
Furniture and fixtures	142,210	7,907	(1,276)	(21,974)	5,553	132,420
Construction-in-progress	73,852	14,034	-	-	(6,259)	81,627
	<u>₩ 589,096</u>	<u>₩ 21,941</u>	<u>₩ (2,097)</u>	<u>₩ (28,073)</u>	<u>₩ 323</u>	<u>₩ 581,190</u>

(*1) This includes transfer from construction-in-progress to property, plant and equipment and intangible assets and from investment properties to property, plant and equipment.

	For the six-month period ended June 30, 2023					
	Beginning balance	Acquisition	Disposal	Depreciation	Transfers(*1)	Ending balance
Land	₩ 100,090	₩ -	₩ -	₩ -	₩ 134	₩ 100,224
Buildings	229,377	1,518	-	(4,372)	7,122	233,645
Structures	9,220	-	-	(245)	-	8,975
Machinery	8,171	-	-	(344)	1,186	9,013
Vehicles	7,633	52	-	(432)	-	7,253
Furniture and fixtures	142,471	13,785	(175)	(21,067)	6,884	141,898
Construction-in-progress	67,502	45,664	-	-	(19,240)	93,926
	<u>₩ 564,464</u>	<u>₩ 61,019</u>	<u>₩ (175)</u>	<u>₩ (26,460)</u>	<u>₩ (3,914)</u>	<u>₩ 594,934</u>

(*1) This includes transfer from construction-in-progress to property, plant and equipment, investment property and transfer from investment property to property, plant and equipment.

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11. Right-of-use assets and lease

(1) Details of right-of-use assets as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024			December 31, 2023		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land and buildings	₩ 207,779	₩ (119,907)	₩ 87,872	₩ 235,454	₩ (128,074)	₩ 107,380
Vehicles	11,728	(5,580)	6,148	10,393	(5,828)	4,565
Others	340	(178)	162	361	(264)	97
	<u>₩ 219,847</u>	<u>₩ (125,665)</u>	<u>₩ 94,182</u>	<u>₩ 246,208</u>	<u>₩ (134,166)</u>	<u>₩ 112,042</u>

(2) Changes in right-of-use assets for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2024					
	Beginning balance	Increase	Depreciation	Decrease	Others (*1)	Ending balance
Land and buildings	₩ 107,380	₩ 2,063	₩ (19,753)	₩ (3,158)	₩ 1,340	₩ 87,872
Vehicles	4,565	4,443	(1,597)	(1,418)	155	6,148
Others	97	98	(34)	(6)	7	162
	<u>₩ 112,042</u>	<u>₩ 6,604</u>	<u>₩ (21,384)</u>	<u>₩ (4,582)</u>	<u>₩ 1,502</u>	<u>₩ 94,182</u>

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

	For the six-month period ended June 30, 2023					
	Beginning balance	Increase	Depreciation	Decrease	Others (*1)	Ending balance
Land and buildings	₩ 137,869	₩ 2,782	₩ (20,000)	₩ (838)	₩ 1,167	₩ 120,980
Vehicles	3,587	3,677	(1,592)	(982)	127	4,817
Others	169	-	(36)	-	-	133
	<u>₩ 141,625</u>	<u>₩ 6,459</u>	<u>₩ (21,628)</u>	<u>₩ (1,820)</u>	<u>₩ 1,294</u>	<u>₩ 125,930</u>

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

(3) The gains and losses recognized in relation to lease for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2024	June 30, 2023
Short-term lease expenses	₩ 1,284	₩ 2,080
Lease of low-value assets	513	543
Expenses related to variable lease payments not included in the measurement of lease liabilities	-	-
	<u>₩ 1,797</u>	<u>₩ 2,623</u>

(4) The total cash outflows from leases for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2024	June 30, 2023
The total cash outflows from leases	₩ 41,352	₩ 41,006

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12. Investment properties

(1) Details of investment properties as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024				December 31, 2023			
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land	₩ 6	₩ -	₩ -	₩ 6	₩ 89	₩ -	₩ -	₩ 89
Buildings	74,233	(10,042)	-	64,191	74,485	(8,383)	-	66,102
Right-of-use assets	-	-	-	-	251	(183)	-	68
	<u>₩ 74,239</u>	<u>₩ (10,042)</u>	<u>₩ -</u>	<u>₩ 64,197</u>	<u>₩ 74,825</u>	<u>₩ (8,566)</u>	<u>₩ -</u>	<u>₩ 66,259</u>

(2) Changes in investment properties for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2024					
	Beginning balance	Acquisition	Disposal	Depreciation	Transfers (*1)	Ending balance
Land	₩ 89	₩ -	₩ -	₩ -	₩ (83)	₩ 6
Buildings	66,102	-	-	(1,665)	(246)	64,191
Right-of-use assets	68	-	-	(68)	-	-
	<u>₩ 66,259</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ (1,733)</u>	<u>₩ (329)</u>	<u>₩ 64,197</u>

(*1) This includes transfers to property, plant, and equipment.

	For the six-month period ended June 30, 2023					
	Beginning balance	Acquisition	Disposal	Depreciation	Transfers (*1)	Ending balance
Land	₩ 89	₩ -	₩ -	₩ -	₩ -	₩ 89
Buildings	60,296	-	-	(1,501)	3,529	62,324
	<u>₩ 60,385</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ (1,501)</u>	<u>₩ 3,529</u>	<u>₩ 62,413</u>

(*1) This includes transfer from investment property to buildings and transfer from buildings and right-of-use asset to investment property.

13. Intangible assets

(1) Details of intangible assets as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024				December 31, 2023			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Development costs	₩ 300,248	₩ (171,612)	₩ (27,827)	₩ 100,809	₩ 289,924	₩ (156,696)	₩ (27,827)	₩ 105,401
Memberships	76,396	-	(13,647)	62,749	84,006	-	(13,647)	70,359
Brand-related assets	1,975,000	-	-	1,975,000	1,975,000	-	-	1,975,000
Others	32,086	(10,299)	(20,717)	1,070	32,041	(10,154)	(20,717)	1,170
	<u>₩ 2,383,730</u>	<u>₩ (181,911)</u>	<u>₩ (62,191)</u>	<u>₩ 2,139,628</u>	<u>₩ 2,380,971</u>	<u>₩ (166,850)</u>	<u>₩ (62,191)</u>	<u>₩ 2,151,930</u>

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13. Intangible assets (cont'd)

(2) Changes in intangible assets for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2024						Ending Balance
	Beginning balance	Acquisition	Disposal	Amortization	Impairment	Transfers	
Development costs	₩ 105,401	₩ 10,316	₩ -	₩ (14,916)	₩ -	₩ 8	₩ 100,809
Memberships(*1)	70,359	1,226	(8,836)	-	-	-	62,749
Brand-related assets(*1)	1,975,000	-	-	-	-	-	1,975,000
Others	1,170	45	-	(145)	-	-	1,070
	₩ 2,151,930	₩ 11,587	₩ (8,836)	₩ (15,061)	₩ -	₩ 8	₩ 2,139,628

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

	For the six-month period ended June 30, 2023						Ending Balance
	Beginning balance	Acquisition	Disposal	Amortization	Impairment	Transfers (*2)	
Development costs	₩ 126,722	₩ 11,052	₩ -	₩ (15,570)	₩ (17,576)	₩ -	₩ 104,628
Memberships(*1)	62,613	3,577	-	-	-	-	66,190
Brand-related assets(*1)	1,975,000	-	-	-	-	-	1,975,000
Others	5,767	62	(3)	(1,107)	(4,110)	637	1,246
	₩ 2,170,102	₩ 14,691	₩ (3)	₩ (16,677)	₩ (21,686)	₩ 637	₩ 2,147,064

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

(*2) The reclassification consists of transfers to property, plant, and equipment.

14. Borrowings and bonds

(1) Details of short-term borrowings as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

Description	Financial institution	Interest rate (%)	June 30, 2024	December 31, 2023
Working capital loan	Shinhan Bank and others	4.49 ~ 5.24	₩ 1,426,200	₩ 1,316,200
Facility loan	NH Bank	4.89	60,000	60,000
Commercial paper	KB securities and others	3.63 ~ 4.75	1,595,000	1,930,000
			₩ 3,081,200	₩ 3,306,200

(2) Details of bonds payable as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

Series	Interest rate (%)	Issue date	Maturity	June 30, 2024	December 31, 2023
273-3rd	4.26	2014-03-25	2024-03-25	₩ -	₩ 100,000
277-4th	2.43	2016-06-01	2026-06-01	60,000	60,000
279-3rd	2.58	2017-03-06	2024-03-06	-	120,000
280-3rd	2.67	2017-06-01	2024-06-01	-	110,000
281-3rd	2.62	2017-08-04	2024-08-04	70,000	70,000
282-3rd	2.86	2017-10-25	2024-10-25	80,000	80,000
283-2nd	2.99	2018-02-27	2025-02-27	60,000	60,000
283-3rd	3.26	2018-02-27	2028-02-27	100,000	100,000
284-2nd	3.01	2018-06-08	2025-06-08	60,000	60,000
284-3rd	3.09	2018-06-08	2028-06-08	100,000	100,000
285-2nd	2.47	2018-09-06	2025-09-06	60,000	60,000
285-3rd	2.55	2018-09-06	2028-09-06	120,000	120,000

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14. Borrowings and bonds (cont'd)

Series	Interest rate (%)	Issue date	Maturity	June 30, 2024	December 31, 2023
287-1st	2.17	2019-02-27	2024-02-27	-	150,000
287-2nd	2.23	2019-02-27	2026-02-27	70,000	70,000
287-3rd	2.35	2019-02-27	2029-02-27	80,000	80,000
288-1st	1.81	2019-06-04	2024-06-04	-	170,000
288-2nd	1.83	2019-06-04	2026-06-04	60,000	60,000
288-3rd	1.87	2019-06-04	2029-06-04	110,000	110,000
289-2nd	1.76	2019-09-20	2024-09-20	120,000	120,000
289-3rd	1.84	2019-09-20	2029-09-20	70,000	70,000
290-2nd	1.83	2019-11-28	2024-11-28	90,000	90,000
290-3rd	1.89	2019-11-28	2029-11-28	70,000	70,000
291-2nd	1.63	2020-02-20	2025-02-20	160,000	160,000
291-3rd	1.70	2020-02-20	2027-02-20	40,000	40,000
291-4th	1.80	2020-02-20	2030-02-20	60,000	60,000
292-2nd	1.69	2020-06-03	2025-06-03	120,000	120,000
292-3rd	1.79	2020-06-03	2030-06-03	50,000	50,000
293-1st	1.57	2020-09-07	2025-09-07	200,000	200,000
293-2nd	1.74	2020-09-07	2027-09-07	30,000	30,000
293-3rd	1.83	2020-09-07	2030-09-07	120,000	120,000
294-1st	1.61	2020-12-03	2025-12-03	150,000	150,000
294-2nd	1.93	2020-12-03	2030-12-03	90,000	90,000
295-1st	1.24	2021-02-24	2024-02-24	-	60,000
295-2nd	1.60	2021-02-24	2026-02-24	150,000	150,000
295-3rd	1.75	2021-02-24	2028-02-24	30,000	30,000
295-4th	2.03	2021-02-24	2031-02-24	80,000	80,000
296-1st	1.53	2021-06-04	2024-06-04	-	40,000
296-2nd	2.07	2021-06-04	2026-06-04	220,000	220,000
296-3rd	2.49	2021-06-04	2031-06-04	70,000	70,000
297-1st	1.87	2021-09-13	2024-09-13	100,000	100,000
297-2nd	2.09	2021-09-13	2026-09-13	200,000	200,000
297-3rd	2.28	2021-09-13	2031-09-13	60,000	60,000
298-1st	2.51	2021-11-05	2024-11-05	50,000	50,000
298-2nd	2.72	2021-11-05	2026-11-05	100,000	100,000
298-3rd	2.83	2021-11-05	2031-11-05	40,000	40,000
300	2.16	2019-04-26	2024-04-26	-	50,000
302-1st	3.00	2022-02-22	2025-02-22	220,000	220,000
302-2nd	3.10	2022-02-22	2027-02-22	120,000	120,000
302-3rd	3.19	2022-02-22	2032-02-22	50,000	50,000
303-1st	3.97	2022-06-09	2025-06-09	160,000	160,000
303-2nd	4.14	2022-06-09	2027-06-09	160,000	160,000
303-3rd	4.24	2022-06-09	2029-06-09	30,000	30,000
304-1st	4.64	2022-09-16	2024-09-13	65,000	65,000
304-2nd	4.71	2022-09-16	2025-09-16	145,000	145,000
304-3rd	4.85	2022-09-16	2027-09-16	160,000	160,000
305-1st	5.45	2022-12-08	2024-12-06	120,000	120,000
305-2nd	5.49	2022-12-08	2025-12-08	130,000	130,000
305-3rd	5.45	2022-12-08	2027-12-08	40,000	40,000
306-1st	4.07	2023-02-27	2026-02-27	160,000	160,000
306-2nd	4.20	2023-02-27	2028-02-27	230,000	230,000
307-1st	4.19	2023-05-30	2026-05-30	150,000	150,000
307-2nd	4.38	2023-05-30	2028-05-30	290,000	290,000
307-3rd	4.60	2023-05-30	2030-05-30	110,000	110,000
307-4th	4.67	2023-05-30	2033-05-30	50,000	50,000
308-1st	4.40	2023-09-11	2026-09-11	150,000	150,000
308-2nd	4.50	2023-09-11	2028-09-11	140,000	140,000
308-3rd	4.65	2023-09-11	2030-09-11	50,000	50,000
308-4th	4.81	2023-09-11	2033-09-11	70,000	70,000
309-1st	3.96	2023-12-11	2026-12-11	90,000	90,000
309-2nd	4.04	2023-12-11	2028-12-11	110,000	110,000
310-1st	3.73	2024-02-29	2026-02-27	50,000	-
310-2nd	3.81	2024-02-29	2027-02-26	220,000	-
310-3rd	3.83	2024-02-29	2029-02-28	110,000	-
311-1st	3.69	2024-05-30	2027-05-28	210,000	-
311-2nd	3.78	2024-05-30	2029-05-30	120,000	-
311-3rd	3.86	2024-05-30	2031-05-30	50,000	-
				<u>7,260,000</u>	<u>7,300,000</u>
				(15,349)	(15,187)
				<u>(1,474,052)</u>	<u>(1,494,144)</u>
				<u>₩ 5,770,599</u>	<u>₩ 5,790,669</u>

