



SK Inc.

Separate Financial Statements
December 31, 2024 and 2023
(with Independent Auditors' Report Thereon)

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Independent Auditors' Report

Based on a report originally issued in Korean

To the Shareholders and Board of Directors of
SK Inc.

Opinion

We have audited the separate financial statements of SK Inc. (the "Company"), expressed in Korean won, which comprise the separate statement of financial position as of December 31, 2024 and 2023 and the separate statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising of material accounting policy information and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as of December 31, 2024 and 2023 and its separate financial performance and its separate cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

We also have audited, in accordance with Korean Standards on Auditing ("KSAs"), the Company's internal control over financial reporting ("ICFR") as of December 31, 2024 based on the criteria established in Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea, and our report dated March 11, 2025 expressed an unmodified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

We conducted our audits in accordance with KSAs. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements as of and for the year ended December 31, 2024. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Uncertainty in estimating total contract costs

As described in Note 2.(17) and Note 3.(4) to the separate financial statements, if the Company can reasonably measure the percentage of completion of the performance obligation for system construction services and others, the contract revenue related to the performance obligation is recognized as revenue based on the percentage of completion of the contract activity as of the end of the reporting period. The Company measures the percentage of completion based on the ratio of accumulated contract costs incurred for performance obligations divided by the estimated total contract costs, and such measurement method involves uncertainties in accounting estimates because management's judgment may have significant impact on such accounting estimates.

We have identified the uncertainty in estimating total contract costs as a key audit matter considering that it is probable errors may occur in profit or loss due to management bias in estimating the percentage of completion.



The primary audit procedures we have performed to address this key audit matter were as follows:

- Understanding the process for estimating and changing the total contract costs, and evaluated the effectiveness of the design and operation of the relevant internal controls.
- Inquiring and inspecting the documents for contracts with significant total contract costs.
- Inquiring and inspecting the documents regarding significant changes in projects where there are significant fluctuations in the total contract costs, which are currently in progress as of the end of the reporting period.
- Comparing the total accumulated cost and total contract cost of contracts completed during the current year, and inquiring and inspecting the documents in cases of significant differences.
- Inquiring and inspecting the documents regarding changes in the total contract cost after the end of the reporting period.

Other Matters

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

The accompanying separate financial statements as of and for the years ended December 31, 2024 and 2023 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the separate financial statements expressed in Korean won have been translated into dollars on the basis set forth in Note 2 to the separate financial statements.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used in the preparation of the separate financial statements and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Se Hong Choi.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 11, 2025

This report is effective as of March 11, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

SK Inc.

Separate Financial Statements for the years ended December 31, 2024 and 2023

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

Tae-Won Chey, Yong-Ho Jang
Chief Executive Officers
SK Inc.

SK Inc.
Separate statements of financial position
As of December 31, 2024 and 2023

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

		Korean won		Translation into U.S. dollar (Note 2)	
	Notes	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Assets					
Current assets:					
Cash and cash equivalents	4,5	₩ 250,164	₩ 368,906	\$ 170,180	\$ 250,956
Short-term financial instruments	4,37	265,546	124,820	180,644	84,912
Trade receivables, net	4,6,26,32,37	798,696	645,441	543,331	439,076
Other receivables, net	4,6,32,37	7,584	3,792	5,159	2,580
Inventories, net	7	88	153	60	104
Other current assets	4,6,12,18,19,37	706,713	230,133	480,757	156,553
Assets held for sales	33	785,373	265,161	534,267	180,382
Total current assets		2,814,164	1,638,406	1,914,398	1,114,563
Non-current assets:					
Long-term other receivables, net	4,6,37	441	441	300	300
Long-term investment securities	4,8,37	455,906	842,810	310,140	573,340
Investments in subsidiaries	9	19,808,660	21,830,746	13,475,279	14,850,848
Investments in associates	10	691,117	288,280	470,148	196,109
Property, plant and equipment, net	11	563,948	589,096	383,638	400,746
Right-of-use asset, net	12	137,861	112,042	93,783	76,219
Investment properties, net	13	62,535	66,259	42,541	45,074
Intangible assets, net	14	2,107,636	2,151,930	1,433,766	1,463,898
Defined benefit assets	17	-	44,356	-	30,174
Other non-current assets	4,6,12,18,19,37	590,824	1,074,550	401,921	730,986
Total non-current assets		24,418,928	27,000,510	16,611,516	18,367,694
Total assets		₩ 27,233,092	₩ 28,638,916	\$ 18,525,914	\$ 19,482,257
Liabilities and equity					
Liabilities					
Current liabilities:					
Short-term borrowings	4,15,32,37	₩ 2,385,000	₩ 3,306,200	\$ 1,622,449	\$ 2,249,116
Trade payables	4,32,37	233,353	125,799	158,744	85,578
Other payables	4,32,34,37	41,879	88,659	28,489	60,312
Accrued expenses	4,37	181,734	197,240	123,629	134,177
Provisions	16	9,345	5,701	6,357	3,878
Current portion of long-term debt	4,15,34,37	1,904,167	1,494,144	1,295,352	1,016,424
Other current liabilities	4,18,19,26,32,34,37	455,793	308,241	310,063	209,688
Total current liabilities		5,211,271	5,525,984	3,545,083	3,759,173
Non-current liabilities:					
Bonds and long-term borrowings	4,15,34,37	6,385,293	6,290,320	4,343,737	4,279,129
Defined benefit liabilities	17	16,320	-	11,102	-
Deferred tax liabilities	30	303,957	305,129	206,773	207,571
Provisions	16	26,715	24,904	18,173	16,941
Other non-current liabilities	4,18,19,32,34,37	669,642	574,533	455,538	390,840
Total non-current liabilities		7,401,927	7,194,886	5,035,323	4,894,481
Total liabilities		12,613,198	12,720,870	8,580,406	8,653,654
Equity					
Share capital	1,20	16,143	16,143	10,982	10,982
Other paid-in capital	21,25	3,223,468	3,207,073	2,192,835	2,181,682
Retained earnings	22,23	11,374,392	12,460,837	7,737,683	8,476,760
Other components of equity	24	5,891	233,993	4,008	159,179
Total equity		14,619,894	15,918,046	9,945,508	10,828,603
Total liabilities and equity		₩ 27,233,092	₩ 28,638,916	\$ 18,525,914	\$ 19,482,257

See accompanying notes to the separate financial statements.

SK Inc.

Separate statements of comprehensive income

For the years ended December 31, 2024 and 2023

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

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		2024	2023	2024	2023
Operating revenue	26	₩ 3,706,767	₩ 4,137,030	\$ 2,521,610	\$ 2,814,306
Operating expenses	27	2,708,428	2,586,569	1,842,468	1,759,571
Operating profit		998,339	1,550,461	679,142	1,054,735
Finance income	4,28	285,710	412,272	194,361	280,457
Finance costs	4,28	711,648	796,770	484,114	542,020
Other non-operating income	29	67,934	32,430	46,214	22,061
Other non-operating expenses	29	1,186,781	759,686	807,334	516,793
Profit (loss) before income tax expense		(546,446)	438,707	(371,731)	298,440
Income tax expense	30	199,447	75,733	135,678	51,519
Profit (loss) for the year		(745,893)	362,974	(507,409)	246,921
Other comprehensive income:					
Items that will not be reclassified					
subsequently to profit or loss (net of tax):					
Remeasurements of the net defined benefit plans	17	(11,799)	(37,440)	(8,027)	(25,469)
Gain (loss) on valuation of financial assets measured at FVOCI	24	(206,046)	28,718	(140,167)	19,536
		(217,845)	(8,722)	(148,194)	(5,933)
Total comprehensive income (loss) for the year		₩ (963,738)	₩ 354,252	\$ (655,603)	\$ 240,988
Earnings (losses) per share (Korean won and U.S. dollar):	31				
Basic earnings (losses) per ordinary share		₩ (13,534)	₩ 6,514	\$ (9.21)	\$ 4.43
Basic earnings (losses) per preference share		(13,534)	6,564	(9.21)	4.47
Diluted earnings (losses) per ordinary share		(13,612)	6,478	(9.26)	4.41
Diluted earnings (losses) per preference share		(13,534)	6,564	(9.21)	4.47

See accompanying notes to the separate financial statements.

SK Inc.

Separate statements of changes in equity
For the years ended December 31, 2024 and 2023

(Korean won in millions)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
	₩	₩	₩	₩	₩
Balance as of January 1, 2023	16,143	3,151,633	12,514,748	205,275	15,887,799
Total comprehensive income:					
Profit for the year	-	-	362,974	-	362,974
Remeasurements of the net defined benefit plans	-	-	(37,440)	-	(37,440)
Gain on valuation of financial assets measured at FVOCI	-	-	-	28,718	28,718
Transactions with owners:					
Dividends	-	-	(278,764)	-	(278,764)
Granting of stock options	-	4,785	-	-	4,785
Acquisition and disposal of treasury stocks	-	(50,026)	-	-	(50,026)
Retirement of treasury stock	-	100,681	(100,681)	-	-
Balance as of December 31, 2023	16,143	3,207,073	12,460,837	233,993	15,918,046
Balance as of January 1, 2024	16,143	3,207,073	12,460,837	233,993	15,918,046
Total comprehensive income:					
Loss for the year	-	-	(745,893)	-	(745,893)
Remeasurements of the net defined benefit plans	-	-	(11,799)	-	(11,799)
Loss on valuation of financial assets measured at FVOCI	-	-	22,056	(228,102)	(206,046)
Transactions with owners:					
Dividends	-	-	(275,447)	-	(275,447)
Granting of stock options	-	4,925	-	-	4,925
Acquisition and disposal of treasury stocks	-	(63,530)	-	-	(63,530)
Retirement of treasury stock	-	75,362	(75,362)	-	-
Transfer of operations under common control	-	(362)	-	-	(362)
Balance as of December 31, 2024	16,143	3,223,468	11,374,392	5,891	14,619,894

(Continued)

SK Inc.

Separate statements of changes in equity
For the years ended December 31, 2024 and 2023 (cont'd)
(U.S. dollar in thousands)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
	\$ 10,982	\$ 2,143,968	\$ 8,513,434	\$ 139,643	\$ 10,808,027
Balance as of January 1, 2023					
Total comprehensive income:					
Profit for the year	-	-	246,921	-	246,921
Remeasurements of the net defined benefit plans	-	-	(25,469)	-	(25,469)
Gain on valuation of financial assets measured at FVOCI	-	-	-	19,536	19,536
Transactions with owners:					
Dividends	-	-	(189,636)	-	(189,636)
Granting of stock options	-	3,255	-	-	3,255
Acquisition and disposal of treasury stocks	-	(34,031)	-	-	(34,031)
Retirement of treasury stock	-	68,490	(68,490)	-	-
Balance as of December 31, 2023	\$ 10,982	\$ 2,181,682	\$ 8,476,760	\$ 159,179	\$ 10,828,603
Balance as of January 1, 2024					
Total comprehensive income:					
Loss for the year	-	-	(507,409)	-	(507,409)
Remeasurements of the net defined benefit plans	-	-	(8,027)	-	(8,027)
Loss on valuation of financial assets measured at FVOCI	-	-	15,004	(155,171)	(140,167)
Transactions with owners:					
Dividends	-	-	(187,378)	-	(187,378)
Granting of stock options	-	3,350	-	-	3,350
Acquisition and disposal of treasury stocks	-	(43,218)	-	-	(43,218)
Retirement of treasury stock	-	51,267	(51,267)	-	-
Transfer of operations under common control	-	(246)	-	-	(246)
Balance as of December 31, 2024	\$ 10,982	\$ 2,192,835	\$ 7,737,683	\$ 4,008	\$ 9,945,508

See accompanying notes to the separate financial statements.

SK Inc.
Separate statements of cash flows
For the years ended December 31, 2024 and 2023
(Korean won in millions and U.S. dollar in thousands)

Notes	Korean won		Translation into U.S. dollar (Note 2)	
	2024	2023	2024	2023
Cash flows from operating activities:				
Profit (loss) for the year	₩ (745,893)	₩ 362,974	\$ (507,409)	\$ 246,921
Non-cash adjustments	34 982,525	(47,728)	668,384	(32,468)
Working capital adjustments	34 19,538	114,649	13,291	77,993
Interest received	24,485	21,447	16,656	14,590
Interest paid	(386,223)	(352,809)	(262,737)	(240,006)
Dividends received	821,784	1,298,607	559,037	883,406
Income taxes paid	(12,529)	(9,679)	(8,523)	(6,584)
Net cash provided by operating activities	703,687	1,387,461	478,699	943,852
Cash flows from investing activities:				
Decrease (increase) in short-term financial instruments, net	(140,726)	12,326	(95,732)	8,385
Increase in short-term loans, net	(39,278)	(25,640)	(26,720)	(17,442)
Increase in long-term financial instruments	(2,135)	(1,367)	(1,452)	(930)
Increase in long-term loans	(16)	(35)	(11)	(24)
Decrease in long-term loans	20	16	14	11
Proceeds from disposal of long-term investment securities	117,624	97,282	80,016	66,178
Proceeds from disposal of investments in subsidiaries	124,497	23,065	84,692	15,690
Proceeds from disposal of investments in associates	75,057	14,158	51,059	9,631
Proceeds from disposal of assets held for sale	9,275	-	6,310	-
Proceeds from disposal of property, plant and equipment	19,774	509	13,452	346
Proceeds from disposal of intangible assets	25,762	486	17,525	331
Acquisition of long-term investment securities	(4,990)	(21,418)	(3,395)	(14,570)
Acquisition of investments in subsidiaries	(101,608)	(897,752)	(69,121)	(610,716)
Acquisition of investments in associates	-	(17,789)	-	(12,101)
Acquisition of property, plant and equipment	(46,464)	(94,788)	(31,608)	(64,482)
Acquisition of intangible assets	(24,780)	(34,968)	(16,857)	(23,788)
Increase in guarantee deposits	(2,776)	(3,740)	(1,888)	(2,544)
Decrease in guarantee deposits	2,198	3,352	1,495	2,280
Acquisition of business	(348)	-	(237)	-
Net cash provided by (used in) investing activities	11,086	(946,303)	7,542	(643,745)
Cash flows from financing activities:				
Increase (decrease) in short-term borrowings, net	(571,200)	(467,850)	(388,571)	(318,265)
Increase in bonds and long-term borrowings	1,643,705	1,893,731	1,118,167	1,288,252
Payment of dividends	(275,447)	(278,764)	(187,378)	(189,635)
Repayment of current portion of long-term debt	(1,495,000)	(1,215,000)	(1,017,007)	(826,531)
Decrease in lease liabilities	(73,728)	(70,327)	(50,155)	(47,841)
Acquisition and disposal of treasury shares	(64,470)	(49,716)	(43,857)	(33,820)
Increase of deposits received	947	551	644	375
Decrease of deposits received	(359)	-	(244)	-
Net cash used in financing activities	(835,552)	(187,375)	(568,401)	(127,465)
Net increase (decrease) in cash and cash equivalents	(120,779)	253,783	(82,160)	172,642
Net foreign exchange effects	2,037	(717)	1,384	(489)
Cash and cash equivalents at the beginning of the year	368,906	115,840	250,956	78,803
Cash and cash equivalents at the end of the year	₩ 250,164	₩ 368,906	\$ 170,180	\$ 250,956

See accompanying notes to the separate financial statements.

1. Corporate information

SK Inc. (the “Company”, formerly, SK Holdings Co., Ltd.) 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 December 31, 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%, 7.61% and 6.65% respectively, as of December 31, 2024.

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

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

The accompanying separate financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of the separate financial statements and has been made at the rate of ₩1,470.00 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 year ended December 31, 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.

2.1 Basis of preparation

The Company has prepared the statutory separate financial statements in accordance with K-IFRS. This financial statement is the separate financial statements by K-IFRS No. 1027.

The significant accounting policies used for the preparation of the accompanying separate financial statements as of and for the year ended December 31, 2024, are the same as the accounting policies adopted for the preparation of separate financial statements as of and for the year ended December 31, 2023, except for adoption of new and revised K-IFRSs applied in the current period, which are summarized below.

The accompanying separate financial statements have been prepared on a historical cost basis, except for certain non-current assets and financial instruments that are measured at fair value. Historical cost is based on the fair values of the consideration given.

The accompanying separate financial statements were approved at the Company’s Board of Directors’ meeting on February 6, 2025.

The principal accounting policies are set out below:

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

2.1.1 New and amended standards and interpretations

The Company has applied for the first-time certain standards and amendments, which are effective for annual 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. 1116 *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. Summary of basis of preparation and material accounting policy information (cont'd)

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements 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 Company plans to apply the standard for annual reporting period beginning on or after January 1, 2025, with early application permitted.

Amendments to K-IFRS No. 1109 *Financial Instruments* and K-IFRS No. 1107 *Financial Instruments: Disclosures*

The amendments clarify the requirements for assessing the contractual cash flow characteristics of financial assets to determine whether they consist solely of payments of principal and interest. Additionally, the amendments introduce new disclosure requirements for fair value changes and realized gains or losses by type of investment in equity instruments measured at fair value through other comprehensive income. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted.

Annual Improvements to K-IFRS Volume 11

The Annual Improvements to K-IFRS Volume 11 have been issued to enhance consistency between the requirements in the Accounting Standards, clarify ambiguous areas, and improve understandability. The key amendments are as follows:

- K-IFRS No. 1101 'First-time Adoption of K-IFRS': Application of hedge accounting upon first-time adoption of K-IFRS.
- K-IFRS No. 1107 'Financial Instruments: Disclosures': Recognition of derecognition gains or losses and implementation guidance.
- K-IFRS No. 1109 'Financial Instruments': Accounting for derecognition of lease liabilities and definition of transaction price.
- K-IFRS No. 1110 'Consolidated Financial Statements': Determination of a de facto agent.
- K-IFRS No. 1007 'Statement of Cash Flows': Application of the cost method.

These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted.

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

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

2.2 Business combinations

Businesses combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquire and the equity interests issued by the Company in exchange for control of the acquire. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

In a business combination achieved in stages, the Company remeasures its entire previously held interests in the acquiree at fair value, and any gain or loss from the remeasurement is recognized in profit or loss or, if appropriate, in other comprehensive income. Changes in the carrying amount of previously held interests in the acquiree that are recognized in other comprehensive income is recognized in the same manner as if those interests were disposed of directly.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Meanwhile, the assets acquired and liabilities assumed in a combination between entities or businesses under common control are recognized at their carrying amounts in the consolidated financial statements of the ultimate controlling party. The Company adjusts the difference between the consideration transferred and the carrying amount of the net assets acquired to other contributed capital.

2.3 Functional currencies and foreign currencies

The separate financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the separate financial statements, the results of operations and financial position of the Company are expressed in Korean won, which is the functional currency of the entity and the presentation currency for the separate financial statements.

In preparing the separate financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognized in profit or loss in the period in which they arise, except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, and
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.

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

2.4 Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and short-term highly liquid investments with an original maturity of three months or less.

2.5 Financial assets

2.5.1 Measurement

Financial assets are initially measured at fair value, and transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in profit or loss.

2.5.2 Impairment

The Company assesses expected credit losses (ECLs) on debt instruments measured at amortized cost or other comprehensive income at fair value based on forward-looking information. The method of impairment depends on whether the credit risk increases significantly. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs.

2.5.3 Recognition and Derecognition

Ordinary purchases or sales of financial assets are recognized or derecognized on the trade date. Financial assets are derecognized when the right to contractual cash flows is removed or the Company has transferred substantially all the risks and rewards of the asset. In relation to the transfer of financial assets, if the Company retains most of the risks and rewards associated with the ownership of the financial asset in which a debtor has a right to exercise recourse upon default, the Company continues to recognize the transferred financial assets as a whole, and consideration received from such transaction is recognized as financial liabilities.

2.5.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. Enforceable legal right to offset is not affected by the future events, and it remains enforceable in case of ordinary course of business, bankruptcy and default.

2.6 Inventories

Inventories are stated at the lower of acquisition cost and net realizable value. The unit cost of inventories, excluding undelivered items and work in progress (under the separate method), is determined using the First-in, First-out (FIFO) method, depending on the nature of the inventory held by individual companies. The acquisition cost includes the purchase cost, conversion cost, and all other costs incurred in bringing the inventory to its present location. The net realizable value is the anticipated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling expenses.

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

2.7 Investments in subsidiaries, associates and joint ventures

Pursuant to K-IFRS No. 1027 *Separate Financial Statements*, the accompanying separate financial statements are accounted for, by a parent or investor in an associate and 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. Moreover, K-IFRS No. 1027 requires that, in the separate financial statements, investments in subsidiaries, associates, and joint ventures should be accounted for at cost. All dividends should be recognized in profit or loss within separate financial statements once the right to receive payments has been established.

2.8 Property, plant and equipment

The Company does not depreciate land. Depreciation expense is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Description	Useful lives (years)	Description	Useful lives (years)
Buildings	20 ~ 50	Vehicles	4, 5, 10
Structures	20, 40	Furniture and Fixtures	2 ~ 25
Machinery	5 ~ 15		

The Company reviews the depreciation method, the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

2.9 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are reported at cost, less accumulated depreciation and accumulated impairment losses.

While land is not depreciated, all other investment property is depreciated based on the respective asset's estimated useful lives ranging from 20 to 50 years using the straight-line method.

2.10 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost and intangible assets acquired in a business combination are carried at fair value at the acquisition date. Subsequently, intangible assets are carried at cost, less accumulated amortization and accumulated impairment losses.

The residual value of development cost and other intangible assets is estimated as zero ("0") and amortization of these is provided using the straight-line method over the estimated useful life of the assets. However, intangible assets with indefinite useful lives such as goodwill, membership and brand-related assets are not amortized as there is no foreseeable limit to the period over which the asset is expected to use.

Description	Useful lives (years)
Development cost	3 ~ 10
Others	3 ~ 10

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.

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

2.11 Leases

2.11.1 The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

➤ Right-of-use assets

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Depreciation of right-of-use asset is computed using the straight-line method based on the shorter of the lease term and the estimated useful lives of the assets as follows:

Description	Lease term (years)	Description	Lease term (years)
Land and buildings	1 ~ 10	Vehicles	1 ~ 4
Tools and furnitures	5		

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

➤ Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

➤ Short-term lease and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of real estate, vehicles and so forth (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below US\$5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.11.2 The Company as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

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

2.12 Non-current assets held for sale and discontinued operations

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use. Such non-current assets and disposal group classified as held for sale or as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss and other comprehensive income.

2.13 Financial liabilities and equity instruments

2.13.1 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

At initial recognition of a financial liability with a contingent settlement provision, if it is equity-settled, it is measured at fair value based on the expected cash flows considering the probability of future occurrence. If it is cash-settled, the present value of the maximum amount that cannot be avoided is recognized as a financial liability.

2.13.2 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of debt instruments.

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with K-IFRS No. 1109 (see financial assets above); and
- The amount recognized initially less, where appropriate, cumulative amortization recognized in accordance with K-IFRS No. 1115

2.13.3 Derecognition of financial liabilities

Financial liabilities are removed from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.13.4 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds are received, net of direct issue costs.

2.13.5 Compound instruments

The component parts of compound instruments (convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

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

2.14 Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

2.15 Share based payment arrangements

The company operates various share-based compensation schemes, including stock options, stock grants, and performance shared units.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

2.16 Provision

2.16.1 Provision for Warranty

In cases where we have obligations to repair defects after the sale of products or provision of services, we recognize a provision for warranty based on the warranty period and historical experience rates.

2.16.2 Restoration Provision

For obligations to restore original conditions, we recognize the related costs when the obligation arises in compliance with our public environmental policy and appropriate legal requirements.

2.16.3 Loss Provision

For onerous contracts, we measure the provision at the lower of the cost of fulfilling the contract and any compensation or penalties payable for not fulfilling the contract when the unavoidable costs of meeting the obligations under the contract exceed the benefits expected to be received under it. Any impairment loss on assets used for fulfilling the contract is recognized prior to recognizing the provision.

2.16.4 Accounting for Greenhouse Gas Emissions Allocation and Transaction System

The Company accounts for greenhouse gas emission rights and emission liabilities arising under the Act on the Allocation and Transaction of Greenhouse Gas Emissions as follows.

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

2.16.4.1 Greenhouse gas emission rights

Greenhouse gas emission rights consist of emission rights allocated free of charge by the government and emission rights purchased for a fee. Free allocation emission rights are recognized by measuring zero and purchased emission rights are recognized as acquisition costs by adding other costs that are normally incurred directly related to acquisition to the purchase cost. The company classifies greenhouse gas emission rights held to fulfill the obligations stipulated in the relevant system as intangible assets, deducting accumulated impairment losses from cost as carrying amount, and classifies them as current assets within one year from the end of the reporting period. Greenhouse gas emission rights held to obtain short-term gains are classified as current assets and measured at fair value at the end of each reporting period, and changes in fair value are recognized in profit or loss. Greenhouse gas emission rights are removed when they are no longer available for submission or sale to the government and future economic benefits are no longer expected.

2.16.4.2 Emission liabilities

Emissions liability is the current obligation to submit emission rights to the government by emitting greenhouse gases and is recognized when resources are likely to be leaked to fulfill the obligation and the amount required to fulfill the obligation can be reliably estimated. Emission liabilities are measured in addition to the carrying amount of emissions held for the relevant year to be submitted to the Government and the expected expenditure on emissions exceeding the quantity of emissions held. Emission liabilities are removed when submitted to the government.

2.17 Revenue recognition

The Company has applied K-IFRS No. 1115 *Revenue from Contracts with Customers*. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that the future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below:

2.17.1 Dividend income

The main purpose of the Company's business is to instruct, govern and give management guidance to its subsidiaries and others by acquiring their shares. Dividend income from subsidiaries is recognized when the right to receive the dividend as a shareholder is established and is included in operating revenue.

2.17.2 Trademark usage income

Trademark usage income is recognized in accordance with the related arrangements over the term of the use of the trademark.

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

2.17.3 Rendering of services

The Company provide customized system construction, system operation, maintenance and repair services. For system construction services, revenue is recognized over time at the rate of progress under the input method because the Company has no alternative use for completing the obligation for the assets created by the Company that have completed the performance so far, and because the Company has an enforceable right to payment for the completed performance.

In the case of providing system operation, maintenance and repair services, the Company is obliged to provide the customer with the related services during the contract period, so the transaction price allocated to the performance obligation is recognized as revenue over the period where the services are provided.

2.17.4 Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.17.5 Sale of goods

Revenue from sale of goods is recognized when control have passed to the buyer, usually on delivery of the goods.

2.18 Financial income and costs

The financial income and costs of the Company are composed of the following.

- Interest income(cost)
- Foreign exchange gains and losses on financial assets and financial liabilities
- Net profit or loss on financial assets measured at fair value through profit or loss and others

2.19 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

The global minimum tax paid under Pillar Two legislation is considered an income tax subject to the application of K-IFRS No. 1012 'Income Taxes'. The Company applies the temporary relief from deferred tax accounting for the impact of the global minimum tax and recognizes it as current income tax when incurred.

3. Significant accounting judgements, estimates and assumptions

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

3.1 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication of impairment of its non-financial assets. If any indication exists, or annually, intangible assets with indefinite useful lives including brand contract-related asset are tested for impairment. Other non-financial assets are tested for impairment when there is an indication that the carrying amount of an asset is not recoverable. In assessing value in use, management estimates future cash flows of the assets or CGU and determines an appropriate discount rate to calculate the present value of the estimated future cash flows.

3.2 Valuation of financial instruments

Subsequent to initial recognition, investment securities and others are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss or other comprehensive income. Where the fair value of financial assets and financial liabilities recorded in the separate statements of financial position cannot be derived from active markets, the Company uses valuation techniques that require the management's judgments on the expected future cash flows and discount rates.

3.3 Bad debt allowance for trade receivables, loans and other receivables

The Company estimates a bad debt allowance for trade receivables, loans and other receivables, based on the aging of receivables and past experience of bad debt, as well as observable changes in economic and industrial conditions that correlate with default on receivables.

3.4 Uncertainty of total contract revenue and total contract cost estimates

Total contract revenue is measured based on the initially agreed contract amount, but may increase due to contract changes during the execution of the contract, or decrease when penalties are incurred due to project delays caused by our responsibility. Therefore, the measurement of contract revenue is influenced by various uncertainties related to the outcomes of future events. We consider the probability of the customer approving changes in the revenue amount due to contract changes, and the likelihood of us meeting performance criteria, and include in the contract amount only to the extent that there is a very high likelihood that a significant portion of the already recognized accumulated revenue will not have to be reversed when the related uncertainties are later resolved. The revenue amount is affected by the progress calculated as the ratio of cumulative incurred contract cost to the total estimated contract cost, and the total contract cost is estimated based on future expectations such as material costs, labor costs, and project duration. We periodically review whether there are significant changes in the estimated total contract costs and reflect those changes when determining the progress rate as of the end of the reporting period.

3. Significant accounting judgements, estimates and assumptions (cont'd)

3.5 Defined benefit plan

The Company's defined benefit liabilities is determined based on the actuarial valuation carried out at the end of each annual reporting period. Actuarial assumptions are the Company's best estimates of the variables in determining the cost of providing post-retirement benefits, such as discount rates, rates of expected future salary increases and mortality rates. Significant estimation uncertainty is likely to persist in making such assumptions due to the long-term nature of post-retirement benefit plan.

3.6 Deferred tax assets

Recognition and measurement of deferred tax assets and liabilities requires significant management judgment. Especially, when determining if deferred tax assets will be realizable or not in the future, it involves significant management assumptions and judgment on the Company's future performance. In addition, the Company shall pay additional corporate taxes calculated Tax Act in accordance with "The special taxation for promoting investment and mutually beneficial cooperation". Accordingly, the Company reflect the tax effects of the reflux tax when measuring the tax, the Company will pay in the future may vary depending on the level of investment and wage increase in each year.

4. Financial instruments

(1) Financial assets

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

	December 31, 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	₩ 186,196	₩ -	₩ 63,968	₩ -	₩ 250,164
Short-term financial instruments	170,646	-	94,900	-	265,546
Trade receivables(*1)	-	-	486,723	-	486,723
Lease receivables	-	-	40,001	-	40,001
Short-term loans	-	-	597,103	-	597,103
Short-term other receivables	-	-	7,584	-	7,584
Accrued income	-	-	3,124	-	3,124
Guarantee deposits	-	-	9,613	-	9,613
Derivative financial assets	12,626	-	-	-	12,626
	₩ 369,468	₩ -	₩ 1,303,016	₩ -	₩ 1,672,484
Non-current assets:					
Long-term financial instruments	₩ -	₩ -	₩ 3,772	₩ -	₩ 3,772
Long-term lease receivables	-	-	205,548	-	205,548
Long-term investment securities	185,671	269,965	270	-	455,906
Long-term loans	-	-	145	-	145
Long-term other receivables	-	-	441	-	441
Long-term guarantee deposits	-	-	44,451	-	44,451
Derivative financial assets	326,106	-	-	-	326,106
	₩ 511,777	₩ 269,965	₩ 254,627	₩ -	₩ 1,036,369
	₩ 881,245	₩ 269,965	₩ 1,557,643	₩ -	₩ 2,708,853

(*1) Contract assets (unbilled receivables) amounting to ₩311,973 million as of December 31, 2024 are not included in the financial instruments.

4. Financial instruments (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
	₩ 379,569	₩ -	₩ 704,219	₩ -	₩ 1,083,788
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
	₩ 559,308	₩ 581,716	₩ 776,650	₩ -	₩ 1,917,674
	₩ 938,877	₩ 581,716	₩ 1,480,869	₩ -	₩ 3,001,462

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

4. Financial instruments (cont'd)

(2) Financial liabilities

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

	December 31, 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	₩ -	₩ 2,385,000	₩ -	₩ -	₩ 2,385,000
Current portion of long-term debt	-	1,904,167	-	-	1,904,167
Trade payables	-	233,353	-	-	233,353
Other payables (*1)	-	33,698	-	-	33,698
Accrued expenses (*1)	-	39,213	-	-	39,213
Lease liabilities	-	-	-	77,972	77,972
Dividends payable	-	183	-	-	183
Leasehold deposits received	-	244	-	-	244
Derivative financial liabilities	16,980	-	-	-	16,980
Advances received	-	66,065	-	-	66,065
	₩ 16,980	₩ 4,661,923	₩ -	₩ 77,972	₩ 4,756,875
Non-current liabilities:					
Long-term borrowings	₩ -	₩ 449,858	₩ -	₩ -	₩ 449,858
Bonds	-	5,935,435	-	-	5,935,435
Long-term lease liabilities	-	-	-	289,238	289,238
Leasehold deposits received	-	25,541	-	-	25,541
Derivative financial liabilities	338,955	-	-	-	338,955
	₩ 338,955	₩ 6,410,834	₩ -	₩ 289,238	₩ 7,039,027
	₩ 355,935	₩ 11,072,757	₩ -	₩ 367,210	₩ 11,795,902

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

4. Financial instruments (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
	₩ 807	₩ 5,071,701	₩ -	₩ 80,933	₩ 5,153,441
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
	₩ 250,904	₩ 6,314,708	₩ -	₩ 287,077	₩ 6,852,689
	₩ 251,711	₩ 11,386,409	₩ -	₩ 368,010	₩ 12,006,130

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

4. Financial instruments (cont'd)

(3) Details of gains and losses by each category of financial instruments for the years ended December 31, 2024 and 2023 are as follows (in millions of Korean won):

Financial assets:

		For the year ended December 31, 2024				
		Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	Total
Profit or loss:						
Interest income (expense)	₩	10,338	₩ -	₩ 23,980	₩ -	₩ 34,318
Gain(loss) on derivatives		3,274	-	-	-	3,274
Gain(loss) on foreign currency		-	-	75,509	-	75,509
Others		64,135	-	(44,201)	-	19,934
	₩	77,747	₩ -	₩ 55,288	₩ -	₩ 133,035
Other comprehensive gains and loss:						
Gain(loss) on investment securities	₩	-	₩ (206,046)	₩ -	₩ -	₩ (206,046)
Gain(loss) on derivatives		-	-	-	-	-
	₩	-	₩ (206,046)	₩ -	₩ -	₩ (206,046)
	₩	77,747	₩ (206,046)	₩ 55,288	₩ -	₩ (73,011)
		For the year ended 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
Profit or loss:						
Interest income (expense)	₩	11,127	₩ -	₩ 20,373	₩ -	₩ 31,500
Gain(loss) on derivatives		322,161	-	-	-	322,161
Gain(loss) on foreign currency		-	-	13,010	-	13,010
Others		(202,803)	-	1,815	-	(200,988)
	₩	130,485	₩ -	₩ 35,198	₩ -	₩ 165,683
Other comprehensive gains and loss:						
Gain(loss) on investment securities	₩	-	₩ 39,003	₩ -	₩ -	₩ 39,003
Gain(loss) on derivatives		-	-	-	-	-
	₩	-	₩ 39,003	₩ -	₩ -	₩ 39,003
	₩	130,485	₩ 39,003	₩ 35,198	₩ -	₩ 204,686

4. Financial instruments (cont'd)

Financial liabilities:

		For the year ended December 31, 2024				
		Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Other liabilities	Total
Profit or loss:						
Interest income (expense)	₩	-	₩ (400,989)	₩ -	₩ (9,123)	₩ (410,112)
Gain(loss) on derivatives		(209,171)	-	-	-	(209,171)
Gain(loss) on foreign currency		-	16,109	-	-	16,109
Others		-	-	-	-	-
	₩	(209,171)	₩ (384,880)	₩ -	₩ (9,123)	₩ (603,174)
Other comprehensive gains and loss:						
Gain(loss) on investment securities	₩	-	₩ -	₩ -	₩ -	₩ -
Gain(loss) on derivatives		-	-	-	-	-
	₩	-	₩ -	₩ -	₩ -	₩ -
	₩	(209,171)	₩ (384,880)	₩ -	₩ (9,123)	₩ (603,174)
		For the year ended December 31, 2023				
		Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Other liabilities	Total
Profit or loss:						
Interest income (expense)	₩	-	₩ (401,161)	₩ -	₩ (10,562)	₩ (411,723)
Gain(loss) on derivatives		(119,785)	-	-	-	(119,785)
Gain(loss) on foreign currency		-	(16,858)	-	-	(16,858)
Others		-	-	-	-	-
	₩	(119,785)	₩ (418,019)	₩ -	₩ (10,562)	₩ (548,366)
Other comprehensive gains and loss:						
Gain(loss) on investment securities	₩	-	₩ -	₩ -	₩ -	₩ -
Gain(loss) on derivatives		-	-	-	-	-
	₩	-	₩ -	₩ -	₩ -	₩ -
	₩	(119,785)	₩ (418,019)	₩ -	₩ (10,562)	₩ (548,366)

4. Financial instruments (cont'd)

(4) 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 December 31, 2024 and 2023 is as follows. (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Book Value	Fair value	Book Value	Fair value
Bonds	₩ 7,399,674	₩ 7,424,783	₩ 7,284,813	₩ 6,939,522
Borrowings	3,274,786	3,289,110	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 3.15% to 3.63%.