Less: Discount on bonds payable
Less: Current portion

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14. Borrowings and bonds (cont'd)

(3) Details of long-term borrowings as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

Description	Financial institution	Interest rate (%)	June 30, 2024	December 31, 2023
Commercial paper	SK Securities	5.65 ~ 5.75	₩ 200,000	₩ 200,000
Working capital loan	Woori Bank	4.99 ~ 5.37	200,000	200,000
Working capital loan	Kookmin Bank	4.99	100,000	100,000
			500,000	500,000
Less : Discount on long-term borrowings			(281)	(349)
Less: current portion			(200,000)	-
			₩ 299,719	₩ 499,651

15. Provisions

Changes in provisions for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2024						
	Beginning balance	Increase	Use	Return	Ending balance	Current	Non-Current
Provision for Service warranties	₩ 2,735	₩ 3,260	₩ (151)	₩ (59)	₩ 5,785	₩ 5,785	₩ -
Other provisions	27,870	1,420	(475)	-	28,815	3,912	24,903
	₩ 30,605	₩ 4,680	₩ (626)	₩ (59)	₩ 34,600	₩ 9,697	₩ 24,903

	For the six-month period ended June 30, 2023						
	Beginning balance	Increase	Use	Return	Ending balance	Current	Non-Current
Provision for Service warranties	₩ 1,717	₩ 1,416	₩ (797)	₩ (27)	₩ 2,309	₩ 2,309	₩ -
Other provisions	32,203	708	(2,002)	(295)	30,614	494	30,120
	₩ 33,920	₩ 2,124	₩ (2,799)	₩ (322)	₩ 32,923	₩ 2,803	₩ 30,120

The Company estimates a provision for service warranties for revenue from projects based on historical claim rates and prior experiences. Meanwhile, other provisions consist of provision for restoration liabilities, provision for losses and provision for emissions. If the underlying asset must be restored to its original value after the expiration of the contract period based on the lease contract, the restoration obligation is recognized as the present value of the estimated cost of removing, dismantling, and repairing the facility. In the event that future losses are expected to be incurred with respect to an ongoing project, the Company recognizes the expected loss as provision for losses immediately. The Company estimates the expected cost to be incurred in the future for emissions exceeding the relevant performance year emission rights held by the company in relation to greenhouse gas emissions and accounts for them as emission rights provisions.

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16. Retirement benefit Plan

(1) The expenses related to the defined contributions plans recognized for the six-month periods ended June 30, 2024 and 2023, were ₩864 million and ₩259 million respectively.

(2) Details of defined benefit liabilities as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions)

	June 30, 2024	December 31, 2023
Present value of defined benefit obligation	₩ 493,436	₩ 500,917
Fair value of plan assets	(479,545)	(545,273)
	<u>₩ 13,891</u>	<u>₩ (44,356)</u>

(3) Changes in the defined benefit liabilities (assets) for the six-month periods ended June 30, 2024 and June 30, 2023 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2024		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 500,917	₩ (545,273)	₩ (44,356)
Retirement allowance:			
Current service cost	22,347	-	22,347
Net interest cost (income)	10,684	(11,463)	(779)
Remeasurements:			
Return on plan assets (excluding amounts included in net interest expense)	-	2,211	2,211
Actuarial changes arising from changes in financial assumptions	3,508	-	3,508
Experience adjustment and others	3,148	-	3,148
Benefit payments	(35,790)	64,871	29,081
Settlements	(15,434)	9,679	(5,755)
Others	4,056	430	4,486
Ending balance	<u>₩ 493,436</u>	<u>₩ (479,545)</u>	<u>₩ 13,891</u>
	For the six-month period ended June 30, 2023		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 458,961	₩ (523,161)	₩ (64,200)
Retirement allowance:			
Current service cost	20,850	-	20,850
Net interest cost (income)	11,575	(13,177)	(1,602)
Remeasurements:			
Return on plan assets (excluding amounts included in net interest expense)	-	9,922	9,922
Actuarial changes arising from changes in financial assumptions	6,651	-	6,651
Experience adjustment and others	7,563	-	7,563
Benefit payments	(19,685)	19,459	(226)
Others	20,076	(19,353)	723
Ending balance	<u>₩ 505,991</u>	<u>₩ (526,310)</u>	<u>₩ (20,319)</u>

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17. Other assets and liabilities

(1) Details of other assets as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current assets:		
Accrued income	₩ 6,115	₩ 1,566
Advanced payments	27,980	28,956
Income tax receivables	623	-
Prepaid expenses	89,388	78,789
Short-term loans	581,394	25,824
Guarantee deposits	16,790	11,910
Lease receivables	38,929	36,741
Derivative financial assets	20,099	46,347
Others	95	-
	<u>₩ 781,413</u>	<u>₩ 230,133</u>
Non-current assets:		
Long-term financial instruments	₩ 2,683	₩ 1,637
Long-term loans	162	501,132
Long-term guarantee deposits	37,746	42,239
Long-term lease receivables	217,154	230,891
Derivative financial assets	298,524	298,524
Others	126	127
	<u>₩ 556,395</u>	<u>₩ 1,074,550</u>

(2) Details of other liabilities as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current liabilities:		
Advances received	₩ 195,805	₩ 180,436
Withholdings	25,743	26,165
Tax liabilities	-	19,178
Dividends payables	183	178
Leasehold deposits received	244	545
Lease liabilities	74,686	80,932
Derivative financial liabilities	40,074	807
	<u>₩ 336,735</u>	<u>₩ 308,241</u>
Non-current liabilities:		
Long-term leasehold deposits received	₩ 25,252	₩ 24,388
Long-term lease liabilities	264,260	287,077
Derivative financial liabilities	250,903	250,904
Long-term employee benefits	13,338	12,164
	<u>₩ 553,753</u>	<u>₩ 574,533</u>

18. Derivative financial assets and liabilities

The Company has entered into foreign currency forward contracts to manage fluctuations in currency exchange rates related to its loans and has entered total return swap contracts with certain common share investors holding share issued by subsidiaries and others. Details of assets and liabilities after valuation as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024			
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Purpose of trading				
Swap contract	₩ 8,676	₩ 298,524	₩ 67	₩ 250,903
Forward contract	11,423	-	40,007	-
	<u>₩ 20,099</u>	<u>₩ 298,524</u>	<u>₩ 40,074</u>	<u>₩ 250,903</u>
	December 31, 2023			
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Purpose of trading				
Swap contract	₩ -	₩ 298,524	₩ -	₩ 250,904
Forward contract	46,347	-	807	-
	<u>₩ 46,347</u>	<u>₩ 298,524</u>	<u>₩ 807</u>	<u>₩ 250,904</u>

19. Share capital

(1) Details of share capital as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions, except for number of shares):

	June 30, 2024	
	Common stocks	Preferred stocks (No voting rights)
Number of shares authorized for issue (in shares)	400,000,000	45,000,000
Par value per share (in won)	₩ 200	₩ 200
Number of shares issued (in shares)	72,502,703	566,135
Share capital	₩ 16,030	₩ 113
	December 31, 2023	
	Common stocks	Preferred stocks (No voting rights)
Number of shares authorized for issue (in shares)	400,000,000	45,000,000
Par value per share (in won)	₩ 200	₩ 200
Number of shares issued (in shares)	73,198,329	566,135
Share capital	₩ 16,030	₩ 113

The Company retired 6,000,000 shares of its treasury share (par value: ₩1,200 million) in 2015, 695,626 shares of its treasury share (par value: ₩139 million) for the six-month periods ended June 30, 2024 and 951,000 shares of its treasury share (par value: ₩190 million) for the year ended December 31, 2023 by reducing retained earnings, which resulted in a difference between total par value of ordinary shares and issued capital. Meanwhile, the total number of shares to be issued under the articles of association is 400,000,000 shares, of which preferred shares without voting rights can be issued up to 45,000,000 shares.

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19. Share capital (cont'd)

(2) Changes in the number of shares issued for the six-month periods ended June 30, 2024 and 2023 are as follows (In shares):

	<u>For the six-month period ended June 30, 2024</u>	
	<u>Common stocks</u>	<u>Preferred stocks (No voting rights)</u>
Beginning	73,198,329	566,135
Retirement of treasury stocks	(695,626)	-
Ending	72,502,703	566,135
	<u>For the six-month period ended June 30, 2023</u>	
	<u>Common stocks</u>	<u>Preferred stocks (No voting rights)</u>
Beginning	74,149,329	566,135
Retirement of treasury stocks	(951,000)	-
Ending	73,198,329	566,135

20. Other paid-in capital

(1) Details of other paid-in capital as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Additional paid-in capital (*1)	₩ 6,609,167	₩ 6,609,167
Treasury shares (*2)	(1,948,386)	(1,960,078)
Stock option	5,387	4,785
Other capital surplus	(1,426,147)	(1,426,872)
Other capital adjustments	(19,929)	(19,929)
	<u>₩ 3,220,092</u>	<u>₩ 3,207,073</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 June 30, 2024, treasury share consists of those acquired to increase the enterprise value and to stabilize share price (6,959,117 ordinary shares), and those acquired from repurchase of shares from dissenting shareholders on business combination and shares arising from odd lot shares (11,023,237 ordinary shares and 1,787 preferred shares) during the year 2015.

SK Inc.
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20. Other paid-in capital (cont'd)

(2) The changes in other paid-in capital for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2024					
	Additional paid-in capital	Treasury shares	Stock option	Other capital surplus	Other capital adjustments	Total
Beginning balance	₩ 6,609,167	₩ (1,960,078)	₩ 4,785	₩(1,426,872)	₩ (19,929)	₩ 3,207,073
Acquisition and disposal of treasury shares	-	(63,670)	-	725	-	(62,945)
Granting of stock option	-	-	602	-	-	602
Retirement of treasury shares	-	75,362	-	-	-	75,362
Ending balance	<u>₩ 6,609,167</u>	<u>₩ (1,948,386)</u>	<u>₩ 5,387</u>	<u>₩ (1,426,147)</u>	<u>₩ (19,929)</u>	<u>₩ 3,220,092</u>

	For the six-month period ended June 30, 2023					
	Additional paid-in capital	Treasury shares	Stock option	Other capital surplus	Other capital adjustments	Total
Beginning balance	₩ 6,609,167	₩ (2,009,083)	₩ -	₩(1,428,522)	₩ (19,929)	₩ 3,151,633
Disposal of treasury shares	-	2,904	-	1,650	-	4,554
Retirement of treasury shares	-	100,681	-	-	-	100,681
Ending balance	<u>₩ 6,609,167</u>	<u>₩ (1,905,498)</u>	<u>₩ -</u>	<u>₩(1,426,872)</u>	<u>₩ (19,929)</u>	<u>₩ 3,256,868</u>

(3) Details of treasury shares as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024	December 31, 2023
Number of treasury shares (in shares)	17,984,141	18,336,199
Acquisition amount	₩ 1,948,386	₩ 1,960,078

(4) Changes in treasury shares for the six-month periods ended June 30, 2024 and 2023 are as follows (Number of shares):

	For the six-month period ended	
	June 30, 2024	June 30, 2023
Beginning	18,336,199	18,976,607
Acquisition	357,602	-
Disposal	(14,034)	(27,434)
Retirement	(695,626)	(951,000)
Ending	<u>17,984,141</u>	<u>17,998,173</u>

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21. Retained earnings

Details of retained earnings as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Legal reserve:		
Earned surplus reserve(*1)	₩ 8,072	₩ 8,072
Voluntary reserve:		
Reserve for business rationalization	11,122	11,121
Reserve for business improvement	51,775	51,775
Unappropriated retained earnings	<u>12,638,591</u>	<u>12,389,869</u>
	<u>₩ 12,709,560</u>	<u>₩ 12,460,837</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 used for purposes other than used to offset a deficit, if any, or be transferred to issued capital through approval at the general meeting of the shareholders.