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 are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs are unobservable inputs for the asset or liability

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

	December 31, 2024				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets:					
Financial assets measured at FVTPL (Excludes derivative assets)	₩ 542,513	₩ 87,242	₩ 356,842	₩ 98,429	₩ 542,513
Financial assets measured at FVOCI	269,965	2,421	13,711	253,833	269,965
Derivative financial assets	338,732	-	12,626	326,106	338,732
Financial liabilities:					
Derivative financial liabilities	₩ 355,935	₩ -	₩ 15,420	₩ 340,515	₩ 355,935
	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. No significant change between hierarchy levels 1 and 2 occurred for the years ended December 31, 2024 and 2023.

4. Financial instruments (cont'd)

3) Changes in Level 3 financial instruments for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended December 31, 2024													
	Beginning balance		Profit or loss		Other comprehensive income		Acquisitions		Disposals		Other(*1)		Ending balance	
Financial assets:														
Financial assets measured at FVTPL	₩	94,056	₩	(166)	₩	-	₩	7,832	₩	(3,293)	₩	-	₩	98,429
Financial assets measured at FVOCI		572,016		-		(278,197)		-		(11,057)		(28,929)		253,833
Derivative financial assets		298,524		27,582		-		-		-		-		326,106
	₩	<u>964,596</u>	₩	<u>27,416</u>	₩	<u>(278,197)</u>	₩	<u>7,832</u>	₩	<u>(14,350)</u>	₩	<u>(28,929)</u>	₩	<u>678,368</u>
Financial liabilities:														
Derivative financial liabilities	₩	250,904	₩	89,611	₩	-	₩	-	₩	-	₩	-	₩	340,515

(*1) For the year ended December 31, 2024, the share of ION Clean Energy, Inc. ₩28,929 million was reclassified as an investment in associate from financial assets measured at FVOCI.

		For the year ended December 31, 2023													
		Beginning balance		Profit or loss		Other comprehensive income		Acquisitions		Disposals		Other(*1)		Ending balance	
Financial assets:															
Financial assets measured at FVTPL		₩	201,492	₩	(58,902)	₩	-	₩	21,385	₩	(3,162)	₩	(66,757)	₩	94,056
Financial assets measured at FVOCI			630,956		-		38,701		33		(2,711)		(94,963)		572,016
Derivative financial assets			208,590		89,934		-		-		-		-		298,524
		₩	<u>1,041,038</u>	₩	<u>31,032</u>	₩	<u>38,701</u>	₩	<u>21,418</u>	₩	<u>(5,873)</u>	₩	<u>(161,720)</u>	₩	<u>964,596</u>
Financial liabilities:															
Derivative financial liabilities		₩	372,807	₩	(121,903)	₩	-	₩	-	₩	-	₩	-	₩	250,904

(*1) For the year ended December 31, 2023, the share of Team Blackbird, Inc. ₩1,998 million and LTCAM Co., Ltd. ₩36,233 million were reclassified as an investment in associate, whereas Halio, Inc. ₩28,526 million was reclassified as investment in a subsidiary. In addition, share of Turo Inc. ₩88,880 million was reclassified as an asset held for sale. On the other hand, Gi Innovation, Inc. ₩5,446 million was got listed and KG Mobility Corp. ₩637 million was decided to maintain in listing, and they were moved to Level 1.

4. Financial instruments (cont'd)

(5) Valuation techniques and inputs

The description of the valuation techniques and inputs used to measure the fair value of major financial instruments using fair value measurements as of the end of the current term and the end of the prior term, in which the Company is classified as Level 2 or Level 3 is as follows:

1) Currency forward

The fair value of the currency forward was measured in principle based on the forward exchange rate disclosed in the market as of the end of the current term for the period consistent with the remaining period of the currency swap. In case the forward exchange rate for a period consistent with the remaining period of the currency forward is not disclosed in the market, the forward exchange was measured by estimating the forward exchange rate for a period similar to the remaining period of the currency swap by applying interpolation to each period. The discount rate used to measure the fair value of the currency forward was determined using the yield curve derived from the rate quoted in the market as of the end of the current term.

2) Unlisted stocks

The fair value of unlisted stocks is measured by using a discounted cash flow model(DCF model), market approach, and milestone method. The discounted cash flow model involves assumptions or estimates of sales growth, pre-tax operating profit rates, weighted average capital costs, which are not based on observable market prices or ratios to estimate future cash flows. The weighted average capital cost(WACC) used to discount future cash flows was determined by applying CAPM. The market approach calculates the fair value using multiples derived from comparable companies in the market. The precedent transaction method estimates the fair value based on the most recent third-party issuance price as of the balance sheet date, using past transaction prices. The Company determined that the effect of the major assumptions and estimates that is mentioned above on the fair value of unlisted stocks was significant, so the fair value measurement of unlisted stock was categorized within Level 3 of the fair value hierarchy.

3) Total return swap agreement

The fair value of the total return swap contract is measured using Monte-Carlo simulation. This method generates discrete paths of future interest rates, estimates the exercise timing of the call option, calculates the present value, and then repeats the process to derive the fair value as the average of the calculated values. Meanwhile, the unlisted stocks underlying the call option are measured according to the method of fair value assessment for "2) Unlisted stocks" as described earlier. It is determined that the key assumptions and estimates used in the fair value assessment of the unlisted stocks have a significant impact on the fair value, and therefore, the fair value measurement of the total return swap contract is classified as Level 3 in the fair value hierarchy.

4) Financial Liabilities from Guarantee Obligations

The fair value of financial guarantee liabilities is determined using the incremental value of redeemable convertible preferred shares (RCPS) resulting from the provision of the guarantee. The fair value of the guaranteed RCPS subject to the guarantee is measured using the binomial tree model. In applying the binomial tree model, certain assumptions that are not based on observable market prices or rates, such as the underlying asset value and price volatility, are used. The unlisted shares eligible for conversion are measured in accordance with the fair value measurement methodology described in "2) Unlisted stocks". Since key assumptions and estimates used in the fair value measurement of unlisted shares significantly impact fair value, the Company has classified the fair value measurement of financial liabilities from guarantee obligations as Level 3 in the fair value hierarchy.

5) Put Option

The fair value of the put option is measured using the binomial tree model. This model divides the option's life into multiple time periods, assuming that the underlying asset price fluctuates up or down in each period based on its volatility. The option value is then calculated by backward induction process through the tree structure. Certain assumptions that are not based on observable market prices or rates, such as the underlying asset value and price volatility, are used in applying the binomial tree model. Since these key assumptions and estimates significantly impact the fair value of the put option, the Company has classified its fair value measurement as Level 3 in the fair value hierarchy.

4. Financial instruments (cont'd)

(6) The valuation techniques and input variables used for major financial instruments classified as Level 3 are as follows (Korean won in millions):

December 31, 2024						
		Valuation amount		Valuation techniques	Level 3 inputs	Input variations
SK Shipping Co., Ltd.	Assets	₩	206,292	DCF model	Permanent growth rate	0%
					WACC	7.66%
Group14 Technologies, Inc	Assets	₩	22,890	Market approach	EV/Sales multiple	2 ~ 96
Total return swap agreement	Assets	₩	326,106	Monte-Carlo simulation	Term structure of interest rate	2.71% ~ 3.39%
	Liabilities		298,167		WACC	11.44% ~ 13.78%
Financial Liabilities from Guarantee Obligations	Liabilities	₩	39,294	Binomial tree model	Per-Share underlying asset value	USD 28.93
					Volatility	50.00%
SK Signet Inc. put option	Liabilities	₩	3,055	Binomial tree model	Volatility	26.33%
December 31, 2023						
		Valuation amount		Valuation techniques	Level 3 inputs	Input variations
SK Shipping Co., Ltd.	Assets	₩	175,831	DCF model	Permanent growth rate	0%
					WACC	8.52%
Group14 Technologies, Inc	Assets	₩	335,538	Market approach	Precedent transaction method	-
Total return swap Agreement	Assets	₩	298,523	Monte-Carlo simulation	Term structure of interest rate	3.9% ~ 4.04%
	Liabilities		250,902		WACC	5.83% ~ 17.08%

Among the input variables used to measure the fair value of financial instruments, an increase (decrease) in the perpetual growth rate, EV/Sales Multiple or volatility will result in an increase (decrease) in fair value. Conversely, an increase (decrease) in the per-share underlying asset value, interest rate term structure, or weighted average cost of capital (WACC) will result in a decrease (increase) in fair value. Meanwhile, for the year ended December 31, 2024, the valuation methodology used to measure the fair value of Group14 Technologies, Inc. was changed from the precedent transaction method to the market multiples approach. Other than this change, there have been no changes in the valuation methodologies used for financial instruments classified as Level 2 and Level 3 fair value measurements for the years ended December 31, 2024 and 2023.

5. Cash and cash equivalents

Details of Cash and cash equivalents as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Cash	₩ 26,610	₩ 10,222
Demand deposits	37,358	80,381
Short term investment assets	186,196	278,303
	<u>₩ 250,164</u>	<u>₩ 368,906</u>

6. Trade receivables and other receivables

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

	December 31, 2024			December 31, 2023		
	Gross amount	Allowance for doubtful accounts	Book value	Gross amount	Allowance for doubtful accounts	Book value
Trade receivables	₩ 799,160	₩ (464)	₩ 798,696	₩ 645,804	₩ (363)	₩ 645,441
Short-term loans	641,203	(44,100)	597,103	25,824	-	25,824
Other receivables	7,584	-	7,584	3,792	-	3,792
Accrued Revenues	3,124	-	3,124	1,566	-	1,566
Guarantee deposits	9,673	(60)	9,613	11,910	-	11,910
Lease receivables	40,001	-	40,001	36,741	-	36,741
Long-term loans	145	-	145	501,132	-	501,132
Long-term other receivables	441	-	441	441	-	441
Long-term guarantee deposits	44,451	-	44,451	42,239	-	42,239
Long-term lease receivables	205,548	-	205,548	230,891	-	230,891
	<u>₩ 1,751,330</u>	<u>₩ (44,624)</u>	<u>₩ 1,706,706</u>	<u>₩ 1,500,340</u>	<u>₩ (363)</u>	<u>₩ 1,499,977</u>

7. Inventories

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

	December 31, 2024			December 31, 2023		
	Acquisition cost	Valuation allowance	Book value	Acquisition cost	Valuation allowance	Book value
Raw materials	₩ 88	₩ -	₩ 88	₩ 153	₩ -	₩ 153

8. Investment securities

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

	December 31, 2024		
	Equity instruments		Debt instruments
	Listed	Unlisted	Unlisted
Non-current Asset			
Financial assets measured at FVTPL (*1)	₩ 87,242	₩ 8,638	₩ 89,791
Financial assets measured at FVOCI	2,421	267,544	-
Financial assets measured at amortized cost	-	-	270
	₩ 89,663	₩ 276,182	₩ 90,061

(*1) It consists of SES AI Corporation and Glassdome, Inc. and others.

	December 31, 2023		
	Equity instruments		Debt instruments
	Listed	Unlisted	Unlisted
Non-current Asset			
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
	₩ 176,428	₩ 584,446	₩ 81,936

(*1) It consists 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.

(2) Details of equity securities traded in active markets designated as other comprehensive income-fair value metrics as of December 31, 2024 and 2023 are as follows. (Korean won in millions):

	December 31, 2024	December 31, 2023
Gi Innovation, Inc	₩ 2,097	₩ 7,157
Harbour BioMed	-	1,464
KG Mobility Corp.	324	746
Urgent. ly	-	333

(3) Changes in investment securities designated as other comprehensive income-fair value metrics for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Beginning balance	₩ 581,716	₩ 634,270
Acquisitions	-	33
Disposals	(17,353)	(2,711)
Valuation (other comprehensive income)	(279,162)	39,003
Others (*1)	(15,236)	(88,879)
Ending balance	₩ 269,965	₩ 581,716

(*1) For the year ended December 31, 2024, ION Clean Energy, Inc. ₩28,929 million was transferred to investments in associates and Swift Navigation, Inc. ₩13,711 million was transferred to financial assets measured at FVOCI. For the year ended December 31, 2023, Turo Inc. ₩88,879 million was transferred to assets held for sales.

SK Inc.
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8. Investment securities (cont'd)

(4) There are no dividends related to financial assets measured at FVOCI.

9. Investments in subsidiaries

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

	Domicile	Principal business activity	December 31, 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	55.91	₩ 6,066,879	34.45	₩ 3,466,879	December
SK Telecom Co., Ltd. (*3)	Korea	Mobile tele-communication	30.57	2,929,870	30.01	2,929,870	December
SK Square Co., Ltd. (*3)	Korea	Investment	31.50	2,486,149	30.55	2,486,149	December
SK Ecoplant Co., Ltd. (*4,13)	Korea	Construction	64.69	910,734	44.48	545,300	December
SK Networks Co., Ltd. (*3)	Korea	Trading and distribution	43.90	706,229	41.20	706,229	December
SK Siltron Co., Ltd.	Korea	Manufacturing and sales of silicon thin sheet	51.00	622,606	51.00	622,606	December
SKC Co., Ltd. (*3)	Korea	Manufacture of other chemical products	40.64	548,654	40.64	548,654	December
SK Biopharmaceuticals Co., Ltd.	Korea	Medicine and life science	64.02	369,226	64.02	369,226	December
SK Specialty Co., Ltd. (*5)	Korea	Special-gas manufacturing and sales	100.00	90,070	100.00	600,467	December
SK E&S Co., Ltd. (*2)	Korea	City gas business and power generation	-	-	90.00	2,600,000	December
SK REIT Co., Ltd. (*6)	Korea	Real estate development and trading	-	-	32.41	436,452	March, June, September, December
Hweechan Co., Ltd.	Korea	Condominiums /resort business	100.00	335,912	100.00	335,912	December
SK Tri Chem Co., Ltd.	Korea	Development of precursor products	65.00	102,505	65.00	102,505	December
SK Signet Inc. (*7,8)	Korea	Manufacturing of motors, generators, and electrical conversion devices	-	91,396	-	212,955	December
SK materials Group14 Co., Ltd.	Korea	Semiconductor distribution and sales	75.00	62,692	75.00	62,692	December
SK Forest Co., Ltd.	Korea	Landscape construction	100.00	61,387	100.00	61,387	December
SK Materials Performance Co., Ltd.	Korea	Semiconductor industrial photosensitive agent manufacturing and sales	100.00	57,070	100.00	57,070	December
SK Powertech Co., Ltd. (*8)	Korea	Semiconductor manufacturing	98.59	35,247	98.59	150,919	December
SK Resonac Co., Ltd.	Korea	Semiconductor distribution and sales	51.00	23,150	51.00	23,150	December
Evertech Enterprise Co., Ltd. (*9)	Korea	Manufacturing of other chemical products	98.48	20,637	98.20	20,579	December

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

	Domicile	Principal business activity	December 31, 2024		December 31, 2023		Fiscal year-end month
			Ownership percentage (%)(*1)	Book value	Ownership percentage (%)(*1)	Book value	
SK Materials JNC Co., Ltd.	Korea	Organic light emitting diode material manufacturing, distribution and sales	51.00	20,287	51.00	20,287	December
SK REITs Management Co., Ltd.	Korea	Real estate acquisition and rental and development	100.00	7,000	100.00	7,000	December
Ackerton Technology Service Co, Ltd. (*10,11)	Korea	Computer Systems Integration Advisory Consulting	50.00	650	-	-	December
Ackerton Partners Co., Ltd. (*12)	Korea		-	-	100.00	6,300	December
SK Materials Airplus Incorporated. (*4)	Korea	Manufacture and sale of industrial gas	-	-	100.00	339,588	December
SK Pharmteco Inc.	USA	Investment	100.00	1,651,228	100.00	1,651,228	December
Plutus Capital NY, Inc. (*8,9)	USA	Investment	100.00	571,967	100.00	824,005	December
SK China Company, Ltd. (*14)	Hong Kong	Consulting and investment	27.42	557,117	27.42	557,117	December
SK South East Asia Investment Pte. Ltd. (*14)	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
Einstein Cayman Limited.	Cayman	Investment	100.00	182,625	100.00	182,625	December
Tellus Investment Partners, Inc. (*9)	USA	Investment	100.00	103,818	100.00	96,250	December
Tillandsia, Inc. (*8)	USA	Investment	100.00	69,088	100.00	190,260	December
Saturn Agriculture Investment Co., Ltd.	Hong Kong	Investment	81.00	67,093	81.00	67,093	December
Energy Solution Holdings Inc. (*14)	USA	Investment	29.09	54,752	29.09	54,752	December
I Cube Capital, Inc. (*9)	USA	Investment	100.00	52,652	100.00	52,173	December
Roca Capital Inc. (Formerly, SK Japan Inc.) (*8,14,15)	Japan	Investment	50.00	47,354	50.00	200,573	December
SK Life Science Labs, Inc. (*14)	USA	Development of new drugs	40.00	41,302	40.00	41,302	December
Areca, Inc. (*8)	USA	Investment	100.00	41,845	100.00	155,155	December
Chamaedorea, Inc. (*8,9)	USA	Investment	100.00	39,025	100.00	117,377	December
Auxo Capital Inc. (*9)	USA	Investment	100.00	34,917	100.00	26,167	December
SK C&C Beijing Co., Ltd.	China	Computer system integration advisory	100.00	25,481	100.00	25,481	December
Energy Solution Group, Inc. (*8,14)	USA	Energy solution and electric car charger	50.00	24,299	50.00	130,109	December
SK Americas, Inc. (Formerly, SK USA, Inc.) (*10,14)	USA	Management Advisory	20.00	13,013	-	-	December
Planeta Pte. Ltd. (*10,14)	Singapore	Development of carbon emission rights business	38.47	11,366	-	-	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
Digital Center Capital Inc. (*8)	USA	Investment	100.00	6,424	100.00	27,684	December
SK MENA Investment B.V. (*14)	Netherland	Investment	11.54	5,178	11.54	5,178	December

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9. Investments in subsidiaries (cont'd)

	Domicile	Principal business activity	December 31, 2024		December 31, 2023		Fiscal year-end month
			Ownership percentage (%)(*1)	Book value	Ownership percentage (%)(*1)	Book value	
SK Telecom Japan Inc. (*10,14)	Japan	Information collection and consulting	24.91	3,323	-	-	December
MiraiTech Inc. (*10)	Japan	Investment consulting	100.00	2,693	-	-	December
Gemini Partners Pte. Ltd. (*14)	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 (*14,15)	Cayman	Research and development	2.12	1,000	2.12	1,876	December
SK Latin Americas Investment S.A. (*14,15)	Spain	Investment	11.54	153	11.54	5,135	December
Castanea Biosciences Inc.	USA	Investment	100.00	48	100.00	48	December
SK S.E.Asia Pte. Ltd. (*13)	Singapore	Investment	-	-	100.00	25,847	December
Halio, Inc. (*8)	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
			₩ 19,808,660		₩ 21,830,746		

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

(*2) SK Innovation Co., Ltd. has merged with SK E&S Co., Ltd. through an absorption-type merger for the year ended December 31, 2024.

(*3) SK Telecom Co., Ltd. and 3 other companies were classified as investments in subsidiaries as the Company is able to exercise de facto control. The remaining voting rights of SK Telecom Co., Ltd. and 3 other companies are widely dispersed, and the Company's voting rights are sufficient to give it power.

(*4) A significant stock-for-stock exchange transaction occurred with SK Ecoplant Co., Ltd. for the year ended December 31, 2024.

(*5) 85% equity interest was reclassified as assets held for sale for the year ended December 31, 2024.

(*6) The investment was reclassified from an investments in subsidiaries to an investments in associates for the year ended December 31, 2024.

(*7) The Company has acquired convertible preferred stocks with voting rights and as a result, holds 51.36% of voting rights.

(*8) There were signs of impairment, so the loss of investment impairment to subsidiaries was recognized for the year ended December 31, 2024.

(*9) Additional investment was made for the year ended December 31, 2024.

(*10) The following was newly acquired for the year ended December 31, 2024.

(*11) It was classified as an investment in a subsidiary as control can be exercised due to the impasse in the equity acquisition terms of an equity interest.

(*12) It was liquidated due to a business transfer transaction with the Company for the year ended December 31, 2024.

(*13) The Company made an in-kind capital contribution to SK Ecoplant Co., Ltd. and, in exchange, received shares of SK Ecoplant Co., Ltd. as consideration for the year ended December 31, 2024.

(*14) When the equity interest of the Company and its subsidiaries is combined, control can be exercised, therefore the investments are classified as a subsidiary.

(*15) A capital reduction with compensation has occurred for the year ended December 31, 2024.

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

(2) Changes in investments in subsidiaries for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended December 31, 2024					
	Beginning balance	Acquisition	Disposal	Impairment	Others	Ending balance
SK Innovation Co., Ltd.	₩ 3,466,879	₩ -	₩ -	₩ -	₩ 2,600,000	₩ 6,066,879
SK Telecom Co., Ltd.	2,929,870	-	-	-	-	2,929,870
SK Square Co., Ltd.	2,486,149	-	-	-	-	2,486,149
SK Ecoplant Co., Ltd.	545,300	-	-	-	365,434	910,734
SK Networks Co., Ltd.	706,229	-	-	-	-	706,229
SK Siltron Co., Ltd.	622,606	-	-	-	-	622,606
SKC Co., Ltd.	548,654	-	-	-	-	548,654
SK Biopharmaceuticals Co., Ltd.	369,226	-	-	-	-	369,226
SK Specialty Co., Ltd.	600,467	-	-	-	(510,397)	90,070
SK E&S Co., Ltd.	2,600,000	-	-	-	(2,600,000)	-
SK REIT Co., Ltd.	436,452	-	-	-	(436,452)	-
Hweechan Co., Ltd.	335,912	-	-	-	-	335,912
SK Tri Chem Co., Ltd.	102,505	-	-	-	-	102,505
SK Signet Inc.	212,955	-	-	(121,559)	-	91,396
SK materials Group14 Co., Ltd.	62,692	-	-	-	-	62,692
SK Forest Co., Ltd.	61,387	-	-	-	-	61,387
SK Materials Performance Co., Ltd.	57,070	-	-	-	-	57,070
SK owertech Co., Ltd.	150,919	-	-	(115,672)	-	35,247
SK Resonac Co., Ltd.	23,150	-	-	-	-	23,150
Everttech Enterprise Co., Ltd.	20,579	58	-	-	-	20,637
SK Materials JNC Co., Ltd.	20,287	-	-	-	-	20,287
SK REITs Management Co., Ltd.	7,000	-	-	-	-	7,000
Ackerton Technology Service Co., Ltd.	-	650	-	-	-	650
Ackerton Partners Co., Ltd.	6,300	-	(6,300)	-	-	-
SK Materials Airplus Incorporated.	339,588	-	-	-	(339,588)	-
SK Pharmteco Inc.	1,651,228	-	-	-	-	1,651,228
Plutus Capital NY, Inc.	824,005	544	-	(252,582)	-	571,967
SK China Company, Ltd.	557,117	-	-	-	-	557,117
SK South East Asia Investment Pte. Ltd.	345,010	-	-	-	-	345,010
Golden Pearl EV Solutions Limited.	281,360	-	-	-	-	281,360
Einstein Cayman Limited.	182,625	-	-	-	-	182,625
Tellus Investment Partners, Inc.	96,250	7,568	-	-	-	103,818
Tillandsia, Inc.	190,260	-	-	(121,172)	-	69,088
Saturn Agriculture Investment Co., Ltd.	67,093	-	-	-	-	67,093
Energy Solution Holdings Inc.	54,752	-	-	-	-	54,752
I Cube Capital, Inc.	52,173	479	-	-	-	52,652
Roca Capital Inc. (Formerly, SK Japan, Inc.)	200,573	-	(114,576)	(38,643)	-	47,354
SK Life Science Labs, Inc.	41,302	-	-	-	-	41,302
Areca, Inc.	155,155	-	-	(113,310)	-	41,845
Chamaedorea, Inc.	117,377	53,056	-	(131,408)	-	39,025
Auxo Capital Inc.	26,167	8,750	-	-	-	34,917
SK C&C Beijing Co., Ltd.	25,481	-	-	-	-	25,481
Energy Solution Group, Inc.	130,109	-	-	(105,810)	-	24,299
SK Americas, Inc. (Formerly, SK USA, Inc.)	-	13,013	-	-	-	13,013
Planeta Pte. Ltd.	-	11,366	-	-	-	11,366
SK Investment Management Co., Ltd.	10,099	-	-	-	-	10,099
SK GI Management	9,523	-	-	-	-	9,523
Digital Center Capital Inc.	27,684	-	-	(21,260)	-	6,424
SK MENA Investment B.V.	5,178	-	-	-	-	5,178
SK Telecom Japan Inc.	-	3,323	-	-	-	3,323
MiraiTech Inc.	-	2,693	-	-	-	2,693
Gemini Partners Pte. Ltd.	2,601	-	-	-	-	2,601
Tellus (Hong Kong) Investment	1,985	-	-	-	-	1,985
SK C&C USA, Inc.	1,971	-	-	-	-	1,971
SK Technology Innovation Company	1,876	-	(876)	-	-	1,000
SK Latin Americas Investment S.A.	5,135	-	(4,982)	-	-	153
Castanea Biosciences Inc.	48	-	-	-	-	48
SK S.E.Asia Pte. Ltd.	25,847	-	-	-	(25,847)	-
Halio, Inc.	28,586	-	-	(28,586)	-	-
Socar Mobility Malaysia, SDN. BHD.	-	-	-	-	-	-
SK C&C India Pvt. Ltd.	-	-	-	-	-	-
S&G Technology	-	-	-	-	-	-
	₩ 21,830,746	₩ 101,500	₩ (126,734)	₩ (1,050,002)	₩ (946,850)	₩ 19,808,660

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9. Investments in subsidiaries (cont'd)

	For the year ended December 31, 2023					
	Beginning balance	Acquisition	Disposal	Impairment	Others	Ending balance
SK Innovation Co., Ltd.	₩ 3,072,937	₩ 393,942	₩ -	₩ -	₩ -	₩ 3,466,879
SK Telecom Co., Ltd.	2,929,870	-	-	-	-	2,929,870
SK Square Co., Ltd.	2,486,149	-	-	-	-	2,486,149
SK Networks Co., Ltd.	706,229	-	-	-	-	706,229
SKC Co., Ltd.	548,654	-	-	-	-	548,654
SK E&S Co., Ltd.	2,600,000	-	-	-	-	2,600,000
SK Ecoplant Co., Ltd.	545,300	-	-	-	-	545,300
SK Siltron Co., Ltd.	622,606	-	-	-	-	622,606
SK Specialty Co., Ltd.	600,467	-	-	-	-	600,467
SK REIT Co., Ltd.	423,691	12,761	-	-	-	436,452
SK Biopharmaceuticals Co., Ltd.	369,226	-	-	-	-	369,226
Hweechan Co., Ltd.	335,912	-	-	-	-	335,912
SK Signet Inc.	293,236	-	-	(80,281)	-	212,955
SK Materials Airplus Incorporated.	265,573	-	-	-	74,015	339,588
SK powertech Co., Ltd.	150,919	-	-	-	-	150,919
SK Tri Chem Co., Ltd.	102,505	-	-	-	-	102,505
SK Materials Renewtech Co., Ltd.	74,015	-	-	-	(74,015)	-
SK materials Group14 Co., Ltd.	62,692	-	-	-	-	62,692
SK Forest Co., Ltd.	61,387	-	-	-	-	61,387
SK Materials Performance Co., Ltd.	57,070	-	-	-	-	57,070
SK Resonac Co., Ltd.	23,150	-	-	-	-	23,150
SK Materials JNC Co., Ltd.	20,287	-	-	-	-	20,287
Everttech Enterprise Co., Ltd.	-	20,579	-	-	-	20,579
SK REITs Management Co., Ltd.	7,000	-	-	-	-	7,000
Ackerton Partners Co., Ltd.	-	6,300	-	-	-	6,300
SK Pharmteco Inc.	1,651,228	-	-	-	-	1,651,228
Plutus Capital NY, Inc.	1,076,108	94,557	-	(346,660)	-	824,005
SK China Company, Ltd.	557,117	-	-	-	-	557,117
SK South East Asia Investment Pte. Ltd.	345,010	-	-	-	-	345,010
Golden Pearl EV Solutions Limited.	281,360	-	-	-	-	281,360
SK Life Science Labs, Inc.(formerly, ProteoVant Science, Inc.)	-	-	-	-	41,302	41,302
Roca Capital Inc. (Formerly, SK Japan Inc.)	200,573	-	-	-	-	200,573
Einstein Cayman Limited.	182,625	-	-	-	-	182,625
Areca, Inc.	-	155,155	-	-	-	155,155
Tellus Investment Partners, Inc.	149,691	-	-	(53,441)	-	96,250
Tillandsia, Inc.	124,225	66,035	-	-	-	190,260
Chamaedorea, Inc.	-	117,377	-	-	-	117,377
Energy Solution Group, Inc.	104,538	25,571	-	-	-	130,109
Saturn Agriculture Investment Co., Ltd.	67,093	-	-	-	-	67,093
Energy Solution Holdings Inc.	54,752	-	-	-	-	54,752
I Cube Capital, Inc.	51,176	997	-	-	-	52,173
Socar Mobility Malaysia, SDN. BHD.	29,221	-	-	(29,221)	-	-
Halio, Inc.	-	-	-	-	28,586	28,586
Digital Center Capital Inc.	27,684	-	-	-	-	27,684
Auxo Capital Inc.	21,689	4,478	-	-	-	26,167
SK S.E.Asia Pte. Ltd.	25,847	-	-	-	-	25,847
SK C&C Beijing Co., Ltd.	25,481	-	-	-	-	25,481
Castanea Biosciences Inc.	23,883	-	(23,835)	-	-	48
SK Investment Management Co., Ltd.	10,099	-	-	-	-	10,099
SK GI Management	9,523	-	-	-	-	9,523
Gemini Partners Pte. Ltd.	2,601	-	-	-	-	2,601
SK MENA Investment B.V.	5,178	-	-	-	-	5,178
SK Latin Americas Investment S.A.	5,135	-	-	-	-	5,135
Tellus (Hong Kong) Investment	1,985	-	-	-	-	1,985
SK C&C USA, Inc.	1,971	-	-	-	-	1,971
SK Technology Innovation Company	1,876	-	-	-	-	1,876
SK C&C India Pvt. Ltd.	-	-	-	-	-	-
S&G Technology	-	-	-	-	-	-
	<u>₩ 21,396,544</u>	<u>₩ 897,752</u>	<u>₩ (23,835)</u>	<u>₩ (509,603)</u>	<u>₩ 69,888</u>	<u>₩ 21,830,746</u>

9. Investments in subsidiaries (cont'd)

(3) Impairment test of investments in subsidiaries

The Company performs impairment tests of investment in subsidiaries on an annual basis. If any indication of impairment exists, the recoverable amount of the investment is estimated. As a result of impairment test, the company recognized impairment loss.

The main subsidiaries that have recognized the impairment loss during the current period are as follows:

1) An impairment loss of ₩252,582 million was recognized for the stake in Plutus Capital NY, Inc. due to the existence of investment assets whose fair value has significantly decreased during the current period. The impairment loss was determined by taking into account the proportion of the Company's investment in the decline in fair value of marketable stocks.

2) For the year ended December 31, 2024, the three companies that hold shares in 8 Rivers Capital LLC, recognized an impairment loss of ₩365,890 million due to signs of impairment resulting from the potential sale of 8 Rivers Capital LLC. The three companies, Chamaedorea, Inc., Tillandsia, Inc., and Areca, Inc., recognized impairment losses of ₩131,408 million, ₩121,172 million, and ₩113,310 million, respectively. The impairment losses were recognized based on the expectation that the potential sale price would be lower than the book value.

3) An impairment loss of ₩121,559 million was recognized for the stake in SK Signet Co., Ltd. as the operating profit or loss of the cash-generating unit of the charger business did not meet the expected level during the current period. The recoverable amount of the stake was determined by the value in use, and an annual discount rate of 14.5% and a permanent growth rate of 1.0% were applied to measure the value in use.

4) For the year ended December 31, 2024, an impairment loss of ₩115,672 million was recognized on the shares of SK Powertech Co., Ltd. due to the cash-generating unit for semiconductor manufacturing's operating profit not meeting the expected levels. The recoverable amount of the shares was determined based on the value in use, and a discount rate of 12.69% and a permanent growth rate of 1.0% were applied in measuring the value in use.

5) For the year ended December 31, 2024, due to impairment resulting from the liquidation of the investment company, an impairment loss of ₩105,810 million was recognized on the shares of Energy Solution Group, Inc.. The impairment loss was recognized based on the liquidation value of the subsidiary.

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10. Investments in associates

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

	Domicile	Principal business activity	December 31, 2024		December 31, 2023		Fiscal year-end month
			Ownership percentage (%)	Book value	Ownership percentage (%)	Book value	
SK REIT Co., Ltd. (*1)	Korea	Real estate development and trading	32.10	₩ 436,452	-	₩ -	March, June, September, December
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. (*2,3,4)	Korea	Medical and pharmaceutical research and development industries	12.09	14,410	12.14	14,410	December
Cloocus Co., Ltd. (*2,3,4)	Korea	Information and communication service	15.57	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. (*2,3,4)	Korea	Logistics infra	18.48	5,684	19.01	5,684	December
A4x Inc. (*2,3)	Korea	Block chain validator	8.33	5,078	8.33	5,078	December
PUMP Co., Ltd. (*2,3,4)	Korea	Electric kickboard rental Service	6.79	5,000	12.02	5,000	December
TWO LINE CODE Inc. (*3,4)	Korea	Software development	16.20	2,300	23.54	2,300	December
The Wave Talk, Inc. (*2,3)	Korea	Manufacturing and technical services	3.74	2,038	3.74	2,038	December
Todo Works Corp. (*2,3)	Korea	Sales of Assistive Devices for People with Disabilities and Medical Devices	10.25	2,037	10.25	2,037	December
Team Blackbird, Inc. (*2,3)	Korea	Software development	3.22	1,998	3.22	1,998	December
ACRYL Inc. (*2,3,4,5)	Korea	Information service	5.47	127	16.12	312	December
Daehan Kanggun BcN Co., Ltd. (*2,6)	Korea	Wired communication	0.20	-	0.20	-	December
Wave City Co., Ltd. (*7)	Korea	Financial support services	-	-	0.10	-	December
THIRA-UTECH Co., Ltd. (*8)	Korea	Service manufacturing	-	-	12.79	4,200	December
Superblock Co., Ltd. (*8)	Korea	Block chain mainnet	-	-	3.33	3,109	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. (*2,3,9)	USA	Development of carbon capture technology	9.26	28,930	-	-	December
Hummingbird Bioscience Holdings Pte. Ltd. (*2,3)	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
FSK Holdings Co., Ltd.	Hong Kong	IT service	30.00	6,245	30.00	6,245	December

10. Investments in associates (cont'd)

			December 31, 2024		December 31, 2023		Fiscal year-end month
			Ownership percentage (%)	Book value	Ownership percentage (%)	Book value	
Visible Patient S.A.S. (*2,10)	France	Principal business activity Manufacturing related to medicine	22.14	-	22.14	7,507	December
DSK EV Investment Limited. (*8)	Cayman	Investment	-	-	3.32	1,048	December
Mozido Corfire, Inc. (*3,11)	USA	System consulting	19.94	-	19.94	-	December
Swift Navigation (*10,12)	USA	GPS software development	-	-	9.53	46,496	December
				₩ 691,117		₩ 288,280	

(*1) It was reclassified from a subsidiary to an associate for the year ended December 31, 2024.

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

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

(*4) For the year ended December 31, 2024, the shareholding changed due to an increase in the capital of an associate.

(*5) The Company disposed of some of its shares for the year ended December 31, 2024.

(*6) The Company has classified the indirect ownership interests held by subsidiaries as investments in associates.

(*7) The investment was liquidated for the year ended December 31, 2024.

(*8) For the year ended December 31, 2024, the investment was completely disposed of.

(*9) Investment securities are reclassified as investments in associates for the year ended December 31, 2024.

(*10) For the year ended December 31, 2024, there were signs of impairment, so the loss of investment impairment to associates was recognized.

(*11) Temporarily closed as of December 31, 2024.

(*12) Investments in associates are reclassified as investment securities for the year ended December 31, 2024.