22. Other components of equity

Details of other components of equity as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Gain on financial assets measured at FVOCI	₩ 232,583	₩ 233,993

23. Share-based payment

23.1 Cash-settled share-based payment

(1) The terms and conditions related to grants of the stock options granted under the share option program as of June 30, 2024 are as follows (Korean won):

	<u>1-3 (*1)</u>	<u>2-1</u>	<u>2-2</u>	<u>2 (*2,3)</u>
Grant date	2017-03-24	2020-03-25	2020-03-25	2018-03-29
Type of shares to be issued	Ordinary shares			
Grant method	Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.			
Number of shares (shares)	41,431	142,692	71,346	18,607
Exercise price (Korean won)	₩ 263,950	₩ 153,450	₩ 153,450	₩ 108,959
Contractual life of options	2021.03.25 ~2024.03.24	2023.03.26 ~2027.03.25	2023.03.26 ~2027.03.25	2021.03.29 ~2024.03.28
Vesting conditions	4 year service from the grant date	2 year service from the grant date	3 year service from the grant date	3 year service from the grant date

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23. Share-based payment (cont'd)

	1 (*3)	2 (*3)
	2020-03-31	2020-03-31
Grant date		
Type of shares to be issued	Ordinary shares	
Grant method	Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.	
Number of shares (shares)	39,098	19,551
Exercise price (Korean won)	₩ 89,204	₩ 89,204
Contractual life of options	2023.03.31~2027.03.30	2023.03.31~2027.03.30
Vesting conditions	2 year service from the grant date	3 year service from the grant date

(*1) All options granted in wave 1-3 were fully forfeited during the six-month period ended June 30, 2024.

(*2) All options granted in wave 2 were fully exercised during the six-month period ended June 30, 2024.

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

(2) Details of the compensation cost as of June 30, 2024 and 2023, due to the stock option program are as follows (Korean won in millions):

June 30, 2024				
Compensation costs recognized for the current period	Accumulated compensation costs recognized for the period	Residual compensation costs	Total compensation costs	Related liabilities
₩ (1,219)	₩ 14,085	₩ -	₩ 14,085	₩ 12,758
June 30, 2023				
Compensation costs recognized for the prior period	Accumulated compensation costs recognized for the period	Residual compensation costs	Total compensation costs	Related liabilities
₩ (7,652)	₩ 11,098	₩ -	₩ 11,098	₩ 9,884

(3) Changes in stock options for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won and in shares):

	For the six-month period ended June 30, 2024		For the six-month period ended June 30, 2023	
	Stocks (in shares)	Weighted average exercise price	Stocks (in shares)	Weighted average exercise price
Beginning balance	332,725	₩ 153,397	392,762	₩ 160,508
Exercised	(18,607)	(108,959)	(18,607)	(100,884)
Extinguished	(41,431)	(263,950)	(41,430)	(244,400)
Ending balance	272,687	₩ 139,632	332,725	₩ 153,397
Stock Options available for exercise	272,687	139,632	77,256	93,962

(4) The assumptions and variables used in option pricing model as of June 30, 2024 are as follows (Korean won):

	June 30, 2024			
	2-1	2-2	1	2
	The binomial model	The binomial model	The binomial model	The binomial model
Option Pricing Model				
Expected price(Closing price on the preceding day)	₩ 158,300	₩ 158,300	₩ 158,300	₩ 158,300
Risk-free interest rate	3.19%	3.19%	3.19%	3.19%
Expected option life	7 years	7 years	7 years	7 years
Expected volatility	39.50%	39.50%	39.50%	39.50%
Dividend yield	3.16%	3.16%	3.16%	3.16%
Exercise price	₩ 153,450	₩ 153,450	₩ 89,204	₩ 89,204
Fair value per share	₩ 39,491	₩ 39,491	₩ 73,401	₩ 73,401

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23. Share-based payment (cont'd)

23.2 Equity-settled share-based payments

(1) The Company has granted performance-based stock compensation to major executives as part of compensation related to corporate value growth, the terms and conditions related to the grants of the stock options under the share option program are as follows:

Descriptions	For 2023	For 2024
Evaluation base date	December 5, 2023	May 30, 2024
Grant date	March 29, 2023	March 27, 2024
Types of shares to be issued	Ordinary shares	
Grant method	Reissue of treasury shares, cash payment for specific Reasons	
Number of shares paid	Determined in consideration of the absolute stock price increase/decrease rate and the relative stock price increase/decrease rate (or corporate value increase/decrease rate) compared to the KOSPI200 for three years from the date of grant	
Payment time	The final quantity or amount of payment will be confirmed on the date of the regular shareholders' meeting in 2026, within one month after the date of resolution of the board of directors, on the premise of the approval of the agenda of the board of directors approving the payment	The final quantity or amount of payment will be confirmed on the date of the regular shareholders' meeting in 2027, within one month after the date of resolution of the board of directors, on the premise of the approval of the agenda of the board of directors approving the payment
Vesting conditions	1 year service from January 1, 2023	1 year service from January 1, 2024

(2) Details of compensation as of June 30, 2024, due to Equity-settled Share-based Payment are as follows (Korean won in millions):

June 30, 2024			
Compensation costs recognized for the current period	Accumulated compensation costs recognized for the period	Residual compensation costs	Total compensation costs
₩ 536	₩ 5,257	₩ 1,343	₩ 6,600

(3) The assumption and variables used in the option pricing model for equity-settled share-based payment as of June 30, 2024 are as follows (Korean won):

Descriptions	For 2023	For 2024
	The binomial model	The binomial model
Option Pricing Model		
Initial grant amount(Korean won in millions)	₩ 4,775	₩ 1,775
Weighted average stock price at the grant date	₩ 171,980	₩ 189,533
Beta	1.19	1.35
Expected price(Closing price on the preceding day)	₩ 168,500	₩ 158,100
Risk-free interest rate	3.49%	3.44%
Expected option life	2.3 years	2.8 years
Expected volatility	27.48%	37.66%
Dividend yield	2.50%	2.60%
Fair value per share	₩ 126,799	120,636

23. Share-based payment (cont'd)

23.2 Equity-settled share-based payments (cont'd)

In addition, the Company has entered into a Stock Grant that pays treasury stocks to employees for free apart from the above stock options. In the case of such Stock Grant, there is no requirement for vesting condition, and may not be transferred during the term of the stock. As of June 30, 2024, the recognized stock compensation costs related to the Stock Grant is ₩340 million.

24. Operating revenue

(1) Details of operating revenue for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Revenue from contracts with customers:				
IT service (*1)	₩ 613,361	₩ 1,140,636	₩ 615,443	₩ 1,059,207
Trademark usage income	85,684	164,762	101,393	171,998
	<u>699,045</u>	<u>1,305,398</u>	<u>716,836</u>	<u>1,231,205</u>
Revenue from other sources:				
Dividend income	79,712	689,275	60,082	1,170,805
Rental income	17,574	38,534	13,873	29,853
	<u>97,286</u>	<u>727,809</u>	<u>73,955</u>	<u>1,200,658</u>
	<u>₩ 796,331</u>	<u>₩ 2,033,207</u>	<u>₩ 790,791</u>	<u>₩ 2,431,863</u>

(*1) Includes contract revenue of ₩743,141 million and ₩712,394 million recognized from the cost-based input method for the six-month periods ended June 30, 2024 and 2023.

(2) Details of revenue from contracts with customers for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Type of goods or services:				
IT service	₩ 613,361	₩ 1,140,636	₩ 615,443	₩ 1,059,207
Trademark usage income	85,684	164,762	101,393	171,998
	<u>₩ 699,045</u>	<u>₩ 1,305,398</u>	<u>₩ 716,836</u>	<u>₩ 1,231,205</u>
Geographical location:				
Korea	₩ 529,322	₩ 1,027,373	₩ 560,572	₩ 1,023,799
Asia	18,965	36,365	45,252	67,217
Europe	14,875	34,102	46,398	71,625
North America	135,883	207,558	64,614	68,564
	<u>₩ 699,045</u>	<u>₩ 1,305,398</u>	<u>₩ 716,836</u>	<u>₩ 1,231,205</u>
Timing of revenue recognition:				
Recognized at a point in time	₩ 154,658	₩ 251,398	₩ 181,090	₩ 231,667
Recognized over a period	544,387	1,054,000	535,746	999,538
	<u>₩ 699,045</u>	<u>₩ 1,305,398</u>	<u>₩ 716,836</u>	<u>₩ 1,231,205</u>

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24. Operating revenues (cont'd)

(3) Details of contract assets, contract liabilities related to revenue from contracts with customers as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024		December 31, 2023	
Contract assets from IT service contract	₩	261,798	₩	181,559
Contract liabilities from IT service contract		151,296		174,639

(4) Among the balance of contract liabilities for the years initiated 2024 and 2023, the recognized revenue for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended			
	June 30, 2024		June 30, 2023	
IT service contract	₩	136,844	₩	129,818

(5) Details of construction profit variation by changes of accounting estimates related to construction contracts for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2024			
	Change in estimated construction revenue	Change in estimated cost	Impact on current period profit (loss)	Impact on future period profit (loss)
IT Service contracts	₩ 17,656	₩ 28,410	₩ (9,983)	₩ (771)
	For the six-month period ended June 30, 2023			
	Change in estimated construction revenue	Change in estimated cost	Impact on current period profit (loss)	Impact on future period profit (loss)
IT Service contracts	₩ 3,518	₩ 2,482	₩ 241	₩ 795

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

(6) Details of the construction contract where the contract revenue exceeds 5% of the preceding year's revenue under the percentage-of-completion method for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended June 30, 2024						
	Contract date	Contractual completion deadline	Progress(%)	Unbilled receivable		Trade receivable (*1)	
				Total	Impairment	Total	Allowance for doubtful accounts
(US)SK On year 2023 North America JV_BA3 return logistics automation construction project	2024-06-10	2026-12-31	22.81%	₩ -	₩ -	₩ 51,896	₩ -
(US)SK On year 2022 return logistics automation construction project	2023-03-23	2025-05-31	66.84%	₩ -	₩ -	₩ 29,444	₩ -
SK On return logistics automation construction project_SKOH2	2022-09-05	2024-10-31	88.96%	₩ -	₩ -	₩ 175	₩ -

(*1) The balance of receivable that do not include unbilled receivable.

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24. Operating revenue (cont'd)

	For the six-month period ended June 30, 2023						
	Contract date	Contractual completion deadline	Progress(%)	Unbilled receivable		Trade receivable (*1)	
				Total	Impairment	Total	Allowance for doubtful accounts
(US)SK On year 2022 return logistics automation construction project	2023-03-23	2025-05-31	14.70%	₩ -	₩ -	₩ -	₩ -
SK On year 2022 return logistics automation construction project_SKOH2	2022-09-05	2024-10-31	84.00%	₩ 29,130	₩ -	₩ -	₩ -

(*1) The balance of receivable that do not include unbilled receivable.

25. Operating expenses

Details of operating expenses for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Material costs	₩ 145,461	₩ 235,177	₩ 174,133	₩ 220,555
Outsourcing costs	204,766	409,919	201,916	394,572
Salaries	135,438	256,197	134,906	245,503
Provision for pension benefits	11,318	54,466	9,706	19,053
Depreciation	24,543	48,654	24,375	48,555
Amortization	3,158	6,275	3,958	8,062
Rents	923	1,850	810	1,729
Communications	5,051	10,338	5,003	10,171
Employee welfare benefits	17,322	45,792	24,769	54,507
Commissions	63,050	121,313	41,750	83,289
Education and training	6,092	11,575	6,601	14,659
Research and development	8,558	17,488	12,695	28,485
Office management	17,011	34,817	15,354	29,992
Travel	5,056	10,421	5,985	11,407
Others	18,015	32,006	19,012	31,154
	<u>₩ 665,762</u>	<u>₩ 1,296,288</u>	<u>₩ 680,973</u>	<u>₩ 1,201,693</u>

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26. Finance income and costs

(1) Details of finance income for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Interest income	₩ 7,983	₩ 18,074	₩ 9,134	₩ 16,778
Gain on foreign currency transactions	6,195	8,890	7,634	8,767
Gain on foreign currency translation	18,569	43,553	2,036	18,659
Gain on valuation of financial assets measured at FVTPL	14,674	14,989	7,447	7,508
Gain on valuation of derivatives	8,686	8,686	5,128	15,961
Gain on transactions of derivatives	21	838	62	9,883
	<u>₩ 56,128</u>	<u>₩ 95,030</u>	<u>₩ 31,441</u>	<u>₩ 77,556</u>

(2) Details of finance costs for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Interest expenses	₩ 101,699	₩ 208,146	₩ 96,630	₩ 198,686
Loss on foreign currency transactions	2,540	3,321	4,496	10,638
Loss on foreign currency translation	299	518	2,790	14,122
Loss on valuation of financial assets measured at FVTPL	(15,493)	23,810	30,382	70,460
Loss on valuation of derivatives	19,348	53,949	6,696	21,864
Loss on transactions of derivatives	1,122	24,718	892	6,344
	<u>₩ 109,515</u>	<u>₩ 314,462</u>	<u>₩ 141,886</u>	<u>₩ 322,114</u>

27. Other non-operating income and expenses

(1) Details of other non-operating income for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Reimbursement of losses in associates	₩ -	₩ 9,434	₩ -	₩ -
Gain on disposal of investments in subsidiaries and associates	4,315	25,162	-	-
Gain on disposal of property, plant and equipment	1	115	35	216
Gain on disposal of intangible assets	2,184	6,913	-	-
Others	3,281	3,815	12,182	17,581
	<u>₩ 9,781</u>	<u>₩ 45,439</u>	<u>₩ 12,217</u>	<u>₩ 17,797</u>

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

(2) Details of other non-operating expenses for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Loss on disposal of investments in subsidiaries and associates	₩ -	₩ -	₩ 769	₩ 769
Impairment loss on investments in subsidiaries and associates	28,586	28,586	215,045	215,045
Loss on disposal of property, plant and equipment	-	46	1	2
Loss on disposal of intangible assets	4	391	-	-
Impairment loss on intangible assets	-	-	21,686	21,686
Donations	4,775	4,816	7,473	7,562
Others	2,393	5,009	1,074	2,306
	<u>₩ 35,758</u>	<u>₩ 38,848</u>	<u>₩ 246,048</u>	<u>₩ 247,370</u>

28. Income taxes

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

The average effective tax rates for the six-month period ended June 30, 2024 is 0.12%, and the average effective tax rate was not calculated due to the income tax benefit for the six-month period ended June 30, 2023.

Under the global minimum tax law, which will take effect from 2024, the consolidated entity is required to pay additional tax on the difference between the effective tax rate and the minimum tax rate of 15% for each constituent country. The Company reviewed the impact of introducing the global minimum tax law for the competent countries to which the constituent companies within the consolidated entity belong. As a result of the review, it was determined that no additional tax would be incurred in accordance with the global minimum tax law, and accordingly, there is no amount recognized as corporate tax expense for the current half-year. On the other hand, the Company does not disclose information on deferred tax assets and liabilities related to the global minimum tax without recognizing them as an exception to the recognition and disclosure of deferred tax assets and liabilities related to the global minimum tax.

29. Earnings per share

29.1 Basic earnings per ordinary share

(1) Basic earnings per ordinary share for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions, except per share and weighted-average number of ordinary shares outstanding):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Profit (Loss) for the period	₩ 45,462	₩ 523,431	₩ (191,922)	₩ 781,195
Less: Preference share dividends (*1)	494	5,385	(1,911)	7,870
Profit (Loss) for the period attributable to ordinary share owners of the Company	₩ 44,968	₩ 518,046	₩ (190,011)	₩ 773,325
Weighted-average number of issued shares outstanding (*2)	54,520,365	54,574,714	56,111,141	55,650,423
Basic earnings (losses) per ordinary share (Korean Won)	₩ 825	₩ 9,492	₩ (3,386)	₩ 13,896

(*1) Preference shares are entitled to receive 25% above(par value basis) the cash dividend rate for ordinary shares.

(*2) The weighted average number of shares issued considering the number of shares issued due to changes in the number of treasury stocks during the six-month periods ended June 30, 2024 and 2023.

(2) The weighted-average number of earnings per ordinary shares outstanding for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows:

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Weighted-average number of shares outstanding	73,037,800	73,117,621	74,149,329	74,149,329
Weighted-average number of treasury shares	(18,517,435)	(18,542,907)	(18,038,188)	(18,498,906)
Weighted-average number of issued shares outstanding	54,520,365	54,574,714	56,111,141	55,650,423

29.2 Basic earnings per preference share

Basic earnings per preference share for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions, except per share and weighted-average number of shares):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Preference share dividends and residual income (loss)	₩ 494	₩ 5,385	₩ (1,911)	₩ 7,870
Weighted-average number of shares	564,348	564,348	564,348	564,348
Basic earnings (losses) per preference share (Korean won) (*1)	₩ 875	₩ 9,542	₩ (3,386)	₩ 13,946

(*1) Earnings per share were calculated with respect to the preference shares that meet the definition of a ordinary share as specified in the K-IFRS No.1033 Earnings per Share, which has no such preferential rights for participating in dividends or undistributed earnings.

29. Earnings per share (cont'd)

29.2 Basic earnings per preference share (cont'd)

Preference shares have no potential equity instruments, so their underlying earnings per share and diluted earnings per share are the same.

29.3 Diluted earnings per ordinary share

(1) The details of the calculation of diluted earnings per ordinary share for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions, except per share and adjusted weighted-average number of shares outstanding):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Profit (Loss) for the period	₩ 45,462	₩ 523,431	₩ (191,922)	₩ 781,195
Preference share dividends and residual income (loss) (*1)	494	5,385	(1,911)	7,870
Cash-settled stock option	2,067	897	3,936	5,632
Profit (Loss) for the period to calculate diluted earnings per ordinary share	42,901	517,149	(193,947)	767,693
Adjusted weighted-average number of shares outstanding	<u>54,569,923</u>	<u>54,638,898</u>	<u>56,162,072</u>	<u>55,717,199</u>
Diluted earnings (losses) per ordinary share (Korean Won)	<u>₩ 786</u>	<u>₩ 9,465</u>	<u>₩ (3,453)</u>	<u>₩ 13,778</u>

(*1) Preference shares are entitled to receive 25% above (par value basis) the cash dividend rate for ordinary shares.

(2) Adjusted weighted-average diluted number of shares outstanding for calculating diluted earnings per ordinary share for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows:

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Weighted-average number of shares outstanding	54,520,365	54,574,714	56,111,141	55,650,423
Adjustment : stock options	<u>49,558</u>	<u>64,184</u>	<u>50,931</u>	<u>66,776</u>
Adjusted weighted-average number of shares outstanding	<u>54,569,923</u>	<u>54,638,898</u>	<u>56,162,072</u>	<u>55,717,199</u>

Diluted earnings per ordinary share is calculated by applying the weighted average number of circulating shares adjusted on the assumption that all diluted potential ordinary shares have been converted to ordinary share.

30. Related parties

(1) The status of the Company's related parties as of June 30, 2024 are as follows:

Ultimate controlling party	Related parties
Subsidiaries	<p>Tae-won Chey and related parties</p> <p>SK Innovation Co., Ltd., SK Energy Co., Ltd., Netruck Co., Ltd., Jeju United FC Corporation, SK Energy Europe, Ltd., HAPPYDIDIM, goodsFLOW, SK Energy Road Investment Co., Ltd., SK Energy Hong Kong Co., Ltd., SK Energy International Pte. Ltd., Green & Co. Asia Ltd., SK Energy Americas, Inc., SK Energy Road Investment (HK) Co., Ltd., SK Asphalt (Shanghai) Co., Ltd., SK Terminal B.V., SK Geo Centric Co., Ltd., SK Geo Centric High Performance Product (Zhejiang) Co., Ltd., Happymoeum, ONEPOL Co., Ltd., SK Geo Centric International Trading (Shanghai) Co., Ltd., SK Innovation America, Inc., Route on Delaware, Inc., Route on Quebec Ltd., Voltcycle On LLC, Blueoval SK, LLC, SK Geo Centric (Beijing) Holding Co., Ltd., SK Global Chemical China Limited, SK Geo Centric Japan Co., Ltd., SK Geo Centric Singapore Pte., Ltd., SK Geo Centric Investment Hong Kong Ltd., SK GC Americas, Inc., Green & Connect Capital Inc., SK Functional Polymer, S.A.S, SK Geo Centric International Trading (Guangzhou) Co., Ltd., Sino-Korea Green New Material (Jiangsu) Ltd., Ningbo SK Performance Rubber Co., Ltd., SK Primacor Americas LLC, SK Saran Americas LLC, SK Geo Centric Brazil LTDA, Grove Energy Capital III, LLC, SK Primacor Europe, S.L.U., SK Enmove Co., Ltd., Yubase Manufacturing Asia Corporation, SK Enmove (Tianjin) Co., Ltd., SK Enmove Japan Co., Ltd., SK Enmove India Pvt. Ltd., SK Enmove Americas Inc., SK Enmove Europe B.V., Iberian LUBE BASE OILS S.A., SK Enmove Russia LLC., SK ie technology Co., Ltd., SK Hi-tech Battery Materials(Jiang Su) Co., Ltd., SK Hi-tech Battery Materials Poland Sp. Zo.o., SK On Co., Ltd., SK on tech plus Co. Ltd., Happy Midum, SK ON Jiangsu Co., Ltd., SK On Yancheng Co., LTD, SK Battery America, Inc., SK ON Hungary Kft., SK Battery Manufacturing Kft., Yancheng Yandu District M Energy Consulting Limited Company, Mobile Energy Battery America, LLC., SK earthon Co., Ltd., SK Incheon Petrochem Co., Ltd., SK Trading International Co., Ltd., HappyKium, SK Earthon Australia Pty Ltd., SK On Technology Center (Jiangsu) Co., Ltd., SK On (Shanghai) CO., Ltd., IPC First Securitization Specialty Company, SK Innovation Insurance (Bermuda), Ltd., SK Americas Inc., AUXO CAPITAL INC., AUXO CAPITAL MANAGERS LLC, SK GLOBAL DEVELOPMENT ADVISORS LLC, Tellus (HONG KONG) Investment Co., Ltd., SKY (Zhuhai Hengqin) Technology Co., Ltd., SK Ecoplant Co., Ltd., Changwon SG Energy Co., Ltd., Renewenergy Chungbuk Co., Ltd., Seosuwon Development Company, SEONGJU TECH Co., Ltd., Renewland Singyeongju Co., Ltd., Renewenergy Chungnam Co., Ltd., Renewenergy Saehan Co., Ltd., Renewenergy Jeonnam Co., Ltd., Renewenergy Metro Co., Ltd., Renewenergy Green Co., Ltd., Renewenergy Daewon Co., Ltd., Renewland Cheongju Co., Ltd., TES SBS (US) Holdings LLC, Soltznz, RenewOne Co., Ltd., Renewcon Daewon Co., Ltd., SK Ecoengineering Co., Ltd., Renewlogis Co., Ltd., Dongnam Offshore Windfarm Co., Ltd., Gangdong Green Complex, BT FC LLC, Topsun Co., Ltd., Windenergy Co., Ltd., Janggamsolar Co., Ltd., Goisolar Co., Ltd., Top Operation Co., Ltd., TS Energy No.24 Co., Ltd., TS Energy No.3 Co., Ltd., TS Energy No.9 Co., Ltd., Hamgumi Solar, Keumoh Energy Co., Ltd., Munkyoung Solar Farm Co., Ltd., Econovation, LLC, JIANGSU SKY NEW ENERGY CO., Ltd., TES Sustainable Battery Solutions Nordics AB, SKEC Nanjing Co., Ltd., SKEC (Thai), Ltd., Thai Woo Ree Engineering Co., Ltd., SKEC Anadolu, LLC, SK HOLDCO PTE. LTD., KS Investment B.V., Renewus Co., Ltd., Renewliquid Seonam Co., Ltd., Renewliquid Honam Co., Ltd., Renewenergy Chungcheong Co., Ltd., Renewenergy Gyeonggi Co., Ltd. Renewenergy Gyeongbuk Co., Ltd., Renewenergy Gyeongin Co., Ltd. Renewland Gyeongju Co., Ltd., Green Hwasun Inc., Green Sunchang INC., Gyeongsan Clean WaterWay CO., LTD., Dalsung Clean WaterWay Co., Ltd., Goksung Environment Co., Ltd., SK Ecoplant Americas Corporation, Mesa Verde RE Ventures, LLC., Sunlake Co., Ltd, ECOENGINEERING CANADA LTD., SKEC Consultores Ecuador, S.A., ECO FRONTIER (SINGAPORE) PTE. LTD., SK tes, TES CHINA HOLDINGS PTE. Ltd., TES-AMM (SINGAPORE) PTE. LTD., Total Environmental Solutions Co., Ltd., TES-AMM (H.K.) LIMITED, TES-AMM (MALAYSIA) SDN. BHD., TES-AMM (Europe) Ltd, TES-AMM AUSTRALIA PTY LTD, TES-AMM CORPORATION (CHINA) LTD, TES-AMM (BEIJING) CO., LTD, TES-AMM NEW ZEALAND LIMITED, TES-AMM (TAIWAN) CO., LTD, SHANGHAI TES-AMM WASTE PRODUCTS RECYCLE CO., LTD, TES-AMM JAPAN K.K., TES-AMM (SUZHOU) E-WASTE SOLUTIONS CO. LTD, PT. TES-AMM INDONESIA, TES-AMM (CAMBODIA)</p>