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10. Investments in associates (cont'd)

(2) Changes in investments in associates for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended December 31, 2024					
	Beginning balance	Acquisition	Disposal	Impairment	Others	Ending balance
SK REIT Co., Ltd.	₩ -	₩ -	₩ -	₩ -	₩ 436,452	₩ 436,452
LTCAM Co., Ltd.	44,438	-	-	-	-	44,438
SMCore Inc.	28,940	-	-	-	-	28,940
Standigm Inc.	14,410	-	-	-	-	14,410
Cloocus Co., Ltd.	6,500	-	-	-	-	6,500
TBU Inc.	5,700	-	-	-	-	5,700
Soft berry Inc.	5,684	-	-	-	-	5,684
A4x Inc.	5,078	-	-	-	-	5,078
PUMP Co., Ltd.	5,000	-	-	-	-	5,000
TWO LINE CODE Inc.	2,300	-	-	-	-	2,300
The Wave Talk, Inc.	2,038	-	-	-	-	2,038
Todo Works Corp.	2,037	-	-	-	-	2,037
Team Blackbird, Inc.	1,998	-	-	-	-	1,998
ACRYL Inc.	312	-	(1,485)	-	1,300	127
Daehan Kanggun BcN Co., Ltd.	-	-	-	-	-	-
Wave City Co., Ltd.	-	-	-	-	-	-
THiRA-UTECH Co., Ltd.	4,200	-	(933)	-	(3,267)	-
Superblock Co., Ltd.	3,109	-	(3,109)	-	-	-
Belstar Superfreeze Holdings, LLC	36,839	-	-	-	-	36,839
9352-7281 Quebec Inc.	31,558	-	-	-	-	31,558
ION Clean Energy, Inc.	-	-	-	-	28,930	28,930
Hummingbird Bioscience Holdings Pte. Ltd.	19,026	-	-	-	-	19,026
VantAI Holdings, Inc	7,817	-	-	-	-	7,817
FSK Holdings Co., Ltd.	6,245	-	-	-	-	6,245
Visible Patient S.A.S	7,507	-	-	(7,507)	-	-
DSK EV Investment Limited.	1,048	-	(1,048)	-	-	-
Mozido Corfire, Inc.	-	-	-	-	-	-
Swift Navigation	46,496	-	-	(32,785)	(13,711)	-
	₩ 288,280	₩ -	₩ (6,575)	₩ (40,292)	₩ 449,704	₩ 691,117

SK Inc.
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10. Investments in associates (cont'd)

	For the year ended December 31, 2023					
	Beginning balance	Acquisition	Disposal	Impairment	Others	Ending balance
Socar, Inc.	₩ 109,304	₩ -	₩ -	₩ -	₩ (109,304)	₩ -
LTCAM Co.,Ltd.	-	6,855	-	-	37,583	44,438
SMCore Inc.	39,419	-	-	(10,479)	-	28,940
Standigm Inc.	14,410	-	-	-	-	14,410
Cloocus Co., Ltd.	6,500	-	-	-	-	6,500
TBU Inc.	5,700	-	-	-	-	5,700
Soft berry Inc.	5,684	-	-	-	-	5,684
A4x Inc.	5,078	-	-	-	-	5,078
Begas Co., Ltd.	5,000	-	(5,000)	-	-	-
PUMP Co., Ltd.	5,000	-	-	-	-	5,000
THIRA-UTECH Co., Ltd.	4,200	-	-	-	-	4,200
Superblock Co., Ltd.	-	3,109	-	-	-	3,109
ACRYL Inc.	312	-	-	-	-	312
TWO LINE CODE Inc.	2,300	-	-	-	-	2,300
The Wave Talk, Inc.	2,038	-	-	-	-	2,038
Todo Works Corp.	2,037	-	-	-	-	2,037
Team Blackbird, Inc.	-	-	-	-	1,998	1,998
Daehan Kanggun BcN Co., Ltd.	-	-	-	-	-	-
SK Life Science Labs, Inc.(formerly Proteovant Sciences, Inc.)	222,370	-	(7,845)	(173,223)	(41,302)	-
Swift Navigation	46,496	-	-	-	-	46,496
Belstar Superfreeze Holdings, LLC	36,839	-	-	-	-	36,839
9352-7281 Quebec Inc.	31,558	-	-	-	-	31,558
Hummingbird Bioscience Holdings Pte. Ltd.	19,026	-	-	-	-	19,026
FSK Holdings Co., Ltd.	6,245	-	-	-	-	6,245
Halio, Inc.	8,498	-	-	(8,438)	(60)	-
VantAI Holdings, Inc	-	7,817	-	-	-	7,817
Visible Patient S.A.S	7,507	-	-	-	-	7,507
Mozido Corfire, Inc.	-	-	-	-	-	-
DSK EV Investment Limited.	1,040	8	-	-	-	1,048
Wave City Co., Ltd.	-	-	-	-	-	-
Wave City Development Co., Ltd.	-	-	-	-	-	-
Springvale SK KORES Pty Ltd.	-	-	-	-	-	-
	₩ 586,561	₩ 17,789	₩ (12,845)	₩ (192,140)	₩ (111,085)	₩ 288,280

11. Property, plant and equipment

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

December 31, 2024				
	Acquisition cost	Depreciation	Impairment loss	Book value
Land	₩ 105,097	₩ -	₩ -	₩ 105,097
Buildings	326,568	(92,111)	-	234,457
Structures	11,646	(3,408)	-	8,238
Machinery	18,693	(2,362)	-	16,331
Vehicles	10,496	(5,708)	-	4,788
Furniture and fixtures	397,317	(286,673)	-	110,644
Construction in progress	84,393	-	-	84,393
	₩ 954,210	₩ (390,262)	₩ -	₩ 563,948

December 31, 2023				
	Acquisition cost	Depreciation	Impairment loss	Book value
Land	₩ 100,209	₩ -	₩ -	₩ 100,209
Buildings	322,189	(82,366)	-	239,823
Structures	11,646	(2,917)	-	8,729
Machinery	18,560	(1,126)	-	17,434
Vehicles	12,552	(5,713)	-	6,839
Furniture and fixtures	460,353	(318,143)	-	142,210
Construction in progress	73,852	-	-	73,852
	₩ 999,361	₩ (410,265)	₩ -	₩ 589,096

(2) Details of changes in property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

For the year ended December 31, 2024								
	Beginning balance	Acquisitions	Disposals	Depreciation	Transfers (*1)	Others (*2)		Ending balance
Land	₩ 100,209	₩ -	₩ -	₩ -	₩ 4,888	₩ -	₩ -	₩ 105,097
Buildings	239,823	1,908	-	(9,630)	2,356	-	-	234,457
Structures	8,729	-	-	(491)	-	-	-	8,238
Machinery	17,434	310	(821)	(1,292)	700	-	-	16,331
Vehicles	6,839	-	(1,251)	(800)	-	-	-	4,788
Furniture and fixtures	142,210	17,093	(17,056)	(41,699)	10,096	-	-	110,644
Construction-in-progress	73,852	25,363	-	-	(17,530)	2,708	-	84,393
	₩ 589,096	₩ 44,674	₩ (19,128)	₩ (53,912)	₩ 510	₩ 2,708	₩ -	₩ 563,948

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

(*2) This includes capitalized borrowing costs.

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

	For the year ended December 31, 2023						Ending balance
	Beginning balance	Acquisition	Disposals	Depreciation	Transfers (*1)		
Land	₩ 100,090	₩ -	₩ (15)	₩ -	₩ 134	₩	100,209
Buildings	229,377	4,650	-	(9,057)	14,853		239,823
Structures	9,220	-	-	(491)	-		8,729
Machinery	8,171	-	-	(915)	10,178		17,434
Vehicles	7,633	52	-	(846)	-		6,839
Furniture and fixtures	142,471	26,403	(257)	(42,593)	16,186		142,210
Construction-in-progress	67,502	57,217	-	-	(50,867)		73,852
	₩ 564,464	₩ 88,322	₩ (272)	₩ (53,902)	₩ (9,516)	₩	589,096

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

(3) Capitalized borrowing costs

Capitalized borrowing costs and capitalization rates for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	2024	2023
Borrowing costs capitalized	₩ 2,708	₩ -
Capitalization rate	3.78%	-

12. Right-of-use assets and lease

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

	December 31, 2024			
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land and buildings	₩ 269,309	₩ (136,531)	₩ -	₩ 132,778
Vehicles	11,674	(6,720)	-	4,954
Others	340	(211)	-	129
	₩ 281,323	₩ (143,462)	₩ -	₩ 137,861

	December 31, 2023			
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land and buildings	₩ 235,454	₩ (128,074)	₩ -	₩ 107,380
Vehicles	10,393	(5,828)	-	4,565
Others	361	(264)	-	97
	₩ 246,208	₩ (134,166)	₩ -	₩ 112,042

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

(2) Changes in right-of-use assets for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

For the year ended December 31, 2024						
	Beginning balance	Increase	Depreciation	Decrease	Others (*1)	Ending balance
Land and buildings	₩ 107,380	₩ 2,245	₩ (39,401)	₩ (3,277)	₩ 65,831	₩ 132,778
Vehicles	4,565	4,975	(3,277)	(1,509)	200	4,954
Others	97	98	(68)	(6)	8	129
	₩ 112,042	₩ 7,318	₩ (42,746)	₩ (4,792)	₩ 66,039	₩ 137,861

(*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 year ended December 31, 2023						
	Beginning balance	Increase	Depreciation	Decrease	Others (*1)	Ending balance
Land and buildings	₩ 137,868	₩ 6,916	₩ (40,007)	₩ (673)	₩ 3,276	₩ 107,380
Vehicles	3,588	5,479	(3,293)	(1,368)	159	4,565
Others	169	-	(72)	-	-	97
	₩ 141,625	₩ 12,395	₩ (43,372)	₩ (2,041)	₩ 3,435	₩ 112,042

(*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.

(3) Details of lease-related income and expenses from lease contracts for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024	2023
Depreciation of right-of-use assets	₩ 42,746	₩ 43,372
Interest cost on lease liabilities	9,123	10,562
Short-term lease expenses	3,584	4,160
Low-value underlying asset lease-related costs	1,083	1,511
	₩ 56,536	₩ 59,605

(4) Total cash outflows from leases for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024	2023
Cash outflows from leases	₩ 87,518	₩ 86,560

(5) The gross investment in the lease and the present value of the minimum lease payments for finance leases as of December 31, 2024 and 2023 are as follows (Korean won in millions):

December 31, 2024							
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3~4 years	4 ~ 5 years	More than 5 years	Total
Gross Investment in the lease	₩ 40,487	₩ 40,649	₩ 41,259	₩ 41,878	₩ 42,506	₩ 70,176	₩ 276,955
Present value of minimum lease payment	40,001	39,126	38,687	38,253	37,824	51,658	245,549

December 31, 2023							
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3~4 years	4 ~ 5 years	More than 5 years	Total
Gross Investment in the lease	₩ 38,142	₩ 38,714	₩ 39,295	₩ 39,884	₩ 40,483	₩ 97,544	₩ 294,062
Present value of minimum lease payment	37,686	37,264	36,846	36,432	36,023	83,381	267,632

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

(6) Details of income and expenses from financial lease contracts as a lessor for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024	2023
Financial profit of net lease investment	₩ 6,887	₩ 7,376

(7) Details of adjustments for undiscounted lease payments related to financial leases and net investments in finance leases as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024	2023
Undiscounted financial leases to be received	₩ 276,955	₩ 294,062
Unrealized financial income related to financial lease receivables	31,406	26,430
Net financial lease investment	245,549	267,632

(8) The maturity analysis of the contracts currently provided by the Company under operating lease as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024						
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3 ~ 4 years	4 ~ 5 years	More than 5 years	Total
Gross Investment in the lease	₩ 60,942	₩ 52,125	₩ 19,489	₩ -	₩ -	₩ -	132,556

	2023						
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3 ~ 4 years	4 ~ 5 years	More than 5 years	Total
Gross Investment in the lease	₩ 62,144	₩ 20,439	₩ 8,157	₩ 1,781	₩ -	₩ -	92,521

(9) Details of income and expenses from operating lease contracts as a lessor for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024	2023
Income from operating lease	₩ 76,558	₩ 63,046

13. Investment properties

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

December 31, 2024				
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land	₩ 6	₩ -	₩ -	₩ 6
Buildings	74,233	(11,704)	-	62,529
Right-of-use assets	-	-	-	-
	₩ 74,239	₩ (11,704)	₩ -	₩ 62,535

December 31, 2023				
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land	₩ 89	₩ -	₩ -	₩ 89
Buildings	74,485	(8,383)	-	66,102
Right-of-use assets	251	(183)	-	68
	₩ 74,825	₩ (8,566)	₩ -	₩ 66,259

(2) Changes in investment properties for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

For the year ended December 31, 2024						
	Beginning balance	Acquisition	Disposals	Depreciation	Transfers (*1)	Ending balance
Land	₩ 89	₩ -	₩ -	₩ -	₩ (83)	₩ 6
Building	66,102	-	-	(3,326)	(247)	62,529
Right-of-use assets	68	-	-	(68)	-	-
	₩ 66,259	₩ -	₩ -	₩ (3,394)	₩ (330)	₩ 62,535

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

For the year ended December 31, 2023						
	Beginning balance	Acquisition	Disposals	Depreciation	Transfers (*1)	Ending balance
Land	₩ 89	₩ -	₩ -	₩ -	₩ -	₩ 89
Building	60,296	-	-	(3,057)	8,863	66,102
Right-of-use assets	-	-	-	(183)	251	68
	₩ 60,385	₩ -	₩ -	₩ (3,240)	₩ 9,114	₩ 66,259

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

(3) Details of income and expenses related to investment properties for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

For the year ended December 31,			
	2024	2023	
Rental income	₩ 76,558	₩ 63,916	
Depreciation of investment properties	(3,394)	(3,240)	
	₩ 73,164	₩ 60,676	

The company doesn't distinguish operating costs related to rental income.

(4) The fair value of investment properties does not differ materially from their book value as of December 31, 2024.

14. Intangible assets

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

December 31, 2024				
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Development costs	₩ 218,543	₩ (120,768)	₩ (25,663)	₩ 72,112
Membership	62,521	-	(3,044)	59,477
Brand-related assets	1,975,000	-	-	1,975,000
Others	1,568	(521)	-	1,047
	<u>₩ 2,257,632</u>	<u>₩ (121,289)</u>	<u>₩ (28,707)</u>	<u>₩ 2,107,636</u>

December 31, 2023				
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Development costs	₩ 289,924	₩ (156,696)	₩ (27,827)	₩ 105,401
Membership	84,006	-	(13,647)	70,359
Brand-related assets	1,975,000	-	-	1,975,000
Others	32,041	(10,154)	(20,717)	1,170
	<u>₩ 2,380,971</u>	<u>₩ (166,850)</u>	<u>₩ (62,191)</u>	<u>₩ 2,151,930</u>

(2) Changes in intangible assets for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

For the year ended December 31, 2024									
	Beginning balance	Acquisitions	Disposals	Amortization	Impairment (*2)	Transfers (*3)	Others (*4)		Ending balance
Development costs	₩ 105,401	₩ 23,464	₩ -	₩ (28,248)	₩ (25,663)	₩ 152	₩ (2,994)	₩	72,112
Membership (*1)	70,359	1,225	(12,107)	-	-	-	-	-	59,477
Brand-related assets (*1)	1,975,000	-	-	-	-	-	-	-	1,975,000
Others	1,170	170	(3)	(290)	-	-	-	-	1,047
	<u>₩ 2,151,930</u>	<u>₩ 24,859</u>	<u>₩ (12,110)</u>	<u>₩ (28,538)</u>	<u>₩ (25,663)</u>	<u>₩ 152</u>	<u>₩ (2,994)</u>	<u>₩</u>	<u>2,107,636</u>

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

(*2) The Company conducted an impairment test on the project-related development costs and recognized an impairment loss, as the recoverable amount (value in use) was lower than the book value.

(*3) This includes transfer from property, plant and equipment.

(*4) This includes in-kind contributions made in lieu of cash for the acquisition of convertible bonds.

For the year ended December 31, 2023									
	Beginning balance	Acquisitions	Disposals	Amortization	impairment	Transfers (*2)			Ending balance
Development costs	₩ 126,722	₩ 26,696	₩ (486)	₩ (29,821)	₩ (17,710)	₩ -	₩ -	₩	105,401
Membership (*1)	62,613	8,231	(485)	-	-	-	-	-	70,359
Brand-related assets (*1)	1,975,000	-	-	-	-	-	-	-	1,975,000
Others	5,767	130	(3)	(1,267)	(4,110)	653			1,170
	<u>₩ 2,170,102</u>	<u>₩ 35,057</u>	<u>₩ (974)</u>	<u>₩ (31,088)</u>	<u>₩ (21,820)</u>	<u>₩ 653</u>	<u>₩</u>	<u>₩</u>	<u>2,151,930</u>

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

(*2) This includes transfer from property, plant and equipment.

14. Intangible assets (cont'd)

(3) Details of current R&D expenditures recognized as expenses for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024	2023
Current R&D expenditure handled at the time of occurrence	₩ 28,640	₩ 51,133

(4) Impairment testing of brand-related assets

The Company measured the recoverable amount of intangible assets with an indefinite useful life related to brand. Major assumptions used in the calculation reflected the management's assessment of the future trends in each reporting segment using the brand, based on the historical information.

Significant assumptions used in impairment testing of brand-related assets as of December 31, 2024 are as follows:

Recoverable amounts	Growth rate (*1)	Discount rate (*2)
Value in use	1.00%	9.5 ~ 17.1%

(*1) Future cash flows for additional periods after the estimated period are estimated using a fixed growth rate.

(*2) The discount rate was estimated by adding risk premium to weighted average cost of capital.

As a result of impairment test of brand-related assets, the book value does not exceed the recoverable amount, so there is no impairment loss recognized for the year ended December 31, 2024.