30. Related parties (cont'd)

Related parties
CO., Ltd., TES-AMM (GUANGZHOU) CO., LTD, Shanghai Taixiang Network Technology Co., Ltd., Advanced Datacom (Australia) Pty Ltd, Green Technology Management Pty Ltd, TES-AMM EUROPE HOLDINGS LTD, TES-AMM UK Ltd, TES-AMM Central Europe GmbH, TES-AMM SAS, TES Total Environmental Solution AB, TES-AMM ESPANA ASSET RECOVERY AND RECYCLING, S.L., TES-AMM ITALIA SRL, TES USA, INC., VSL SUPPORT LIMITED, Technology Supplies International Ltd., Goldberg Enterprises Ltd., TES CONSUMER SOLUTIONS LTD, Integrations Et Services, TES SUSTAINABLE BATTERY SOLUTIONS France, GENPLUS PTE. LTD., Redeem UK Limited, REDEEM HOLDINGS LIMITED, TES ENERGY SOLUTIONS PTE. LTD., TES SUSTAINABILITY PRODUCTS PTE. LTD., CUSTOM CONTROLLERS UK LIMITED, TES B PTE. LTD., TES ESS PTE. LTD., Envirofone Limited, TES Sustainable Battery Solutions B.V., TES Sustainable Battery Solutions GmbH, Sustainable Product Stewards Pty Ltd, CASH FOR TECH LTD, Stock Must Go Limited, TES C PTE. LTD., TES Sustainable Battery Solutions (Australia) Pty Ltd., TES Sustainable Battery Solutions Limited Liability Company, Shanghai TES-AMM Xin New Materials Co., Ltd., TES Netherlands B.V., AP Development Co., Ltd., DY Indus Co., Ltd., DY Polymer Co., Ltd., SK oceanplant Co., Ltd., SAM KANG S&C Co., Ltd., ECOPLANT HOLDING MALAYSIA SDN. BHD., Silvertown Investco Limited, Changzhou SKY New Energy Co., Ltd., SKC Co., Ltd., SK enpulse Co., Ltd., SK TBMGEOSTONE Co.,Ltd, Allnewone Co., Ltd., SK leaveo Co., Ltd., ECOVANCE VIETNAM COMPANY LIMITED, Ultimus Co. Ltd., ISC Co., Ltd., ISC International, INC., ISC VINA MANUFACTURING COMPANY LIMITED, ISC JAPAN R&D Center, ITMTC Co., Ltd., SMATECH INC., Prowell Co., Ltd., ISCM Co., Ltd., NEXILIS MANAGEMENT MALAYSIA SDN. BHD., SK Nexilis Poland sp.z o.o., TECHDREAM CO. LIMITED, SE (JIANGSU) Electronic Materials Co., Ltd., SKC PU Specialty Limited, SKC-ENF Electronics Materials Ltd., SKC (Nantong) Semiconductor Materials Technology Co., Ltd., SKCFT Holdings Co., Ltd., SK Nexilis Co., Ltd., SK picglobal Co., Ltd., SKC solmics Hong Kong Co., Ltd., SKC Semiconductor Materials (Wuxi) Co., Ltd., SK NEXILIS MALAYSIA SDN. BHD., Absolics inc., ENPULSE America Co., Ltd., NEX INVESTMENT LIMITED, NEX UK HOLDINGS LIMITED, NEXILIS MANAGEMENT EUROPE B.V., SK E&S Co., Ltd., Kangwon City Gas Co., Ltd., Yeongnam Energy Service Co., Ltd., Ko-one Energy Service Co., Ltd., Busan City Gas Co., Ltd., Jeonbuk Energy Service Co., Ltd., Chonnam City Gas Co., Ltd., Chungcheong Energy Service Co., Ltd., Paju Energy Service Co., Ltd., Narae Energy Service Co., Ltd., Yeosu Energy Service Co., Ltd., Hae-ssal Solar Power Co., Ltd., Boryeong BlueHy Co., Ltd., NEW RENEWABLE ENERGY NO.1 JSC, KCE ME 2, LLC, KCE CT 8, LLC, KCE MI 4, LLC, KCE IN 5, LLC, KCE IA 1, LLC, KCE IL 3, LLC, ARIUL SOLAR POWER CO.,LTD., Busan Jungkwan Energy Co., Ltd., IGE Co., Ltd., Dangjin Haengbok Solar Co., Ltd., Busa Solar Power Co., Ltd., Prism Energy International China Limited, SK E&S Hong Kong Co., Ltd., PRISM ENERGY INTERNATIONAL PTE. LTD., PT Prism Nusantara International, PRISM ENERGY INTERNATIONAL HONG KONG LTD., Fajar Energy International Pte. Ltd, Prism Energy International Zhoushan Limited, PRISM DLNG PTE. LTD., SK E&S Australia Pty Ltd., SK E&S AMERICAS, INC., DewBlaine Energy, LLC, SK E&S Dominicana S.R.L, RNES HOLDINGS, LLC, BU12 AUSTRALIA PTY. LTD., BU13 AUSTRALIA PTY. LTD., Pnes Investments, LLC, Grid Solution, LLC, Grid Solution II, LLC, Prism Darwin Pipeline Pty. Ltd., Passkey, Inc., LNG Americas, Inc., Key Capture Energy, LLC, KCE GLOBAL HOLDINGS, LLC, KCE PF HOLDINGS 2021, LLC, KCE LAND HOLDINGS, LLC, KCE NY 1, LLC, KCE NY 2, LLC, KCE NY 3, LLC, KCE NY 5, LLC, KCE NY 6, LLC, KCE NY 8, LLC, KCE NY 10, LLC, KCE NY 14, LLC, KCE NY 18, LLC, KCE NY 19, LLC, KCE NY 21, LLC, KCE NY 22, LLC, KCE NY 26, LLC, KCE IL 1, LLC, KCE BRUSHY CREEK HOLDINGS, LLC, KCE ME 1, LLC, KCE NY 28, LLC, KCE TX 15, LLC, KCE NY 27, LLC, KCE NY 29, LLC, KCE NY 32, LLC, KCE TX 10, LLC, KCE TX 13, LLC, KCE TX 14, LLC, KCE TX 16, LLC, KCE TX 19, LLC, KCE TX 21, LLC, KCE TX 22, LLC, KCE TX 24, LLC, KCE TX 25, LLC, KCE TX 26, LLC, KCE TX 28, LLC, KCE CT 1, LLC, KCE CT 2, LLC, KCE CT 4, LLC, KCE MI 1, LLC, KCE MI 2, LLC, KCE MI 3, LLC, KCE IL 2, LLC, KCE IN 1, LLC, KCE IN 2, LLC, KCE IN 3, LLC, KCE OK 1, LLC, KCE OK 2, LLC, KCE OK 3, LLC, KCE OK 4, LLC, KCE TEXAS HOLDINGS 2020, LLC, KCE TX 2, LLC, KCE TX 7, LLC, KCE TX 8, LLC, KCE TX 11, LLC, KCE TX 12, LLC, KCE NY 30, LLC, KCE NY 31, LLC, KCE NY 34, LLC, KCE NE 1, LLC, KCE NE 2, LLC, KCE CA 1, LLC, KCE CA 2, LLC, KCE CA 3, LLC, KCE NV 1, LLC, KCE NV 2, LLC, KCE NY 35, LLC, KCE TX 30, LLC, KCE NY 36, LLC, KCE TX 31, LLC, KCE CT 11, LLC, ROUGHNECK STORAGE LLC, MOBILITY

30. Related parties (cont'd)

Related parties
<p>SOLUTION I INC., MOBILITY SOLUTION II INC., EVERCHARGE, INC., EVERCHARGE SERVICES, LLC, KCE CT 5, LLC, KCE CT 7, LLC, KCE CT 10, LLC, KCE MARKET OPERATIONS, LLC, LAI CCS, LLC, KCE CT 9, LLC, KCE PF Holdings 2022, LLC, KCE MA 4, LLC, KCE ID 1, LLC, KCE ID 2, LLC, KCE ID 3, LLC, KCE CA 4, LLC, KCE CA 5, LLC, KCE CA 6, LLC, KCE CA 7, LLC, KCE NV 3, LLC, KCE IL 4, LLC, KCE NY 37, LLC, KCE MN 1, LLC, KCE NY 38, LLC, KCE MI 5, LLC, ArkN, LLC, Ark1, LLC, KCE IL 5, LLC, KCE IL 6, LLC, KCE NY 40, LLC, KCE MN 3, LLC, KCE AR 1, LLC, KCE MI 7, LLC, KCE OK 5, LLC, KCE OK 6, LLC, SK Biopharmaceuticals Co., Ltd., SK Biotek Co., Ltd., SK Siltron Co., Ltd., SK Tri Chem Co., Ltd., Happyfilling Co., Ltd., SK SILTRON SHANGHAI CO., LTD., Hweechan Co., Ltd., Happy Companion Co., Ltd., SK Materials Performance Co., Ltd., SK Materials Group14 (Shanghai) Co., Ltd., SK Pinx Co., Ltd., SK REIT Co., Ltd., Clean Energy REIT Co., Ltd., SK REITs Management Co., Ltd., Clean Industrial Reit Co., Ltd., Timor Holdings Ltd., SK powertech, Teraon Co., Ltd., SK Signet Inc., SK Bio-Pharma Tech (Shanghai) Co., Ltd., SK China Company, Ltd., SK (China) Enterprise Management Co., Ltd., SKY Enterprise Management Co., Ltd., SK Property Investment Management Company Limited, SK China Investment Management Company Limited, SK INTERNATIONAL AGRO-PRODUCTS LOGISTICS DEVELOPMENT CO.,LIMITED, Beijing LIZHIWEIXIN Technology Company Limited, Solaris Partners Pte. Ltd., Solaris GEIF Investment, SK Jinzhou International Agro-Sideline Products Park Co., Ltd., SK Jinhzhou real estate development Co., Ltd., SKYLINE AUTO FINANCIAL LEASING CO.,LIMITED, Tianjin SK Car Rental Co., Ltd., SK Investment Management Co., Ltd, SK Materials(Shanghai) Co., Ltd., SK Semiconductor Investments Co., Limited, Hua Lei Holdings Pte. Ltd., Golden Pearl EV Solutions Limited, I CUBE CAPITAL HONG KONG 1. LP LIMITED, SK Mobility Investments Company Limited, SK Siltron Japan, Inc, SK Resonac Corporation, SK materials JNC Co., Ltd., SK Japan Inc., Gemini Partners Pte. Ltd., SK SOUTH EAST ASIA INVESTMENT PTE. LTD., SK INVESTMENT VINA I PTE. LTD., SK INVESTMENT VINA II PTE. LTD., SK INVESTMENT VINA III PTE. LTD., Socar Mobility Malaysia, Sdn. Bhd., IMEXPHARM CORPORATION, PT Future Mobility Solutions, Future Mobility Solutions Sdn. Bhd., LINH NAM VENTURES JSC, LIEN KHUONG ITN'L JSC, DONG KINH CAPITAL JSC, LAC SON INVESTMENT JSC, CONG THANG ALPHA JSC, EASTERN VISION INVESTMENT JSC, TRUONG LUU CHI INVEST JSC, AN NAM PHU INVESTMENT JSC, ZION SON KIM JSC, SK INVESTMENT VINA IV PTE. LTD., SK MALAYSIA INVESTMENT I PTE. LTD., MSN INVESTMENT PTE. Ltd., SK Life Science, Inc., SK GI Management, SK MENA Investment B.V., SK Latin America Investment S.A., PLUTUS CAPITAL NY, INC., SK Pharmteco Inc., ABRASAX INVESTMENT INC., SK Siltron America, Inc, Atlas NY LLC, Halio, Inc., Kinestral Technology Taiwan Inc., SK BIOTEK IRELAND LIMITED, Fine Chemicals Holdings Corp., AMPAC Fine Chemicals, LLC, AMPAC Fine Chemicals Texas, LLC, AMPAC Fine Chemicals Virginia, LLC, SK SILTRON USA, INC., SK SILTRON CSS, LLC, SK Siltron CSS Korea Co., Ltd., EINSTEIN CAYMAN LIMITED, Tellus Investment Partners, Inc., I CUBE CAPITAL INC, Primero Protein LLC, Terra Investment Partners LLC, SK C&C USA, INC., Grove Energy Capital LLC, Crest Acquisition LLC, SK Life Science Labs, Inc., Grove Energy Capital II, LLC, Castanea Biosciences Inc., SK SIGNET AMERICA INC., SK SIGNET MANUFACTURING TEXAS LLC, SK innovation outpost Corporation, Freedom Circle Capital, INC, Montague ESG Capital, LLC, Hudson Energy NY, LLC, Hudson Energy NY II, LLC, Hudson Energy NY III, LLC, YPOSKESI, SAS, Saturn Agriculture Investment Co., Limited, SK Forest Co., Ltd., SK materials airplus Incorporated., Energy Solution Holdings Inc., Ackerton Partners Co., Ltd., Ackerton Technology Service Co., Ltd., SK C&C Beijing Co., Ltd., SK C&C Chengdu Co., Ltd., SK C&C India Pvt. Ltd., SK S.E.ASIA Pte. Ltd., ESSENCORE Limited, S&G Technology, Essencore (Shenzhen) Limited, Essencore Pte. Ltd., GigaX Europe kft., AIRPLUS ENGINEERING INCORPORATED, SK JNC Japan Co., Ltd., SK MATERIALS JAPAN, INC., SK materials Group14 Co., Ltd., Tillandsia, Inc., EVERTECH ENTERPRISE CO., LTD., Chamaedorea, Inc., Areca, Inc., 8Rivers Europe Ltd., 8Rivers Services, LLC, Broadwing Company C, LLC, Broadwing Holdings, LLC, Coyote Clean Power, LLC, Coyote Company C, LLC, Coyote Power Holdings, LLC, Crossbill Clean Energy Ltd., Meadowlark Company C, LLC, Meadowlark Energy , LLC, Meadowlark Energy HoldCo, LLC, Meadowlark Holdings, LLC, NPEH, LLC, ParkIntuit, LLC, Zero Degrees Crossbill Dev. Ltd., Zero Degrees International, Inc., Zero Degrees Rosella Pty. Ltd., Zero Degrees Whitetail 1, Ltd., Zero Degrees Whitetail Dev.</p>

30. Related parties (cont'd)

	Related parties
	<p>Ltd., Zero Degrees, LLC, Cormorant Clean Energy, LLC, 8 Rivers Capital LLC, SK Auto Service Hong Kong Limited, SKY Property Management Ltd, SK Industrial Development China Co., Ltd., Shanghai SKY Real Estate Development Co., Ltd, SK Technology Innovation Company, SK INVESTMENT VINA VI PTE. LTD, Digital Center Capital Inc., Martis Capital, LLC, KBA Investment Joint Stock Company, SUNRISE KIM INVESTMENT JOINT STOCK COMPANY, Grove Energy Capital IV, LLC, Energy Solution Group, Inc., Skyline Mobility, Inc, Atom Power, Inc., Atom technology, LLC, Terra Investment Partners II, LLC, Total Value 1 REIT Co., Ltd., SK Specialty Co., Ltd., SK Specialty Taiwan Co., Ltd., SK Specialty Jiangsu Co., Ltd., SK Specialty (Xian) Co., Ltd., SK Specialty Japan Co., Ltd., SK Networks Co., Ltd., SK Networks Service Co., Ltd., Car Life Service Co., Ltd., SK Magic Co., Ltd., SK Magic Service Co., Ltd., MINTIT Co., Ltd., SK Rent-a-Car Co., Ltd., Cartini, EN-CORE Co., Ltd., SK Networks (China) Holdings Co., Ltd., SK Networks (Shanghai) Co., Ltd., SK Networks (Dandong) Energy Co., Ltd., POSK(Pinghu) Steel Processing Center Co., Ltd., Shenyang SK Bus Terminal Co., Ltd., SK Networks Hong Kong Limited, SK Networks (Liaoning) Logistics Co., Ltd., SK Networks (Xiamen) Steel Processing Center Co., Ltd., SK Networks Japan Co., Ltd., SK MAGIC RETAILS MALAYSIA SDN. BHD, SK Magic Vietnam company limited, MINTIT VINA, Hico Capital LLC, HICO VENTURES I, L.P., HICO GP I, LLC, BOW-HICO SILICON VALLEY FUND, LP, HICO MANAGEMENT LLC, SK Networks Deutschland GmbH, SK Networks Resources Pty Limited, Networks Tejarat Pars, SK BRASIL LTDA, SK Networks Resources Australia (Wyong) Pty Ltd., SK Telecom Co., Ltd., SK Telink Co., Ltd., SK Communications Co., Ltd., SK Broadband Co. Ltd., PS&Marketing Corp., Serviceace Co., Ltd., Service Top Co., Ltd., SK O&S Co., Ltd., SK telecom Japan Inc., SK Telecom China Holdings Co., Ltd., SK Telecom Americas Inc., YTK Investment Ltd., Atlas Investment, Ltd., Quantum Innovation Private Equity Joint Venture, Sapeon Korea Inc., SAPEON Inc., SK stoa Co., Ltd., Happy Hanool Co., Ltd., FSK L&S(Jiangsu) Co., Ltd., SK Planet Japan, K. K., SK Telecom Innovation Fund, L.P., SK Telecom China Fund I L.P., Media S Co., Ltd., SK GLOBAL HEALTHCARE BUSINESS GROUP LTD., Home&Service Co., Ltd., Pansia Semiconductor Materials LLC, SK Square Co., Ltd., SK M&Service Co., Ltd., Global AI Platform Corporation, Global AI Platform Corporation Korea Co., Ltd, Eleven Street Co., Ltd., FSK L&S Co., Ltd., Incross Co., Ltd., Tmap Mobility Co., Ltd., SK Square Americas, Inc., ROKMEDIA, One store Co., Ltd., SK Planet Co., Ltd., Dreamus Company, SK Planet, Inc., SCODYS PTE. LTD, YLP Inc., Good Service Co., Ltd., Studio Dolphin Co., Ltd., SK Planet Global Holdings Pte. Ltd., SEOUL AIRPORT LIMOUSINE, ONESTORE GLOBAL PTE.LTD., Solution Co., Ltd., LOGISOFT, Iriver Enterprise Ltd., TGC Square Pte. Ltd., Iriver CHINA CO., LTD., DongGuan Iriver Electronics Co., Ltd., id Quantique SA, LIFE DESIGN COMPANY INC., FSK L&S Hungary Kft, FSK L&S (Vietnam) COMPANY LIMITED, ID Quantique Limited, ID Quantique Limited, UK, ID Quantique Inc, USA, Infracommunications Co., Ltd., Mindknock Co.,Ltd., Nutshell Quantum-Safe GmbH, Alice und Bob Privatstiftung, FSK L&S USA, INC., One Store International Holding B.V., FSK L&S (Shanghai) Co., Ltd., 11street China Co., Ltd., Center For Breakthrough Medicines Holdings, LLC, Center For Breakthrough Medicines, LLC, MiraiTech Inc., Renewlogis Industry Co., Ltd., SG (Solar Green) Vina Company Limited, H Solution Co., Ltd., KCE MI 6, LLC, KCE TX 33, LLC, SK Enterm Co., Ltd, PLANETA PTE. LTD.</p>
Associates	<p>Standigm Inc., PUMP Co., Ltd., 9352-7281 Quebec Inc., Visible Patient S.A.S., Belstar Superfreeze Holdings, LLC, Hummingbird Bioscience Holdings Pte., Ltd., Todo Works Corp., The Wave Talk, Inc., DSK EV Investment Limited., SMCORE Inc., THIRA-UTECH Co., Ltd., ACRYL Inc., Cloocus Co., Ltd., TWO LINE CODE Inc., FSK Holdings Co., Ltd., Wave City Co., Ltd., Daehan Kanggun BcN Co., Ltd., Swift Navigation, Inc., TBU Inc., A4x Inc., Superblock Co., Ltd., Soft berry Inc., VantAI Holdings, Inc., Team Blackbird, Inc., LTCAM Co., Ltd., ION Clean Energy, Inc.</p>
Other related parties (*1)	<p>SK Hynix Inc., SK Gas Co., Ltd., SK Chemicals Co., Ltd., SK Shieldus Co.,Ltd, Daehan Oil Pipeline Co., Ltd., Ulsan Aromatics Co., Ltd., Korea Nexlene Company, PT. Patra SK, BLOOM SK FUEL CELL, LLC, ENCORED TECHNOLOGIES, INC., SK Telesys, Co., Ltd., SKC Hi-Tech & Marketing Ltd., Ubins Co., Ltd., SK Advanced Co., Ltd., Dangjin eco power corporation, Jeonnam Offshore Wind Power Co., Ltd., SK Gas International Pte. Ltd., SK Discovery Co., Ltd., SK D&D Co., Ltd., SK BIOSCIENCE Co., Ltd., SK Plasma Co., Ltd., HAPPYNARAE Co., Ltd., SK Electlink Co., Ltd., Key Foundry Co., Ltd., F&U Credit Information, Konan Technology Incorporation, SK Hystec Inc., SK Hyeng Inc., SK Hynix Semiconductor (China) Ltd., SK Hynix semiconductor(Chongqing) Ltd., SK Hynix</p>

SK Inc.
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30. Related parties (cont'd)

Related parties
(Wuxi) Semiconductor Sales Ltd., SK Hynix Happiness (Wuxi) Hospital Management Ltd., SK Hynix system ic (wuxi) Co., Ltd., Huizhou EVE United Energy Co., Ltd, SK Hynix America Inc., SK Hynix system ic Inc., Content Wavve Corp., Happymore Inc., SK multi utility Co., Ltd., SkyHigh Memory Limited, SK TBMGEOSTONE Co., Ltd., CAPSTEC Co., Ltd. and others

(*1) Not designated as disclosure of related parties as defined in paragraph 9 of K-IFRS No. 1024, but includes the entity designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of K-IFRS No. 1024.

(2) Details of significant financial transactions with the related parties for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

		June 30, 2024			
		Sales and others (*1)		Purchase and others (*2)	
		Three months	Six months	Three months	Six months
Subsidiaries	<u>Company name</u>	₩	₩	₩	₩
	SK Innovation Co., Ltd.	16,401	36,278	1,223	3,203
	SK Energy Co., Ltd.	32,786	55,943	-	94
	SK Geo Centric Co., Ltd.	8,228	18,277	-	-
	SK Incheon Petrochem Co., Ltd.	7,427	13,780	-	-
	SK Enmove Co., Ltd.	4,588	7,628	-	-
	SK On Co., Ltd.	27,822	49,658	-	-
	SK On Hungary Kft.	4,726	16,729	-	-
	SK ON(Yancheng) Co., Ltd.	7,172	16,351	-	-
	SK Mobile Energy Co., Ltd.	107	190	31	62
	SK Americas, Inc. (Formerly SK USA, Inc.)	23	31	461	845
	SK Ecoplant Co., Ltd.	5,695	15,574	-	-
	SKC Co., Ltd.	1,289	1,940	-	-
	SK E&S Co., Ltd.	7,264	364,806	-	-
	SK Telecom Co., Ltd.	148,020	304,942	1,569	5,000
	SK Broadband Co., Ltd.	32,451	59,683	2,007	4,072
	SK Planet Co., Ltd.	4,212	7,601	64	65
	SK Square Co., Ltd.	878	1,749	-	-
	SK Networks Co., Ltd.	26,952	33,987	478	2,708
	SK Magic Co., Ltd.	4,840	6,996	60	122
	SK Specialty Co., Ltd.	1,710	63,500	387	580
	SK Tri Chem Co., Ltd.	190	6,867	-	-
	SK Siltron Co., Ltd.	5,933	12,631	-	-
	SK Pinx Co., Ltd.	86	145	148	3,751
	SK REIT Co., Ltd.	5,817	13,811	10,471	20,941
	SK Materials airplus Inc.	479	50,836	-	-
	SK Pharmteco Inc.	141	259	-	-
	SK S.E.ASIA pte., Ltd.	-	51,023	-	-
	SK C&C Beijing Co., Ltd.	2,512	2,897	2,353	4,452
	SK C&C USA, Inc.	135,257	206,561	-	-
	Others	46,195	101,984	10,832	16,172
Associates					
	THIRA-UTECH Co., Ltd.	-	-	417	893
	SMCore Inc.	-	53	24,687	36,065
	CLOOCUS Co., Ltd.	-	-	11,821	27,299
	TWO LINE CODE Inc.	-	-	499	896
	Others	-	1	-	-

SK Inc.
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30. Related parties (cont'd)

		June 30, 2024			
		Sales and others (*1)		Purchase and others (*2)	
Company name		Three months	Six months	Three months	Six months
Other	SK hynix Inc.	78,059	151,253	3,927	7,786
related	SK Gas Co., Ltd.	4,584	9,197	-	-
parties	SK Chemicals Co., Ltd.	3,029	5,297	-	-
(*3)	SK Shieldus Co., Ltd.	6,493	8,921	6,355	12,400
	Others	8,968	22,699	670	1,643
		<u>₩ 640,334</u>	<u>₩ 1,720,078</u>	<u>₩ 78,460</u>	<u>₩ 149,049</u>

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

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

(*3) Not designated as disclosure of related parties as defined in paragraph 9 of K-IFRS No. 1024, but includes the entity designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of K-IFRS No. 1024.

		June 30, 2023			
		Sales and others (*1)		Purchase and others (*2)	
Company name		Three months	Six months	Three months	Six months
Subsidiaries	SK Innovation Co., Ltd.	₩ 16,542	₩ 32,158	₩ 1,858	₩ 3,520
	SK Energy Co., Ltd.	43,400	63,953	-	-
	SK Geo Centric Co., Ltd.	11,560	20,858	-	-
	SK Incheon Petrochem Co., Ltd.	7,591	12,263	-	-
	SK Enmove Co., Ltd.	3,480	6,550	-	-
	SK On Co., Ltd.	26,213	39,595	-	-
	SK On Hungary Kft.	38,986	61,484	-	-
	SK ON(Yancheng) Co., Ltd.	38,347	53,549	-	-
	SK Mobile Energy Co., Ltd.	106	177	43	49
	SK Americas, Inc.	9	17	696	2,224
	(Formerly SK USA, Inc.)				
	SK Ecoplant Co., Ltd.	9,405	25,934	-	-
	SKC Co., Ltd.	1,636	20,584	-	-
	SK E&S Co., Ltd.	4,571	492,479	-	-
	SK Telecom Co., Ltd.	154,583	301,936	2,833	6,265
	SK Broadband Co., Ltd.	28,618	52,902	2,033	4,094
	SK Planet Co., Ltd.	3,391	6,823	-	-
	SK Square Co., Ltd.	1,454	2,329	-	-
	SK Networks Co., Ltd.	5,821	24,762	790	3,571
	SK Magic Co., Ltd.	3,692	7,656	63	121
	SK Specialty Co., Ltd.	1,777	153,499	185	366
	SK Tri Chem Co., Ltd.	168	45,836	23	47
	SK Siltron Co., Ltd.	7,169	13,285	-	-
	SK Pinx Co., Ltd.	60	106	155	3,716
	SK REIT Co., Ltd.	5,610	11,199	10,019	20,039
	SK Materials airplus Inc.	1,642	302,670	-	-
	SK Pharmteco Inc.	117	231	-	-
	SK C&C Beijing Co., Ltd.	253	5,481	2,885	4,800
	SK C&C USA, Inc.	66,256	69,446	-	6
	Others	45,517	109,279	2,627	3,964
Associates	THIRA-UTECH Co., Ltd.	-	-	1,366	1,881
	SMCore Inc.	31	459	18,798	28,237
	CLOOCUS Co., Ltd.	-	-	-	5,369
	TWO LINE CODE Inc.	-	-	-	279
	Others	-	1	1	5
Other	SK hynix Inc.	88,711	174,756	3,699	7,386

SK Inc.
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30. Related parties (cont'd)

		June 30, 2023			
		Sales and others (*1)		Purchase and others (*2)	
		Three months	Six months	Three months	Six months
Company name					
related parties (*3)	SK Gas Co., Ltd.	3,653	7,482	-	-
	SK Chemicals Co., Ltd.	1,616	2,818	-	-
	SK Shieldus Co., Ltd.	3,177	6,517	4,144	8,762
	Others	10,917	19,850	6,791	3,296
		<u>₩ 636,079</u>	<u>₩ 2,148,924</u>	<u>₩ 59,009</u>	<u>₩ 107,997</u>

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

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

(*3) Not designated as disclosure of related parties as defined in paragraph 9 of K-IFRS No. 1024, but includes the entity designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of K-IFRS No. 1024.