15. Borrowings and bonds

(1) Short-term borrowings

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

Description	Financial institution	Currency	Interest rate (%)	December 31, 2024	December 31, 2023
Working capital loan	Shinhan Bank and others	KRW	4.27 ~ 4.70	₩ 600,000	₩ 1,316,200
Facility loan	NH Bank	KRW	4.83	60,000	60,000
Commercial paper	Hyundai motor securities co., Ltd. and others	KRW	3.45 ~ 4.62	1,725,000	1,930,000
				₩ 2,385,000	₩ 3,306,200

(2) Bonds

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

Series	Issue date	Maturity	Interest rate (%)	December 31, 2024	December 31, 2023
273-3rd	2014-03-25	2024-03-25	4.26	₩ -	₩ 100,000
277-4th	2016-06-01	2026-06-01	2.43	60,000	60,000
279-3rd	2017-03-06	2024-03-06	2.58	-	120,000
280-3rd	2017-06-01	2024-06-01	2.67	-	110,000
281-3rd	2017-08-04	2024-08-04	2.62	-	70,000
282-3rd	2017-10-25	2024-10-25	2.86	-	80,000
283-2nd	2018-02-27	2025-02-27	2.99	60,000	60,000
283-3rd	2018-02-27	2028-02-27	3.26	100,000	100,000
284-2nd	2018-06-08	2025-06-08	3.01	60,000	60,000
284-3rd	2018-06-08	2028-06-08	3.09	100,000	100,000
285-2nd	2018-09-06	2025-09-06	2.47	60,000	60,000
285-3rd	2018-09-06	2028-09-06	2.55	120,000	120,000
287-1st	2019-02-27	2024-02-27	2.17	-	150,000
287-2nd	2019-02-28	2026-02-27	2.23	70,000	70,000
287-3rd	2019-03-01	2029-02-27	2.35	80,000	80,000
288-1st	2019-06-04	2024-06-04	1.81	-	170,000
288-2nd	2019-06-04	2026-06-04	1.83	60,000	60,000
288-3rd	2019-06-04	2029-06-04	1.87	110,000	110,000
289-2nd	2019-09-20	2024-09-20	1.76	-	120,000
289-3rd	2019-09-20	2029-09-20	1.84	70,000	70,000
290-2nd	2019-11-28	2024-11-28	1.83	-	90,000
290-3rd	2019-11-28	2029-11-28	1.89	70,000	70,000
291-2nd	2020-02-20	2025-02-20	1.63	160,000	160,000
291-3rd	2020-02-20	2027-02-20	1.70	40,000	40,000
291-4th	2020-02-20	2030-02-20	1.80	60,000	60,000
292-2nd	2020-06-03	2025-06-03	1.69	120,000	120,000
292-3rd	2020-06-03	2030-06-03	1.79	50,000	50,000
293-1st	2020-09-07	2025-09-07	1.57	200,000	200,000
293-2nd	2020-09-07	2027-09-07	1.74	30,000	30,000
293-3rd	2020-09-07	2030-09-07	1.83	120,000	120,000
294-1st	2020-12-03	2025-12-03	1.61	150,000	150,000
294-2nd	2020-12-03	2030-12-03	1.93	90,000	90,000
295-1st	2021-02-24	2024-02-24	1.24	-	60,000
295-2nd	2021-02-24	2026-02-24	1.60	150,000	150,000

15. Borrowings and bonds (cont'd)

Series	Issue date	Maturity	Interest rate (%)	December 31, 2024	December 31, 2023
295-3rd	2021-02-24	2028-02-24	1.75	₩ 30,000	₩ 30,000
295-4th	2021-02-24	2031-02-24	2.03	80,000	80,000
296-1st	2021-06-04	2024-06-04	1.53	-	40,000
296-2nd	2021-06-04	2026-06-04	2.07	220,000	220,000
296-3rd	2021-06-04	2031-06-04	2.49	70,000	70,000
297-1st	2021-09-13	2024-09-13	1.87	-	100,000
297-2nd	2021-09-13	2026-09-13	2.09	200,000	200,000
297-3rd	2021-09-13	2031-09-13	2.28	60,000	60,000
298-1st	2021-11-05	2024-11-05	2.51	-	50,000
298-2nd	2021-11-05	2026-11-05	2.72	100,000	100,000
298-3rd	2021-11-05	2031-11-05	2.83	40,000	40,000
300	2019-04-26	2024-04-26	2.16	-	50,000
302-1st	2022-02-22	2025-02-22	3.00	220,000	220,000
302-2nd	2022-02-22	2027-02-22	3.10	120,000	120,000
302-3rd	2022-02-22	2032-02-22	3.19	50,000	50,000
303-1st	2022-06-09	2025-06-09	3.97	160,000	160,000
303-2nd	2022-06-09	2027-06-09	4.14	160,000	160,000
303-3rd	2022-06-09	2029-06-09	4.24	30,000	30,000
304-1st	2022-09-16	2024-09-13	4.64	-	65,000
304-2nd	2022-09-16	2025-09-16	4.71	145,000	145,000
304-3rd	2022-09-16	2027-09-16	4.85	160,000	160,000
305-1st	2022-12-08	2024-12-06	5.45	-	120,000
305-2nd	2022-12-08	2025-12-08	5.49	130,000	130,000
305-3rd	2022-12-08	2027-12-08	5.45	40,000	40,000
306-1st	2023-02-27	2026-02-27	4.07	160,000	160,000
306-2nd	2023-02-27	2028-02-27	4.20	230,000	230,000
307-1st	2023-05-30	2026-05-30	4.19	150,000	150,000
307-2nd	2023-05-30	2028-05-30	4.38	290,000	290,000
307-3rd	2023-05-30	2030-05-30	4.60	110,000	110,000
307-4th	2023-05-30	2033-05-30	4.67	50,000	50,000
308-1st	2023-09-11	2026-09-11	4.40	150,000	150,000
308-2nd	2023-09-11	2028-09-11	4.50	140,000	140,000
308-3rd	2023-09-11	2030-09-11	4.65	50,000	50,000
308-4th	2023-09-11	2033-09-11	4.81	70,000	70,000
309-1st	2023-12-11	2026-12-11	3.96	90,000	90,000
309-2nd	2023-12-11	2028-12-11	4.04	110,000	110,000
310-1st	2024-02-29	2026-02-27	3.73	50,000	-
310-2nd	2024-02-29	2027-02-26	3.81	220,000	-
310-3rd	2024-02-29	2029-02-28	3.83	110,000	-
311-1st	2024-05-30	2027-05-28	3.69	210,000	-
311-2nd	2024-05-30	2029-05-30	3.78	120,000	-
311-3rd	2024-05-30	2031-05-30	3.86	50,000	-
312-1st	2024-08-29	2026-08-28	3.29	50,000	-
312-2nd	2024-08-29	2027-08-27	3.40	290,000	-
312-3rd	2024-08-29	2029-08-29	3.39	80,000	-
312-4th	2024-08-29	2031-08-29	3.39	30,000	-
313-1st	2024-11-28	2027-11-26	3.26	260,000	-
313-2nd	2024-11-28	2029-11-28	3.26	140,000	-
				₩ 7,415,000	₩ 7,300,000
Discount on bonds payable				₩ (15,326)	₩ (15,187)
Current portion				(1,464,239)	(1,494,144)
				₩ 5,935,435	₩ 5,790,669

15. Borrowings and bonds (cont'd)

(3) Long-term borrowings

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

Description	Financial institution	Currency	Interest rate (%)	December 31, 2024	December 31, 2023
Commercial paper	SK securities	KRW	5.48 ~ 5.62	₩ 200,000	₩ 200,000
Working capital loan	Woori Bank	KRW	4.83 ~ 5.23	450,000	200,000
Working capital loan	KB Bank	KRW	4.79 ~ 4.83	240,000	100,000
				₩ 890,000	₩ 500,000
Discount on long-term borrowings				(214)	(349)
Current portion				(439,928)	-
				₩ 449,858	₩ 499,651

16. Provisions

Changes in provisions for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

For the year ended December 31, 2024									
	Beginning balance	Increase	Use	Return	Ending balance	Current	Non-Current		
Provision for service warranties	₩ 2,735	₩ 5,166	₩ (193)	₩ (274)	₩ 7,434	₩ 7,434	₩ -		
Other provisions	27,870	1,610	(158)	(696)	28,626	1,911	26,715		
	₩ 30,605	₩ 6,776	₩ (351)	₩ (970)	₩ 36,060	₩ 9,345	₩ 26,715		

For the year ended December 31, 2023									
	Beginning balance	Increase	Use	Return	Ending balance	Current	Non-Current		
Provision for service warranties	₩ 1,717	₩ 1,941	₩ (923)	₩ -	₩ 2,735	₩ 2,735	₩ -		
Other provisions	32,203	2,978	(3,655)	(3,656)	27,870	2,966	24,904		
	₩ 33,920	₩ 4,919	₩ (4,578)	₩ (3,656)	₩ 30,605	₩ 5,701	₩ 24,904		

The Company estimates a provision for service warranties for revenue from projects based on historical claim rates and past experiences. Meanwhile, other provisions consist of provision for restoration liabilities and provision for losses, 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 recognized the expected loss as provision for losses immediately. The Company estimate the expected cost to be borne in the future for emissions exceeding the relevant performance year emission rights held by the company in relation to greenhouse gas and emissions and account them as emission rights provisions.

17. Retirement benefit plan

(1) Defined contribution plans

The expenses related to the defined contributions plans recognized for the years ended December 31, 2024 and 2023, were ₩2,305 million, ₩818 million respectively.

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

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	₩ 496,108	₩ 500,917
Fair value of plan assets	(479,788)	(545,273)
	₩ 16,320	₩ (44,356)

(3) Changes in the defined benefit liabilities (assets) for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended December 31, 2024		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 500,917	₩ (545,273)	₩ (44,356)
Retirement benefits:			
Current service cost	49,660	-	49,660
Net interest cost (income)	20,499	(21,455)	(956)
Remeasurements:			
Return on plan assets	-	3,811	3,811
(excluding amounts included in net interest expense)			
Changes in financial assumptions	30,754	-	30,754
Experience adjustment	(6,563)	-	(6,563)
Changes in demographic assumption	(11,971)	-	(11,971)
Contributions	-	(26,800)	(26,800)
Benefit payments	(51,099)	75,705	24,606
Payments due to settlement	(36,791)	34,879	(1,912)
Others	702	(655)	47
Ending balance	₩ 496,108	₩ (479,788)	₩ 16,320

	For the year ended December 31, 2023		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 458,961	₩ (523,161)	₩ (64,200)
Retirement benefits:			
Current service cost	41,444	-	41,444
Net interest cost (income)	23,249	(26,559)	(3,310)
Remeasurements:			
Return on plan assets	-	10,600	10,600
(excluding amounts included in net interest expense)			
Changes in financial assumptions	44,951	-	44,951
Experience adjustment	1,511	-	1,511
Changes in demographic assumption	(6,193)	-	(6,193)
Contributions	-	(32,500)	(32,500)
Benefit payments	(80,694)	45,711	(34,983)
Others	17,688	(19,364)	(1,676)
Ending balance	₩ 500,917	₩ (545,273)	₩ (44,356)

17. Retirement benefit plan (cont'd)

(4) The components of plan assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Cash and cash equivalents	₩ 4,107	₩ 145
Equity instruments	-	-
Debt instruments	139,668	109,339
Short-term financial instruments and others	336,013	435,789
	<u>₩ 479,788</u>	<u>₩ 545,273</u>

(5) Principal actuarial assumptions

The principal assumptions used in actuarial calculation as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Discount rate for defined benefit obligation	3.59% ~ 4.24%	4.25% ~ 4.71%
Expected rate of salary increase	3.00% ~ 6.66%	3.00% ~ 6.40%

The discount rate is calculated based on the market rate of return on high-quality corporate bonds similar to the expected payment period of defined benefit obligations as of the end of the current term, and the future wage increase rate is calculated in consideration of the company's empirical promotion index, inflation, and wage increase rate reflecting wage agreements.

(6) If each significant acceptable insurance assumption changes within the reasonable range that may occur, the impact on defined benefit obligation as of December 31, 2024 and 2023, are as follows (Korean won in millions):

	December 31, 2024	
	Increase	Decrease
Discount rate for defined benefit obligation(0.5%)	₩ (16,874)	₩ 18,036
Expected rate of salary increase(0.5%)	17,612	(13,898)
	December 31, 2023	
	Increase	Decrease
Discount rate for defined benefit obligation(0.5%)	₩ (18,076)	₩ 19,376
Expected rate of salary increase(0.5%)	19,033	(17,937)

The sensitivity analysis provides an approximation of the sensitivity to the assumptions used, although the variance of all cash flows expected to occur in the scheme is not taken into account.

(7) As of December 31, 2024, a reasonable estimate of user contributions expected to be paid in the next year in relation to the defined benefit plan is ₩35,367 million.

(8) The weighted average durations of defined benefit obligations as of December 31, 2024 and 2023 are as follows (In years):

	December 31, 2024	December 31, 2023
Weighted average durations of defined benefit obligations	2.062 ~ 13.75	2.105 ~ 13.687

18. Other assets and liabilities

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

	December 31, 2024	December 31, 2023
Current assets:		
Accrued income	₩ 3,124	₩ 1,566
Advanced payments	8,926	28,956
Prepaid expenses	35,320	78,789
Short-term loans	597,103	25,824
Guarantee deposits	9,613	11,910
Lease receivables	40,001	36,741
Derivative financial assets	12,626	46,347
	₩ 706,713	₩ 230,133
Non-current assets:		
Long-term financial instruments	₩ 3,772	₩ 1,637
Long-term prepaid expenses	10,675	-
Long-term loans	145	501,132
Long-term guarantee deposits	44,451	42,239
Long-term lease receivables	205,548	230,891
Derivative financial assets	326,106	298,524
Others	127	127
	₩ 590,824	₩ 1,074,550

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

	December 31, 2024	December 31, 2023
Current liabilities:		
Advances received	₩ 189,115	₩ 180,436
Withholdings	34,526	26,165
Income tax liabilities	136,773	19,178
Dividends payable	183	178
Leasehold deposits received	244	545
Lease liabilities	77,972	80,932
Derivative financial liabilities	16,980	807
	₩ 455,793	₩ 308,241
Non-current liabilities:		
Long-term leasehold deposits received	₩ 25,541	₩ 24,388
Long-term lease liabilities	289,238	287,077
Derivative financial liabilities	338,955	250,904
Long-term employee benefits	15,908	12,164
	₩ 669,642	₩ 574,533

19. Derivative financial assets and liabilities

(1) The Company has entered into foreign currency forward contracts to hedge effects of changes in foreign exchange rates relating to its loans and others and has entered total return swap contracts with certain of subsidiaries' common share investors and others. Details of derivative assets and liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

		December 31, 2024			
		Assets		Liabilities	
		Current	Non-current	Current	Non-current
Purpose of trading					
Option contract	₩	-	₩ -	₩ 1,561	₩ 40,787
Swap contract		-	326,106	₩ 74	298,168
Forward contract		12,626	-	15,345	-
	₩	12,626	₩ 326,106	₩ 16,980	₩ 338,955

		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	-
	₩	46,347	₩ 298,524	₩ 807	₩ 250,904

(2) Details of gains and losses related to financial derivatives for the purpose of trading for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

		For the year ended December 31, 2024			
		Profit or loss			
		Gain on valuation	Loss on valuation	Gain on transactions	Loss on transactions
Purpose of trading					
Option contract	₩	-	₩ 42,348	₩ -	₩ -
Swap contract		66,648	86,404	1,600	23,479
Forward contract		2,094	25,660	3,160	101,508
	₩	68,742	₩ 154,412	₩ 4,760	₩ 124,987

		For the year ended December 31, 2023			
		Profit or loss			
		Gain on valuation	Loss on valuation	Gain on transactions	Loss on transactions
Purpose of trading					
Swap contract	₩	227,616	₩ 15,778	₩ 16,340	₩ 13,415
Forward contract		47,867	47,055	30,338	43,537
	₩	275,483	₩ 62,833	₩ 46,678	₩ 56,952

20. Share capital

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

	December 31, 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
Issued 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 year ended December 31, 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 authorized under the Articles of association is 400,000,000, of which up to 45,000,000 shares may be issued as non-voting preferred shares.

	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
Issued capital	₩ 16,030	₩ 113

(2) Changes in the number of shares issued as of December 31, 2024 and 2023 are as follows (In shares):

	December 31, 2024	
	Common stocks	Preferred stocks (No voting rights)
Beginning	73,198,329	566,135
Retirement of treasury stocks	(695,626)	-
Ending	72,502,703	566,135

	December 31, 2023	
	Common stocks	Preferred stocks (No voting rights)
Beginning	74,149,329	566,135
Retirement of treasury stocks	(951,000)	-
Ending	73,198,329	566,135

21. Other paid-in capital

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

	December 31, 2024	December 31, 2023
Additional paid-in capital (*1)	₩ 6,609,167	₩ 6,609,167
Treasury shares (*2)	(1,948,386)	(1,960,078)
Stock option	9,710	4,785
Other capital surplus	(1,426,732)	(1,426,872)
Other capital adjustments	(20,291)	(19,929)
	<u>₩ 3,223,468</u>	<u>₩ 3,207,073</u>

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21. Other paid-in capital (cont'd)

(*1) For 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 December 31, 2024, treasury shares consist 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) for the year 2015.

(2) The changes in other paid-in capital for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

December 31, 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)	-	140	-	(63,530)
Retirement of treasury shares	-	75,362	-	-	-	75,362
Granting of stock option	-	-	4,925	-	-	4,925
Transfer of operations under common control	-	-	-	-	(362)	(362)
Ending balance	₩ 6,609,167	₩ (1,948,386)	₩ 9,710	₩ (1,426,732)	₩ (20,291)	₩ 3,223,468

December 31, 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
Acquisition and disposal of treasury shares	-	(51,676)	-	1,650	-	(50,026)
Retirement of treasury shares	-	100,681	-	-	-	100,681
Granting of stock option	-	-	4,785	-	-	4,785
Ending balance	₩ 6,609,167	₩ (1,960,078)	₩ 4,785	₩ (1,426,872)	₩ (19,929)	₩ 3,207,073

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

	December 31, 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 years ended December 31, 2024 and 2023 are as follows (Number of shares):

	December 31, 2024	December 31, 2023
Beginning	18,336,199	18,976,607
Acquisition	357,602	338,026
Disposal	(14,034)	(27,434)
Retirement	(695,626)	(951,000)
Ending	17,984,141	18,336,199

22. Retained earnings

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

	December 31, 2024	December 31, 2023
Legal reserve:		
Earned surplus reserve (*1)	₩ 8,072	₩ 8,072
Voluntary reserve:		
Reserve for business rationalization	11,121	11,122
Reserve for business improvement	51,775	51,775
Unappropriated retained earnings	11,303,424	12,389,868
	<u>₩ 11,374,392</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.