(3) Details of outstanding balances of receivables and payables with the related parties as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

		June 30, 2024	
		Receivables and others	Payables and others
Company name			
Subsidiaries	SK Innovation Co., Ltd.	₩ 267,965	₩ 30,576
	SK Energy Co., Ltd.	5,835	206
	SK Geo Centric Co., Ltd.	3,853	3
	SK Incheon Petrochem Co., Ltd.	685	3
	SK Enmove Co., Ltd.	378	41
	SK On Co., Ltd.	11,584	8,033
	SK Mobile Energy Co., Ltd.	33	34
	SK On Hungary Kft.	13,911	4,118
	SK On(YANCHENG) Co., Ltd.	28,731	17,582
	SK Americas, Inc.	-	539
	(Formerly SK USA, Inc.)		
	Plutus Capital NY, Inc.	545,140	-
	SK Ecoplant Co., Ltd.	5,017	16
	SKC Co., Ltd.	2,756	-
	SK E&S Co., Ltd.	2,342	38,732
	SK Pinx Co., Ltd.	171	25
	SK REIT Co., Ltd.	32,712	274,979
	SK C&C Beijing Co., Ltd.	3,024	186
	SK C&C USA, Inc.	139,362	61,364
	SK Networks Co., Ltd.	4,189	195
	SK Magic Co., Ltd.	3,400	710
	SK Telecom Co., Ltd.	45,427	4,002
	SK Broadband Co., Ltd.	23,268	863
	SK Planet Co., Ltd.	3,127	7
	SK Square Co., Ltd.	330	-
	SK Specialty Co., Ltd.	2,089	388
	SK Materials airplus Inc.	819	147
	SK Tri Chem Co., Ltd.	203	152
	SK Siltron Co., Ltd.	8,425	235
	Others	61,882	18,066
Associates	THIRA-UTECH Co., Ltd.	-	175
	SMCore Inc.	53	2,777
	CLOOCUS Co., Ltd.	-	7,224
	TWO LINE CODE Inc.	-	101

SK Inc.
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30. Related parties (cont'd)

		June 30, 2024	
Company name		Receivables and others	Payables and others
Other related parties (*1)	SK hynix Inc.	134,820	26,008
	SK Gas Co., Ltd.	1,682	369
	SK Chemicals Co., Ltd.	3,098	207
	SK Shieldus Co., Ltd.	24,165	6,454
	Others	16,967	2,523
		<u>₩ 1,397,443</u>	<u>₩ 507,040</u>

(*1) Not designated as disclosure of related parties as defined in paragraph 9 of K-IFRS No. 1024, but includes the entity designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of K-IFRS No. 1024.

		December 31, 2023		
Company name		Receivables and others	Payables and others	
Subsidiaries	SK Innovation Co., Ltd.	₩ 287,751	₩ 29,052	
	SK Energy Co., Ltd.	10,947	95	
	SK Geo Centric Co., Ltd.	10,892	1	
	SK Incheon Petrochem Co., Ltd.	2,255	288	
	SK Enmove Co., Ltd.	2,398	267	
	SK On Co., Ltd.	26,853	14,352	
	SK Mobile Energy Co., Ltd.	10	46	
	SK On Hungary Kft.	12,311	8,580	
	SK On(YANCHENG) Co., Ltd.	20,246	20,074	
	SK Americas, Inc. (Formerly SK USA, Inc.)	-	542	
	Plutus Capital NY, Inc.	501,058	-	
	SK Ecoplant Co., Ltd.	8,292	2,826	
	SKC Co., Ltd.	2,699	8	
	SK E&S Co., Ltd.	3,737	-	
	SK Pinx Co., Ltd.	38	27	
	SK REIT Co., Ltd.	26,823	291,514	
	SK C&C Beijing Co., Ltd.	601	1,210	
	SK C&C USA, Inc.	76,950	56,587	
	SK Networks Co., Ltd.	4,079	120	
	SK Magic Co., Ltd.	3,110	600	
	SK Telecom Co., Ltd.	88,263	6,609	
	SK Broadband Co., Ltd.	24,845	2,910	
	SK Planet Co., Ltd.	2,720	67	
	SK Square Co., Ltd.	2,115	-	
	SK Specialty Co., Ltd.	1,292	3,159	
	SK Materials airplus Inc.	399	171	
	SK Tri Chem Co., Ltd.	288	179	
	SK Siltron Co., Ltd.	8,700	11	
	Others	74,488	23,693	
	Associates	THIRA-UTECH Co., Ltd.	-	66
		SMCore Inc.	173	2,925
		TWO LINE CODE Inc.	-	131

SK Inc.
Notes to the condensed separate interim financial statements
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30. Related parties (cont'd)

		June 30, 2023	
		Receivables and others	Payables and others
Other related parties (*1)	SK hynix Inc.	114,881	23,263
	SK Gas Co., Ltd.	2,725	497
	SK Chemicals Co., Ltd.	3,491	632
	SK Shieldus Co., Ltd.	23,111	4,282
	Others	12,195	2,109
		<u>₩ 1,360,736</u>	<u>₩ 496,893</u>

(*1) Not designated as disclosure of related parties as defined in paragraph 9 of K-IFRS No. 1024, but includes the entity designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of K-IFRS No. 1024.

(4) Details of dividends received from related parties for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	Company name	For the six-month period ended	
		June 30, 2024	June 30, 2023
Subsidiaries	SK Telecom Co., Ltd.	₩ 123,457	₩ 109,010
	SK Networks Co., Ltd.	19,429	11,657
	SK Ecoplant Co., Ltd.	-	9,419
	SKC Co., Ltd.	-	16,929
	SK E&S Co., Ltd.	348,586	481,597
	SK Tri Chem Co., Ltd.	6,500	45,500
	SK Materials airplus Inc.	50,000	300,002
	SK Resonac Corporation	1,532	10,200
	SK Materials Performance Co., Ltd.	2,001	-
	SK REIT Co., Ltd.	13,746	11,154
	SK REITs Management Co., Ltd.	13,000	-
	SK Specialty Co., Ltd.	60,000	150,000
	SK C&C Beijing Co., Ltd.	-	4,960
	SK S.E.Asia Pte. Ltd	51,023	-
Associates	SMCore Inc.	-	373
Other related parties	SK materials renewtech Co.,Ltd(*1)	-	20,000
		<u>₩ 689,274</u>	<u>₩ 1,170,801</u>

(*1) For the year ended December 31 2023, SK Materials Renewtech Co., Ltd. was merged with SK Materials airplus Inc. and was excluded from the subsidiary.

(5) Details of the loan with related parties for six-month periods ended June 30, 2024 and 2023 are as follows (Foreign currencies in thousands):

For the six-month period ended June 30, 2024								
	Company name	Division	Currency	Beginning balance	Loan	Collection	Other	Ending balance
Subsidiaries	Socar Mobility Malaysia, Sdn. Bhd	Short-term loans	USD	20,000	10,000	-	-	30,000
Subsidiaries	Plutus Capital NY, Inc.	Short-term loans	USD	388,500	-	-	-	388,500
For the six-month period ended June 30, 2023								
	Company name	Division	Currency	Beginning balance	Loan	Collection	Other	Ending balance
Subsidiaries	Socar Mobility Malaysia, Sdn. Bhd	Short-term loans	USD	-	10,000	-	-	10,000
Subsidiaries	Plutus Capital NY, Inc.	Long-term loans	USD	388,500	-	-	-	388,500

SK Inc.
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30. Related parties (cont'd)

(6) Detail of significant transactions with related parties in relation to the investments for the six-month periods ended June 30, 2024 and 2023 are as follows (Foreign currencies in thousands):

	Company name	Currency	Transactions	For the six-month period ended	
				June 30, 2024	June 30, 2023
Subsidiaries	SK Americas, Inc. (Formerly, SK USA, Inc.)	USD	Share capital increase	9,913	-
	Tellus Investment Partners, Inc.	USD	Share capital increase	5,735	-
	Auxo Capital Inc.	USD	Share capital increase	6,150	3,500
	Chamaedorea Inc.	USD	Share capital increase	39,826	-
	Plutus Capital NY, Inc.	USD	Share capital increase	-	50,380
	Energy Solution Group, Inc.	USD	Share capital increase	-	19,500
	Tilandsia, Inc.	USD	Share capital increase	-	50,000
	Castanea Bioscience Inc.	USD	Share capital decrease	-	17,400
	SK Life Science Labs, Inc.	USD	Share capital decrease	-	6,000
				<u>61,624</u>	<u>146,780</u>

(7) Detail of compensation for key management personnel of the Company for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	June 30, 2024		June 30, 2023	
	Three months	Six months	Three months	Six months
Salaries	₩ 2,542	₩ 5,169	₩ 4,548	₩ 8,840
Retirement allowance	626	1,483	1,154	2,236
Share compensation expense	(1,448)	(343)	(5,348)	(7,377)
	<u>₩ 1,720</u>	<u>₩ 6,309</u>	<u>₩ 354</u>	<u>₩ 3,699</u>

31. Assets held for sales

(1) Outline

As the Company decided to sell all of its shares in ESR Cayman Limited, it classified the shares as assets to be sold, and measured them as the smaller of the net fair value and the book value after deducting the additional cost of the sale.

As the Company decided to sell the entire stake of Socar Co., Ltd., it classified the stake as an asset to be sold and measured it as the smaller of the net fair value and the book value after deducting the additional cost of the sale from the fair value. Meanwhile, the Company has completed the sale of some of its shares (2,936,225 shares) during the June 30, 2024, and the profit or loss of disposal recognized in connection with the sale of the shares is ₩20,847 million.

(2) Details of assets held for sale as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	<u>June 30, 2024</u>
Assets held for sale:	
Investment securities (*1)	₩ 178,902
Investment in associates (*2)	<u>54,652</u>
	<u>₩ 233,554</u>

(*1) As of June 30, 2024, the book value includes ₩4,177 million in valuation gain on the investment securities.

(*2) As of June 30, 2024, the book value includes ₩9,434 million in reversal of impairment loss.

	<u>December 31, 2023</u>
Assets held for sale:	
Investment securities (*1)	₩ 174,725
Investment in associates (*2)	<u>90,436</u>
	<u>₩ 265,161</u>

(*1) As of December 31, 2023, the book value includes ₩86,245 million in valuation loss on the investment securities.

(*2) As of December 31, 2023, the book value includes ₩18,869 million in impairment loss.

SK Inc.
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32. Cash flow information

(1) Costs and revenues without the inflow and outflow of cash for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2024	June 30, 2023
Retirement allowance	₩ 21,555	₩ 19,248
Depreciation	51,190	49,589
Amortization	15,061	16,677
Bad debt expenses reversal	-	(1,500)
Provisions transferred in	4,439	1,649
Interest expenses	208,146	198,686
Loss on foreign currency translation	518	14,122
Loss on valuation of financial assets measured at FVTPL	23,810	70,460
Loss on valuation of derivative instruments	53,949	21,864
Loss on impairment of investments in subsidiaries and associates	19,152	215,045
Loss on disposal of property, plant and equipment	46	2
Loss on disposal of intangible assets	391	-
Loss on impairment of intangible assets	-	21,686
Share-based payment expenses (return)	(343)	(7,377)
Income tax expense(benefit)	647	(25,156)
Dividends income	(691,503)	(1,174,235)
Interest income	(18,074)	(16,778)
Loss (Gain) on foreign currency translation	(43,553)	(18,659)
Gain on disposal of investments in subsidiaries and associates	(25,162)	769
Gain on valuation of financial assets measured at FVTPL	(14,989)	(7,508)
Gain on valuation of derivative instruments	(8,686)	(15,961)
Gain on disposal of property, plant and equipment	(115)	(216)
Gain on disposal of intangible assets	(6,913)	-
Others	(482)	(8)
	₩ (410,916)	₩ (637,601)

(2) Changes in assets and liabilities due to operating for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2024	June 30, 2023
Trade receivables	₩ 1,789	₩ 190,481
Other receivables	38,586	(9,626)
Inventories	(27)	9
Advanced payments	294	(31,756)
Lease receivables	19,379	18,206
Prepaid expenses	14,877	(6,804)
Trade payables	9,758	3,220
Advances received	(23,363)	39,037
Withholdings	(422)	(10,243)
Other payables	(10,218)	(80,401)

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32. Cash flow information (cont'd)

	For the six-month period ended	
	June 30, 2024	June 30, 2023
Accrued expenses	(95,484)	20,622
Leasehold deposits received	-	300
Provision	(626)	(2,646)
Defined benefit obligation	(75,243)	391
Plan assets	74,849	106
Others	21,310	6,359
	<u>₩ (24,541)</u>	<u>₩ 137,255</u>

(3) Important investment and financial activities that do not involve the use of cash and cash equivalents for the six-month periods ended June 30, 2024 and 2023 are as follows (Korean won in millions):

	For the six-month period ended	
	June 30, 2024	June 30, 2023
Transfer of long-term bonds payable to current-portion ₩	779,106	₩ 799,403
Decrease in other payables regarding the acquisition of property, plant and equipment	156	1,920
Transfer of loans to current-portion	(500,978)	(75)

33. Commitments and contingencies

(1) Pending litigation

There is no major pending litigation as of June 30, 2024.