(2) Statements of appropriation of retained earnings

The statements of appropriation of retained earnings for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
I. Retained earnings before appropriation	₩ 11,303,424	₩ 12,389,868
Unappropriated retained earnings carried over from prior years	12,197,049	12,248,664
Interim dividends	(82,627)	(83,649)
Profit(loss) for the year	(745,893)	362,974
Remeasurement loss on defined benefit plans	(11,799)	(37,440)
Retirement of treasury shares	(75,362)	(100,681)
Reclassification of other comprehensive income	22,056	-
II. Transfer from voluntary reserves	-	-
III. Appropriation of retained earnings	<u>(302,994)</u>	<u>(192,819)</u>
Earned surplus reserve	-	-
Dividends	(302,994)	(192,819)
IV. Unappropriated retained earnings to be carried forward to the next year	<u>₩ 11,000,430</u>	<u>₩ 12,197,049</u>

23. Dividends

(1) Details of dividends proposed for approval at the annual ordinary shareholders' meeting for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions, except for number of shares):

	December 31, 2024	
	Ordinary share	Preferred share (No voting rights)
Number of shares issued (in shares)	72,502,703	566,135
Number of treasury shares (in shares)	17,982,354	1,787
Number of shares (in shares)	54,520,349	564,348
Dividend per share (Korean won)	₩ 5,500	₩ 5,550
Par value per share (Korean won)	200	200
Dividend rate per share	2,750%	2,775%
Dividends	₩ 299,862	₩ 3,132

	December 31, 2023	
	Ordinary share	Preferred share (No voting rights)
Number of shares issued (in shares)	73,198,329	566,135
Number of treasury shares (in shares)	18,679,439	1,787
Number of shares (in shares)	54,518,890	564,348
Dividend per share (Korean won)	₩ 3,500	₩ 3,550
Par value per share (Korean won)	200	200
Dividend rate per share	1,750%	1,775%
Dividends	₩ 190,816	₩ 2,003

(2) Details of Interim dividends proposed for approval at Board of Directors for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions, except for number of shares):

	December 31, 2024	
	Ordinary share	Preferred share (No voting rights)
Number of shares issued (in shares)	72,502,703	566,135
Number of treasury shares (in shares)	17,982,354	1,787
Number of shares (in shares)	54,520,349	564,348
Dividend per share (Korean won)	₩ 1,500	₩ 1,500
Par value per share (Korean won)	200	200
Dividend rate per share	750%	750%
Dividends	₩ 81,780	₩ 847

	December 31, 2023	
	Ordinary share	Preferred share (No voting rights)
Number of shares issued (in shares)	73,198,329	566,135
Number of treasury shares (in shares)	17,996,386	1,787
Number of shares (in shares)	55,201,943	564,348
Dividend per share (Korean won)	₩ 1,500	₩ 1,500
Par value per share (Korean won)	200	200
Dividend rate per share	750%	750%
Dividends	₩ 82,802	₩ 847

24. Other components of equity

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

	December 31, 2024	December 31, 2023
Gain on financial assets measured at FVOCI	₩ 5,891	₩ 233,993

(2) Details of changes in other components of equity

The valuation gains and losses of financial assets measured FVOCI included in other components of equity for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Beginning balance	₩ 233,993	₩ 205,275
Gain and loss on the valuation of financial assets measured at FVOCI, before income tax	(279,162)	39,003
Corporate tax relating to FVOCI, included in other comprehensive income	73,116	(10,285)
Other comprehensive income reclassified to retained earnings due to the sale of FVOCI	(22,056)	-
Ending balance	₩ 5,891	₩ 233,993

25. Shared-based payment

25.1 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 December 31, 2024 are as follows (Korean won):

	1-3(*1)	2-1	2-2	2(*2,3)	1(*3)	2(*3)
Grant date	2017-03-24	2020-03-25	2020-03-25	2018-03-29	2020-03-31	2020-03-31
Type of shares to be issued	Ordinary shares					
Grant method	Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.					
Number of shares (in shares)	41,431	142,692	71,346	18,607	39,098	19,551
Exercise price (Korean won)	₩ 263,950	₩ 153,450	₩ 153,450	₩ 108,959	₩ 89,204	₩ 89,204
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	2023.03.31 ~2027.03.30	2023.03.31 ~2027.03.30
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	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 year ended December 31, 2024.

(*2) All options granted in wave 2 were fully exercised during the year ended December 31, 2024.

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

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25. Shared-based payment (cont'd)

(2) Details of the compensation cost as of December 31, 2024 and 2023, due to the stock option program are as follows (Korean won in millions):

December 31, 2024				
Compensation costs recognized for the current period	Accumulated compensation costs recognized for the period	Residual compensation costs	Total compensation costs	Related liabilities
₩ (6,411)	₩ 8,893	₩ -	₩ 8,893	₩ 7,566
December 31, 2023				
Compensation costs recognized for the current period	Accumulated compensation costs recognized for the period	Residual compensation costs	Total compensation costs	Related liabilities
₩ (2,232)	₩ 16,517	₩ -	₩ 16,517	₩ 15,304

(3) Changes in stock options for the years ended December 31, 2024 and 2023 are as follows (Korean won and in shares):

	For the year ended December 31, 2024		For the year ended December 31, 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
Shares granted	-	-	-	-
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	58,649	₩ 89,204	291,294	₩ 137,673

(4) The assumptions and variables used in option pricing model as of December 31, 2024 are as follows (Korean won):

Descriptions	December 31, 2024			
	2-1 The binomial model	2-2 The binomial model	1 The binomial model	2 The binomial model
Option Pricing Model				
Expected price(Closing price on the preceding day)	₩ 131,500	₩ 131,500	₩ 131,500	₩ 131,500
Risk-free interest rate	2.74%	2.74%	2.74%	2.74%
Expected option life	7 years	7 years	7 years	7 years
Expected volatility	41.20%	41.20%	41.20%	41.20%
Dividend yield	3.80%	3.80%	3.80%	3.80%
Exercise price	₩ 153,450	₩ 153,450	₩ 89,204	₩ 89,204
Fair value per share	₩ 21,892	₩ 21,892	₩ 49,116	₩ 49,116

25. Shared-based payment (cont'd)

25.2 Equity-settled share-based payments

(1) According to the resolution of the Board of Directors, the Company established a performance-based stock option program as part of compensation related to corporate value growth, granting performance-based stock compensation to major executives, 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
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 December 31, 2024, due to Equity-settled Share-based Payment are as follows (Korean won in millions):

December 31, 2024			
Compensation costs recognized for the current period	Accumulated compensation costs recognized for the period	Residual compensation costs	Total compensation costs
₩ 3,330	₩ 9,580	₩ -	₩ 9,580

25. Shared-based payment (cont'd)

(3) The assumption and variables used in the option pricing model for equity-settled share-based payment as of December 31, 2024 are as follows (Korean won):

Descriptions		For 2023		For 2024
Option Pricing Model		The binomial model		The binomial model
Initial grant amount(Korean won in millions)	₩	4,775	₩	4,775
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		2.3years		2.8years
Expected volatility		27.48%		37.66%
Dividend yield		2.50%		2.60%
Fair value per share	₩	126,799	₩	120,636

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 December 31, 2024, the recognized stock compensation costs related to the Stock Grant is ₩340 million.

26. Operating revenues

(1) Details of operating revenues for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

		For the years ended	
		December 31, 2024	December 31, 2023
Revenue from contracts with customers:			
IT service (*1)	₩	2,481,164	₩ 2,344,310
Trademark usage income		329,490	329,368
	₩	2,810,654	₩ 2,673,678
Revenue from other sources:			
Dividend income	₩	819,555	₩ 1,399,436
Rental income		76,558	63,916
	₩	896,113	₩ 1,463,352
	₩	3,706,767	₩ 4,137,030

(*1) Includes contract revenue of ₩1,684,004 million and ₩1,610,336 million recognized from the cost-based input method for the years ended December 31, 2024 and 2023 respectively.

26. Operating revenues (cont'd)

(2) Revenue from contracts with customers for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Type of goods or services:		
IT service	₩ 2,481,164	₩ 2,344,310
Trademark usage income	329,490	329,368
	₩ 2,810,654	₩ 2,673,678
Geographical location:		
Korea	₩ 2,203,963	₩ 2,108,817
Asia	92,544	168,617
Europe	65,305	166,530
North America	448,842	229,714
	₩ 2,810,654	₩ 2,673,678
Timing of revenue recognition:		
Recognized at a point in time	₩ 595,426	₩ 594,463
Recognized over a period of time	2,215,228	2,079,215
	₩ 2,810,654	₩ 2,673,678

(3) Details of contract assets, contract liabilities for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Contract assets:		
IT service contract	₩ 311,973	₩ 181,559
Contract liabilities:		
IT service contract	117,269	174,639

(4) Among the balance of contract liabilities for the years initiated 2024 and 2023, the recognized revenue for the year ended 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
IT service contract	₩ 163,512	₩ 136,817

(5) The period during which profits are expected to be generated from the above contract for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended December 31, 2024						
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
IT service contract	₩ 117,269	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 117,269

	For the year ended December 31, 2023						
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
IT service contract	₩ 174,639	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 174,639

26. Operating revenues (cont'd)

(6) Detail of construction profit variation by changes of accounting estimates related to construction contracts for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended December 31, 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	₩ 12,708	₩ 41,265	₩ (27,099)	₩ (1,458)

	For the year ended December 31, 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	₩ 2,580	₩ 11,542	₩ (9,126)	₩ 164

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

(7) 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 years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended December 31, 2024						
	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	85.14%	₩ -	₩ -	₩ 5,884	₩ -
SK On year 2022return logistics automation construction project	2022-09-05	2025-03-31	93.64%	7,793	-	-	-
(US)SK On year 2023 Hyundai North America JV_BA3 return logistics automation construction project	2024-06-10	2026-12-31	49.54%	43,883	-	16,148	-

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

	For the year ended December 31, 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	53.03%	₩ -	₩ -	₩ 28,299	₩ -
SK On year 2022 return logistics automation construction project	2022-09-05	2024-10-31	85.69%	-	-	-	-

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

27. Operating expenses

Details of operating expenses for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Material costs	₩ 550,498	₩ 553,809
Outsourcing costs	880,586	827,208
Salaries	502,973	486,029
Provision for pension benefits	82,479	38,624
Depreciation	95,690	95,352
Amortization	12,806	13,020
Rents	6,052	4,541
Communications	20,741	20,508
Employee welfare benefits	90,566	102,475
Commissions	251,732	191,273
Education and training	28,498	35,081
Research and development	28,640	51,133
Office management	73,733	66,583
Travel	22,191	28,085
Others	61,243	72,848
	<u>₩ 2,708,428</u>	<u>₩ 2,586,569</u>

28. Finance income and costs

(1) Details of finance income for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Interest income	₩ 34,318	₩ 31,500
Gain on foreign currency transactions	21,434	17,181
Gain on foreign currency translation	79,471	9,414
Gain on valuation of financial assets measured at FVTPL	76,985	32,016
Gain on valuation of derivatives	68,742	275,483
Gain on transactions of derivatives	4,760	46,678
	<u>₩ 285,710</u>	<u>₩ 412,272</u>

(2) Details of finance costs for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Interest expenses	₩ 410,112	₩ 411,723
Loss on foreign currency transactions	8,736	28,102
Loss on foreign currency translation	551	2,341
Loss on valuation of financial assets measured at FVTPL	12,850	234,819
Loss on valuation of derivatives	154,412	62,833
Loss on transactions of derivatives	124,987	56,952
	<u>₩ 711,648</u>	<u>₩ 796,770</u>

29. Other non-operating income and expenses

(1) Details of other non-operating income for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Reversal of impairment loss on investments in associates	₩ 9,434	₩ -
Gain on disposal of investments in subsidiaries and associates	35,512	-
Gain on disposal of property, plant and equipment	1,257	248
Gain on disposal of intangible assets	14,070	16
Others	7,661	32,166
	<u>₩ 67,934</u>	<u>₩ 32,430</u>

(2) Details of other non-operating expenses for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Loss on disposal of investments in subsidiaries and associates	₩ 7,228	₩ 769
Loss on impairment of investments in subsidiaries and associates	1,091,505	720,612
Loss on disposal of property, plant and equipment	611	11
Loss on disposal of intangible assets	571	63
Loss on impairment of intangible assets	25,663	21,820
Donations	7,388	9,906
Others	53,815	6,505
	<u>₩ 1,186,781</u>	<u>₩ 759,686</u>

30. Income taxes

(1) Components of income tax expense for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Current income tax	₩ 123,321	₩ 34,517
Tax details charged directly to the equity	(50)	(592)
Tax related to each component of other comprehensive income	77,348	3,145
Amount resulting from the reduction of deferred tax assets or the reversal of the reduction	(1,172)	38,663
Income tax expense	<u>₩ 199,447</u>	<u>₩ 75,733</u>

(2) Tax details charged directly to the equity for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Profit from disposal of treasury shares	₩ (50)	₩ (592)

30. Income taxes (cont'd)

(3) Tax related to each component of other comprehensive income for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Remeasurement loss on defined benefits plans	₩ 4,232	₩ 13,430
Gain on valuation of financial assets measured at FVOCI	(9,995)	(14,219)
Loss on valuation of financial assets measured at FVOCI	83,111	3,934
	<u>₩ 77,348</u>	<u>₩ 3,145</u>

(4) Reconciliations of profit before income tax expense at the Korea statutory tax rate to income tax expense at the effective tax rate of the Company for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Profit(loss) before income tax expense	₩ (546,446)	₩ 438,707
Income tax at statutory tax rate (*1)	(154,624)	105,457
Non-taxable revenue	(186,422)	(318,912)
Non-deductible expenses	4,482	5,443
Tax credit	(1,392)	(2,491)
Unrecognized deferred taxes	565,554	285,201
Adjustments in respect of current income tax of prior year	-	(9,826)
Other tax effects on adjustments between accounting income and tax expense (benefit)	(28,151)	10,861
Income tax expense (benefit)	<u>₩ 199,447</u>	<u>₩ 75,733</u>
Effective tax rate (*2)	-	17.26%

(*1) The Company is subject to corporate income taxes (at the aggregate rates of 9% on taxable income of up to ₩200 million, 19% on taxable income in the range of ₩200 million to ₩20,000 million, 21% on taxable income in range of ₩20,000 million to ₩300,000 million and 24% on taxable income in excess of ₩300,000 million) and local income tax (10% of corporate income tax).

(*2) The average effective tax rate was not calculated as the amount is negative for the year ended December 31, 2024.

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30. Income taxes (cont'd)

(5) Changes in deferred income tax assets (liabilities) for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

For the year ended December 31, 2024					
	Beginning balance	Deferred income tax expense (benefit) recognized in profit or loss	Deferred income tax related to recognized directly in equity	Tax related to each component of other comprehensive income	Ending balance
Provisions	₩ 7,344	₩ 1,385	₩ -	₩ -	₩ 8,729
Investments in associates and subsidiaries	(8,913)	136,757	-	-	127,844
Advanced depreciation provision	(23,640)	(172,098)	-	-	(195,738)
Available for sale financial instruments	1,652	(90,000)	-	73,116	(15,232)
Depreciation	3,899	107	-	-	4,006
Deemed cost of land and buildings	(3,872)	1	-	-	(3,871)
Accrued bonuses and others	19,832	3,082	-	-	22,914
Net defined benefit liabilities	(13,690)	(5,108)	-	4,232	(14,566)
Treasury shares	186,091	66	(50)	-	186,107
Intangible assets	(521,249)	-	-	-	(521,249)
Others	47,417	49,682	-	-	97,099
	<u>₩ (305,129)</u>	<u>₩ (76,126)</u>	<u>₩ (50)</u>	<u>₩ 77,348</u>	<u>₩ (303,957)</u>

For the year ended December 31, 2023					
	Beginning balance	Deferred income tax expense (benefit) recognized in profit or loss	Deferred income tax related to recognized directly in equity	Tax related to each component of other comprehensive income	Ending balance
Provisions	₩ 8,251	₩ (907)	₩ -	₩ -	₩ 7,344
Investments in associates and subsidiaries	(2,673)	(6,240)	-	-	(8,913)
Advanced depreciation provision	(24,039)	399	-	-	(23,640)
Available for sale financial instruments	9,429	2,508	-	(10,285)	1,652
Depreciation	4,854	(955)	-	-	3,899
Deemed cost of land and buildings	(3,887)	15	-	-	(3,872)
Accrued bonuses and others	18,597	1,235	-	-	19,832
Net defined benefit liabilities	(32,356)	5,236	-	13,430	(13,690)
Treasury shares	187,065	(382)	(592)	-	186,091
Intangible assets	(523,223)	1,974	-	-	(521,249)
Others	91,517	(44,100)	-	-	47,417
	<u>₩ (266,465)</u>	<u>₩ (41,217)</u>	<u>₩ (592)</u>	<u>₩ 3,145</u>	<u>₩ (305,129)</u>

(6) Details of deductible temporary differences for which no deferred tax assets were recognized as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Investments in subsidiaries, associates, and others	₩ 3,179,218	₩ 2,307,692

30. Income taxes (cont'd)

(7) Temporary differences related to investment assets in subsidiaries and associates that were not recognized as deferred tax liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Investments in subsidiaries, associates, and others	₩ 5,259,490	₩ 6,386,389

(8) Global Minimum Tax

Under the Global Minimum Tax Act, which will take effect from 2024, the company may be 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 has assessed the impact of the introduction of the Global Minimum Tax Act on the jurisdictions in which the entities within the consolidated group operate. As a result of this assessment, the Company has determined that no additional tax liability will arise under the Global Minimum Tax Act. Accordingly, no amount has been recognized as current income tax expense. Furthermore, the Company has applied the exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Global Minimum Tax. As a result, the Company does not recognize or disclose any deferred tax assets or liabilities related to the Global Minimum Tax.

31. Earnings(losses) per share

31.1 Basic earnings(losses) per ordinary share

(1) Basic earnings(losses) per ordinary share for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions, except per share information):

	For the year ended December 31, 2024	December 31, 2023
Profit(loss) for the year	₩ (745,893)	₩ 362,974
Less: Preference share dividends (*1)	(7,638)	3,704
Profit (Loss) for the year attributable to ordinary share owners of the Company	₩ (738,255)	₩ 359,270
Weighted-average number of ordinary shares outstanding (*2) (in shares)	54,518,178	55,157,133
Basic earnings(losses) per ordinary share (Korean won)	₩ (13,534)	₩ 6,514

(*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 in consideration of the number of shares issued due to changes in the number of treasury stocks for the years ended December 31, 2024 and 2023.

(2) The weighted-average number of basic earnings(losses) per ordinary shares outstanding for the years ended December 31, 2024 and 2023 are as follows (In shares):

	For the year ended December 31, 2024	December 31, 2023
Weighted-average number of issued shares outstanding	72,808,702	73,443,244
Weighted-average number of treasury shares	(18,260,524)	(18,286,111)
Weighted-average number of ordinary shares outstanding	54,548,178	55,157,133

31. Earnings(losses) per share (cont'd)

31.2 Basic earnings(losses) per preferred share

Basic earnings(losses) per preferred share for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions, except per share information):

	For the year ended	
	December 31, 2024	December 31, 2023
Preferred share dividends and residual income(loss)	₩ (7,638)	₩ 3,704
Weighted-average number of shares (in shares)	564,348	564,348
Basic earnings(losses) per preferred share (Korean won) (*1)	₩ (13,534)	₩ 6,564

(*1) Earnings (losses) per share were calculated for preferred shares that meet the definition of ordinary shares under K-IFRS No. 1033 Earnings per Share, which have no preferential rights to dividend payments or residual property distribution.

Preferred stocks have no potential equity instruments, so their basic earnings(losses) per share and diluted earnings(losses) per share are the same.