(2) The notes and checks that the Company is providing as of June 30, 2024 are as follows (Korean won in millions and except for number of papers):

	Papers	Amount
Blank checks	7	₩ -
Blank notes	10	-

(3) Guarantees and collateral details provided by third parties as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	Currency	June 30, 2024	December 31, 2023
Seoul Guarantee Insurance	KRW	9,047	14,022
Korea Software Financial Cooperative	KRW	590,238	585,609

33. Commitments and contingencies (cont'd)

(4) Significant commitments

- 1) SK Innovation Co., Ltd., SK Energy Co., Ltd., SK Geo Centric Co., Ltd., SK Enmove Co., Ltd., SK Incheon Petrochem Co., Ltd., SK Trading International Co., Ltd., SK Enterm Co., Ltd, SK ie technology Co., Ltd., SK On Co., Ltd. and SK Earth On Co., Ltd. are collectively responsible for any obligations arising before the spin-off and split-off on July 1, 2007. The Company and SK Biopharmaceuticals Co., Ltd. are collectively responsible for any obligations that occurred before the spin-off on April 1, 2011. The former SK Materials Co., Ltd. is jointly responsible for any obligations before the split-off, with SK Specialty Co., Ltd., which was physically divided as of December 1, 2021.
- 2) The Company has signed a lease contract for the head office building from SK REIT Co., Ltd. The lease contract period under this lease contract is until July 5, 2026, and the company has the option of extending the lease contract by five years before the end of the contract. On the other hand, the company has been granted preferential purchase rights for lessor to purchase the building at fair prices when it is sold.
- 3) The Company has signed IT outsourcing and IT System Maintenance contracts with SK Group affiliates to maintain, develop IT system and supply hardware.
- 4) The Company signed a sales contract with Gyeonggi-do on May 31, 2011 for urban support facilities in Pangyo Housing Development District. The total contract amount of the contract is ₩82,964 million, and the Group 's land contract according to the share ratio (54.9%) is ₩45,536 million. Meanwhile, the building was completed and registered for the preservation of ownership in August 2014, and the transfer of purpose land and buildings is restricted to third parties for 10 years from the time of registration of the preservation of ownership.
- 5) The Company has total return swap contracts in regards to SK Shipping Co., Ltd.'s issuance of ordinary shares and sale of existing shares, and details are as follows:

Description	Subscription of new shares	Sale of existing shares
Investor	Special Situation 1 st Fund and others	Corporate Turnaround 1 st Fund
Number of shares	6,548,672	4,808,259
Contract date	March 30, 2022	March 30, 2022
Expiry date	April 13, 2027	May 11, 2027
Settlement	The Company and the investors settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be "0".	
Premium	The Company shall pay to the investors the amount equivalent to 3.899% of the total shares held by investors every 3-months. When the investor receives dividends on the shares held, the amount shall be paid to the Company.	
Call option	On every first year between the end of the investment and the expiration date, the Company may request the purchase of the contract amount of ordinary shares held by the investor plus a certain level of additional charges.	

33. Commitments and contingencies (cont'd)

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

Description	Total return swap contracts
Investor	Warmachine Sixth Co., Ltd. and others
Number of shares	13,140,440
Contract date	August 16, 2022
Expiry date	August 30, 2027
Settlement	The Company and the investors settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be "0".
Premium	The Company shall pay 0.5% of the initial contract amount within 5 operating days from the effective date of contract and shall pay to the investors the amount equivalent to 4.948% of the total shares held by investors on a three-month basis. When the investor receives dividends on the shares held, the amount shall be paid to the Company.
Call option	On a three-month basis from the effective date of contract ("the quarterly payment day"), the Company has the right to purchase the shares held by the investors at the initial contract price of the ordinary shares with certain level of additional charges.

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

Description	Total return swap contracts
Investor	MD Prime 1st Co., Ltd. and others
Number of shares	4,640,199
Contract date	November 04, 2022
Expiry date	November 16, 2027
Settlement	The Company and the investors settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be "0".
Premium	At the date when three months passed after the last premium payment date or the effective date ("premium payment date") during the period from the effective date to the expiration date of this Agreement, the Company shall pay the remaining contract amount of the remaining shares multiplied by the TRS Premium (rate of return on final asking price of 91-day Transferable Certificate of Deposit (CD) plus 1.80% of annual rate). On the other hand, if an investor receives dividends or other receivables from holding the target stock, the relevant amount must be paid to the Company.
Call option	On each premium payment date (every three months from the effective date of this contract), the Company may claim all remaining underlying assets (ordinary shares that SK E&S issued and an investor purchased from the Company) to the remaining contract amount of the underlying assets plus the call option exercise fee, securities exchange tax, and special tax for rural development.

33. Commitments and contingencies (cont'd)

- 8) LNG Americas, Inc., a subsidiary, 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 2020. As of June 30, 2024, SK E&S Co., Ltd., a subsidiary, is responsible for performance guarantee in case of LNG Americas, Inc.'s inability to make payments for service or for claims against breach of obligation. In regard to this, the Company provides performance guarantee for SK E&S Co., Ltd.'s guarantee.
- 9) The Company entered into a cash deficiency support agreement with Hudson Energy NY, LLC, a subsidiary of Plutus Capital NY, Inc., to lend funds for the shortfall of payment for loans and credit limit of USD 236,000 thousand.
- 10) The Company entered into a cash deficiency support agreement with Abrasax Investment Inc., a subsidiary of SK Pharmteco Inc., which is a subsidiary of the Company, to lend funds for the shortfall of payment for loans and credit of up to USD 315,000 thousand.
- 11) The Company has entered into an agreement between shareholders with Resonac Holdings Corporation in relation to the investment in subsidiary SK Resonac Co., Ltd., and Resonac Holdings Corporation has the right to sell 630,000 shares (15%) of SK Resonac Co., Ltd. at ₩5,000 per share in the event of a specific case of this agreement.
- 12) The Company has entered into an agreement with certain shareholders of SK Signet Inc., a subsidiary, in which the shareholders can sell their shares to the Company at ₩50,000 per share when certain conditions are met.

34. Financial risk management

(1) Outline

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

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

(2) Credit risk

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

The carrying amount of financial assets measured at amortized cost, represents the maximum exposure to credit risk. The maximum exposures to credit risk as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	<u>June 30, 2024 (*1)</u>	<u>December 31, 2023 (*1)</u>
Financial assets measured at FVTPL	₩ 506,899	₩ 481,417
Financial assets measured at amortized cost	<u>1,387,377</u>	<u>1,390,629</u>
	<u>₩ 1,894,276</u>	<u>₩ 1,872,046</u>

(*1) Equity products are excluded from the table above because they are not related to credit risk and refer to the separate notes for payment guarantee details.

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34. Financial risk management (cont'd)

(3) Liquidity risk

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

The contractual maturity of financial liabilities (including interest payments) as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	June 30, 2024				Total
	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years	
Borrowings	₩ 1,877,783	₩ 1,443,826	₩ 300,832	₩ -	₩ 3,622,441
Bonds	412,792	1,278,137	5,132,011	1,150,135	7,973,075
Financial derivatives liabilities	803	39,271	250,903	-	290,977
Trade payables	135,063	-	-	-	135,063
Lease liabilities	21,389	52,897	199,027	92,884	366,197
Other liabilities	62,054	427	484	26,729	89,694
	<u>₩ 2,509,884</u>	<u>₩ 2,814,558</u>	<u>₩ 5,883,257</u>	<u>₩ 1,269,748</u>	<u>₩ 12,477,447</u>

	December 31, 2023				Total
	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years	
Borrowings	₩ 1,776,440	₩ 1,599,387	₩ 506,916	₩ -	₩ 3,882,743
Bonds	484,851	1,214,412	4,865,874	1,443,798	8,008,935
Financial derivatives liabilities	27	780	250,904	-	251,711
Trade payables	125,799	-	-	-	125,799
Lease liabilities	20,260	60,671	203,568	115,443	399,942
Other liabilities	117,039	723	196	24,191	142,149
	<u>₩ 2,524,416</u>	<u>₩ 2,875,973</u>	<u>₩ 5,827,458</u>	<u>₩ 1,583,432</u>	<u>₩ 12,811,279</u>

34. Financial risk management (cont'd)

(4) Market risk

Market risk is the risk that fair value of financial instruments will fluctuate because of changes in market prices. Market risk consists of currency risk, interest rate risk, and other price risks.

(4.1) Foreign currency risk

Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk primarily through sales and purchases. The Company measures its foreign currency risk due to fluctuations in the Korean Won exchange rate periodically.

The details of significant monetary assets and liabilities denominated in foreign currencies as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions, and foreign currencies in thousands):

	Currency	June 30, 2024		December 31, 2023	
		Korea won equivalent	Foreign currencies	Korea won equivalent	Foreign currencies
Assets	USD	₩ 713,166	513,365	₩ 612,899	475,337
	JPY	1	82	168	18,421
	CNY	14,941	78,460	22,132	122,387
	EUR	371	249	2,703	1,895
	Others	4,475		381	
Liabilities	USD	₩ 29,162	20,992	₩ 18,304	14,196
	JPY	165	19,111	-	-
	CNY	89	465	1,148	6,350
	EUR	13	9	191	134
	Others	-		1	

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

Currency	June 30, 2024		December 31, 2023	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ 50,343	₩ (50,343)	₩ 43,762	₩ (43,762)
JPY	(12)	12	12	(12)
CNY	1,093	(1,093)	1,544	(1,544)
EUR	26	(26)	185	(185)
Others	329	(329)	28	(28)

34. Financial risk management (cont'd)

(4.2) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Company's risk hedging activities are evaluated periodically in order to consider the status of interest rates and degree of risk aversion and fulfill optimal risk hedging strategies. The Company's management believes the fluctuation in market interest rate other than those mentioned above does not have a material impact on the Company's financial statements.

(4.3) Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices other than from interest rate risk and foreign currency risk.

(5) Capital management

The fundamental goal of capital risk management is to maintain a solid financial structure. In addition, as the Company is a holding company, it should maintain a debt ratio of less than 200% under Article 18 of the *Monopoly Regulations and Fair Trade Law*. The debt ratio is calculated as total liabilities divided by total equity.

The Company maintains a debt ratio of 76.64% as of June 30, 2024. The maturity of the debt is dispersed in the long-term and the borrowings mainly consist of long-term bonds, which do not present significant risks for unexpected payment for debts.

The Company's debt ratios as of June 30, 2024 and December 31, 2023 are as follows (Korean won in millions):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Total liabilities	₩ 12,399,877	₩ 12,720,870
Total equity	16,178,378	15,918,046
Debt ratio	76.64%	79.91%

35. Events after the reporting period

(1) Interim dividend

The Company declared to pay interim dividend in accordance with the board's resolution on July 30, 2024 as follows:

	Details
Amount of interim dividend	₩1,500 per share (total amount of dividend: ₩82,627 million)
Ratio of dividend to market value	ordinary shares: 1.0%, preferred shares: 1.2%
Basic date for dividend	August 14, 2024
Date of dividend payment	Within 1 month from the resolution date by Commercial Act Article 464-2 (1)

(2) Merge

The Company has each resolved at board meetings on July 19, 2024, to merge, with SK Innovation Co., Ltd. as the surviving company and SK E&S Co., Ltd. as the dissolved company. The main contents are as follows.

	Details
Surviving company	SK Innovation Co., Ltd.
Dissolved company	SK E&S Co., Ltd.
Merge date	November 1, 2024
Merge ratio	SK Innovation Co., Ltd. ordinary stock : SK E&S Co., Ltd. ordinary stock = 1.0000000 : 1.1917417

The merger agreement between SK Innovation Co., Ltd. and SK E&S Co., Ltd. is scheduled to be finalized at the extraordinary general meeting of shareholders planned for August 27, 2024. If the merger fails to receive approval from at least two-thirds of the voting rights of the attending shareholders and at least one-third of the total number of issued shares at the extraordinary general meeting for the approval of the merger, the merger may be nullified.

(3) Investment in kind

On July 19, 2024, the Company decided through a board meeting to make an in-kind contribution of 100% (23,400,000 shares, with a contribution value of ₩670,012 million) of the ordinary stock it holds in SK S.E.Asia Pte. Ltd. to our subsidiary, SK Ecoplant Co., Ltd. In return, it was resolved to allocate 9,131,092 shares of SK Ecoplant Co., Ltd.'s ordinary stock to our company, the contributor, through a third-party allotment capital increase, which is scheduled to be issued on November 1, 2024.

(4) All-inclusive exchange of shares

On July 19, 2024, the Company resolved through a board meeting to transfer all issued shares (6,800,000 shares) of SK Materials airplus Inc. to our subsidiary, SK Ecoplant Co., Ltd. In accordance with the stock exchange ratio (1.6288482 shares of SK Ecoplant Co., Ltd.'s ordinary stock for each share of SK Materials airplus Inc.), SK Ecoplant Co., Ltd. will issue 11,076,167 common shares to be granted to our company, the shareholder of SK Materials airplus Inc., as part of a comprehensive stock exchange agreement. This stock exchange is scheduled for November 1, 2024.