31.3 Diluted earnings(losses) per share

(1) The details of the calculation of ordinary stock dilution per share for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions, except per share information):

	For the year ended	
	December 31, 2024	December 31, 2023
Profit(loss) for the year	₩ (745,893)	₩ 362,974
Less: Preference share dividends (*1)	(7,638)	3,704
Cash-settled stock option	4,718	1,643
Profit(loss) for the year to calculate diluted earnings per ordinary share	(742,973)	357,627
Adjusted weighted-average number of ordinary shares outstanding (in shares)	54,583,022	55,207,834
Diluted earnings(losses) per ordinary share (Korean won)	₩ (13,612)	₩ 6,478

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

(2) Adjusted weighted-average number of ordinary shares outstanding for calculating diluted earnings(losses) for the years ended December 31, 2024 and 2023 are as follows (In shares):

	For the year ended	
	December 31, 2024	December 31, 2023
Weighted-average number of issued shares outstanding	54,548,178	55,157,133
Adjustment : stock options	34,844	50,701
Weighted-average number of diluted ordinary shares outstanding	54,583,022	55,207,834

Diluted earnings(losses) 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.

32. Related parties

(1) The status of the Company's related parties as of December 31, 2024, are as follows:

	Related parties
Ultimate controlling party	Tae-won Chey and related parties
Subsidiaries	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 Rubber 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, 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(Jiangsu) Co., Ltd., SK Hi-tech Battery Materials Poland Sp. Z o.o., SK On Co., Ltd., SK ON TECH PLUS CO., LTD., Happymidum, 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 Earth On Co., Ltd., SK Incheon Petrochem 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, Soltnz, 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 Co., Ltd., 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 Company 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., Dalseong Clean Waterway Co., Ltd., Gokseong 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 PTE. LTD., 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) CO., Ltd., TES-AMM (GUANGZHOU) CO., LTD,

32. Related parties (cont'd)

	Related parties
Subsidiaries	<p>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., 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 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., NEXILIS MANAGEMENT MALAYSIA SDN. BHD., SK Nexilis Poland sp.z o.o., TECHDREAM CO. LIMITED, SKC PU Specialty Limited, SK Nexilis Co., Ltd., SK picglobal 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., 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, Prism Energy International Hong Kong, 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 24, LLC, KCE TX 25, LLC, KCE TX 26, LLC, KCE TX 28, LLC, KCE CT 1, LLC, KCE CT 2, 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 SOLUTION I INC.,</p>

32. Related parties (cont'd)

	Related parties
Subsidiaries	<p>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 REITs Management 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., Roca Capital 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, 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 Americas S.A., PLUTUS CAPITAL NY, INC., SK Pharmteco Inc., ABRASAX INVESTMENT INC., SK Siltron America, Inc, Halio, Inc., Kinestral Technology Taiwan Inc., SK BIOTEK IRELAND LIMITED, Fine Chemicals Holdings Corp., AMPAC Fine Chemicals, LLC, AMPAC Fine Chemicals Texas, 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 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 (Shenzhed) Limited, Essencore Pte. Ltd., GigaX Europe kft., 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. 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.,</p>

32. Related parties (cont'd)

	Related parties
Subsidiaries	<p>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., Terra Investment Partners II, LLC, 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., SK Magic Co., Ltd., SK Magic Service Co., Ltd., MINTIT Co., Ltd., Cartini Co., Ltd., ENCORE 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 (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, HICO VENTURES I, L.P., HICO GP I, LLC, BOW-HICO SILICON VALLEY FUND, LP, HICO MANAGEMENT LLC, SK Networks Resources Pty Limited, Networks Tejarat Pars, SK BRASIL LTDA, SK Australia (Wyong) Pty Ltd., SK Telecom Co., Ltd., SK Telink Co., Ltd., NATE Communications Co., Ltd., SK Broadband Co., Ltd., PS&Marketing Corp., Service Ace Co., Ltd., Service Top Co., Ltd., SK O&S Co., Ltd., SK telecom Japan Inc., SK Telecom China(Holding) Co., Ltd., SK Telecom Americas Inc., YTK Investment Ltd., Atlas Investment, Ltd., SAPEON Inc., SK stoa Co., Ltd., Happy Hanoool Co., Ltd., FSK L&S(Jiangsu) Co., Ltd., SK Telecom Innovation Fund, L.P., Media S Co., Ltd., Home&Service Co., Ltd., 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, YLP Inc., Good Service Co., Ltd., SK Planet Global Holdings Pte. Ltd., Seoul Airbus Co., Ltd., LOGISOFT CO., LTD., Iriver Enterprise Ltd., TGC Square Pte. Ltd, Iriver CHINA CO., LTD., DongGuan Iriver Electronics Co.,Ltd., id Quantique SA, Nutshell Quantum-Safe GmbH, LIFE DESIGN COMPANY INC., FSK L&S (Hungary) Co., Ltd, FSK L&S (Vietnam) Co., Ltd., ID Quantique Limited, ID Quantique Limited, UK, ID Quantique Inc, USA, Infracommunications Co., Ltd., Mindknock Co.,Ltd., Alice und Bob Privatstiftung, FSK L&S (America) Co., Ltd., 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., KCE NY 41, LLC, KCE NY 42, LLC, KCE MA 5, LLC, KCE PF Holdings 2024, LLC, E&S CITYGAS CO., LTD., E&S CITYGAS BUSAN CO., LTD., SK speedmate Co., Ltd., PHNYX LAB LLC, Smart Window Inc., Limited, Glowide Co., Ltd., Goseong Oceanplant Co., Ltd., Goseong Oceanplant VINA, SK Tes Ireland Limited, KCE NM 1, LLC, HCM002, LLC, HCP002, LLC, ASTRA AI Infra LLC, KARON 1ST CO.,LTD., HOLRIDEU 1ST CO.,LTD., HK Dragon The 2nd Co., Ltd., DS 1ST CO.,LTD., MISAN 1ST CO.,LTD., WALEELEE 1ST CO.,LTD., BIWALEE 2ND CO.,LTD., SPX GI HOLDINGS PTE. LTD., SPX VINA I 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., Mozido Corfire, Inc., Todo Works Corp., The Wave Talk, Inc., SMCORE Inc., ACRYL Inc., Cloocus Co., Ltd., TWO LINE CODE Inc., FSK Holdings Co., Ltd., Daehan Kanggun BcN Co., Ltd., TBU Inc., A4x Inc., Soft berry Inc., VantAI Holdings, Inc., Team Blackbird, Inc., LTCAM Co., Ltd., ION Clean Energy, Inc, SK REIT CO.,LTD.</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 (Wuxi) Semiconductor Sales Ltd., SK Hynix Happiness (Wuxi) Hospital Management Ltd., SK Hynix system ic (wuxi) Co., Ltd., Huizhou EVE United Energy Co., Ltd.</p>

SK Inc.
Notes to the separate financial statements
December 31, 2024 and 2023

32. Related parties (cont'd)

	Related parties
Other related parties (*1)	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.

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

(2) Details of significant transactions with the related parties for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

		December 31, 2024	
	Company name	Sales and others (*1)	Purchase and others (*2)
Subsidiary	SK Innovation Co., Ltd.	₩ 75,296	₩ 5,876
	SK Energy Co., Ltd.	113,472	115
	SK Geo Centric Co., Ltd.	36,340	-
	SK Incheon Petrochem Co., Ltd.	27,784	-
	SK Enmove Co., Ltd.	15,656	-
	SK On Co., Ltd.	100,740	-
	SK On Hungary Kft.	31,407	-
	SK On(YANCHENG) Co., Ltd.	39,831	-
	SK on tech plus Co. Ltd.	389	123
	SK Americas, Inc.	413	726
	SK Ecoplant Co., Ltd.	37,592	1,127
	SKC Co., Ltd.	3,018	-
	SK E&S Co., Ltd. (*3)	378,329	-
	SK Telecom Co., Ltd.	639,525	11,950
	SK Broadband Co., Ltd.	125,995	8,376
	SK Planet Co., Ltd.	16,249	65
	SK Square Co., Ltd.	3,517	-
	SK Networks Co., Ltd.	58,364	3,932
	SK Magic Co., Ltd.	13,069	242
	SK Specialty Co., Ltd.	67,215	742
	SK Tri Chem Co., Ltd.	7,355	12
	SK Siltron Co., Ltd.	28,125	-
	SK Pinx Co., Ltd.	323	3,953
	PLUTUS CAPITAL NY, INC.	7,925	-
	SK Materials airplus Inc.	51,628	-
	SK Pharmteco Inc.	523	-
	SK S.E.ASIA pte. Ltd	51,023	-
	SK C&C Beijing Co., Ltd.	20,720	10,355
	SK C&C USA, Inc.	445,974	-
	Others	197,337	34,400
Associates	SK REIT Co., Ltd. (*4)	25,432	44,257
	SMCore Inc.	187	70,175
	CLOOCUS Co., Ltd.	-	45,585
	TWO LINE CODE Inc.	-	3,085
Other related parties (*5)	Others	2	-
	SK hynix Inc.	336,169	15,962
	SK Gas Co., Ltd.	19,440	-
	SK Chemicals Co., Ltd.	10,470	-
	SK Shieldus Co., Ltd.	31,208	25,757
	Others	45,385	3,294
		<u>₩ 3,063,427</u>	<u>₩ 290,109</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) The counterparty was excluded from subsidiaries as it was merged into SK Innovation Co., Ltd. in November 2024. The transaction amount reflects transactions from January 2024 to October 2024.

(*4) It was reclassified from a subsidiary to an associate for the year ended December 31, 2024.

32. Related parties (cont'd)

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

	Company name	December 31, 2023	
		Sales and others (*1)	Purchase and others (*2)
Subsidiary	SK Innovation Co., Ltd.	₩ 69,594	₩ 7,312
	SK Energy Co., Ltd.	114,320	26
	SK Geo Centric Co., Ltd.	43,151	-
	SK Incheon Petrochem Co., Ltd.	25,981	-
	SK Enmove Co., Ltd.	14,000	-
	SK On Co., Ltd.	97,583	-
	SK On Hungary Kft.	145,250	-
	SK On(YANCHENG) Co., Ltd.	139,863	-
	SK on tech plus Co. Ltd.	338	98
	SK Americas, Inc.	34	3,495
	SK Ecoplant Co., Ltd.	46,021	38
	SKC Co., Ltd.	21,222	-
	SK E&S Co., Ltd.	511,333	-
	SK Telecom Co., Ltd.	630,523	12,975
	SK Broadband Co., Ltd.	107,077	8,096
	SK Planet Co., Ltd.	14,538	194
	SK Square Co., Ltd.	5,380	-
	SK Networks Co., Ltd.	38,374	4,996
	SK Magic Co., Ltd.	14,388	247
	SK Specialty Co., Ltd.	158,046	863
	SK Tri Chem Co., Ltd.	46,396	95
	SK Siltron Co., Ltd.	29,003	-
	SK Pinx Co., Ltd.	322	3,964
	SK REIT Co., Ltd.	24,518	42,357
	SK Materials airplus Inc.	303,653	-
	SK Pharmteco Inc.	466	-
	SK C&C Beijing Co., Ltd.	6,203	10,212
	SK C&C USA, Inc.	219,462	6
	Others	193,602	16,331
Associates	THiRA-UTECH Co., Ltd.	-	2,753
	SMCore Inc.	530	111,178
	CLOOCUS Co., Ltd.	-	26,169
	TWO LINE CODE Inc.	-	1,603
	Others	2	5
Other	SK hynix Inc.	327,039	15,242
Other related parties (*3)	SK Gas Co., Ltd.	19,332	-
	SK Chemicals Co., Ltd.	7,670	-
	SK Shieldus Co., Ltd.	14,781	18,645
	Others	64,784	5,946
		<u>₩ 3,454,779</u>	<u>₩ 292,846</u>

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

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

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

32. Related parties (cont'd)

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

	Company name	December 31, 2024	
		Receivables and others	Payables and others
Subsidiary	SK Innovation Co., Ltd.	₩ 275,410	₩ 23,987
	SK Energy Co., Ltd.	8,353	2,337
	SK Geo Centric Co., Ltd.	5,549	5
	SK Incheon Petrochem Co., Ltd.	1,268	-
	SK Enmove Co., Ltd.	1,167	315
	SK Pharmteco Inc.	46	-
	SK On Co., Ltd.	14,868	8,938
	SK on tech plus Co. Ltd.	10	35
	SK On Hungary Kft.	19,868	940
	SK On(YANCHENG) Co., Ltd.	12,212	1,362
	Plutus Capital NY, Inc.	571,098	-
	SK Ecoplant Co., Ltd.	8,231	1,213
	SKC Co., Ltd.	2,092	-
	SK Pinx Co., Ltd.	54	12
	SK C&C Beijing Co., Ltd.	20,123	4,678
	SK C&C USA, Inc.	163,177	14,011
	SK Networks Co., Ltd.	3,336	123
	SK Magic Co., Ltd.	2,639	553
	SK Telecom Co., Ltd.	75,261	5,515
	SK Broadband Co., Ltd.	11,016	3,224
	SK Planet Co., Ltd.	5,285	67
	SK Square Co., Ltd.	346	-
	SK Specialty Co., Ltd.	1,228	2
	SK Materials airplus Inc.	249	147
	SK Tri Chem Co., Ltd.	23	157
	SK Siltron Co., Ltd.	9,985	392
	Others	136,624	26,816
Associates	SK REIT Co., Ltd. (*1)	27,483	273,437
	SMCore Inc.	292	2,455
	CLOOCUS Co., Ltd.	-	7,038
	TWO LINE CODE Inc.	-	257
Other related parties (*2)	SK hynix Inc.	165,423	82,566
	SK Gas Co., Ltd.	2,490	233
	SK Chemicals Co., Ltd.	3,640	194
	SK Shieldus Co., Ltd.	36,799	7,548
	Others	11,122	1,974
		<u>₩ 1,596,767</u>	<u>₩ 470,531</u>

(*1) It was reclassified from a subsidiary to an associate for the year ended December 31, 2024.

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

32. Related parties (cont'd)

		December 31, 2023	
	Company name	Receivables and others	Payables and others
Subsidiary	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 on tech plus Co. Ltd.	10	46
	SK On Hungary Kft.	12,311	8,580
	SK On(YANCHENG) Co., Ltd.	20,246	20,074
	SK Americas, 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 Pharmteco Inc.	-	-
	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
Other	SK hynix Inc.	114,881	23,263
Other related parties (*1)	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) Although, not designated as related parties as defined in paragraph 9 of K-IFRS No. 1024, the entity is designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair-Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of K-IFRS No. 1024.

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32. Related parties (cont'd)

(4) Details of dividends received with related parties for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	Company name	December 31, 2024	December 31, 2023
Subsidiary	SK Innovation Co., Ltd.	₩ -	₩ 105,674
	SK Telecom Co., Ltd.	232,466	218,019
	SK Networks Co., Ltd.	29,143	11,657
	SK Ecoplant Co., Ltd.	-	9,419
	SKC Co., Ltd.	-	16,929
	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 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	-
	SK REIT Co., Ltd. (*1)	25,303	25,102
	SMCore Inc.	-	373
Associates	SK E&S Co., Ltd. (*2)	348,586	481,597
Other related parties	SK materials renewtech Co., Ltd. (*3)	-	20,000
		<u>₩ 819,554</u>	<u>₩ 1,399,432</u>

(*1) It was reclassified from a subsidiary to an associate for the year ended December 31, 2024.

(*2) The counterparty was excluded from subsidiaries as it was merged into SK Innovation Co., Ltd. in November 2024.

(*3) For the year ended December 31, 2023, SK materials renewtech Co., Ltd. was merged into SK Materials airplus Co., Ltd. and was consequently excluded from the subsidiaries.

(5) Details of the significant loan with related parties for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions, USD in thousands):

December 31, 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
Subsidiaries	SK materials Group14 Co., Ltd.	Short-term loans	KRW	-	26,000	-	-	26,000
December 31, 2023								
	Company name	Division	Currency	Beginning balance	Loan	Collection	Other	Ending balance
Subsidiaries	Socar Mobility Malaysia, Sdn. Bhd	Short-term loans	USD	-	20,000	-	-	20,000
Subsidiaries	Plutus Capital NY, Inc.	Long-term loans	USD	388,500	-	-	-	388,500

32. Related parties (cont'd)

(6) Detail of significant transactions with related parties in relation to the investments for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions, USD, JPY in thousands):

Subsidiary	Company name	Currency	Transactions	December 31, 2024	December 31, 2023
	SK Innovation Co., Ltd. (*1)	KRW	Share capital increase	2,600,000	393,942
	SK REIT Co., Ltd (*2)	KRW	Share capital increase	-	12,760
	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
	Plutus Capital NY Inc.	USD	Share capital increase	390	72,380
	I Cube Capital Inc.	USD	Share capital increase	340	766
	Energy Solution Group, Inc.	USD	Share capital increase	-	19,500
	SK Ecoplant Co., Ltd. (*3)	KRW	Share capital increase	365,434	-
	Chamaedorea, Inc.	USD	Share capital increase	39,826	-
	Tillandsia, Inc.	USD	Share capital increase	-	50,000
	Ackerton Partners Co., Ltd. (*4)	KRW	Share capital increase	-	1,300
	Roca Capital Inc. (Formerly, SK Japan Inc.)	JPY	Share capital decrease	12,650,000	-
	SK Latin Americas S.A.	KRW	Share capital decrease	4,983	-
	SK Life Science Labs, Inc. (Formerly, ProteoVant Sciences, Inc.)	USD	Share capital decrease	-	6,000
	Castanea Biosciences Inc.	USD	Share capital decrease	-	17,400
	SK Technology Innovation Company	KRW	Share capital decrease	876	-

(*1) For the year ended December 31, 2024, an equity transaction occurred due to the merger between SK Innovation Co., Ltd. and SK E&S Co., Ltd.

(*2) It was reclassified from a subsidiary to an associate for the year ended December 31, 2024.

(*3) For the year ended December 31, 2024, an equity transaction occurred due to the in-kind contribution of SK S.E. Asia Pte. Ltd. shares held by the Company to SK Ecoplant Co., Ltd. and the share swap of SK materials airplus Co., Ltd. shares held by the Company with SK Ecoplant Co., Ltd.

(*4) Ackerton Partners Co., Ltd. was excluded from consolidation for the year ended December 31, 2024 due to liquidation.

(7) Compensation for key management personnel of the Company for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Salaries	₩ 7,381	₩ 12,576
Provision for pension benefits	2,645	4,205
Share-based payment expenses	(793)	2,350
	<u>₩ 9,233</u>	<u>₩ 19,131</u>

33. Assets held for sale

(1) Outline

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

As the company decided to sell all of its shares in Socar Co., Ltd., it classified the shares as assets held for sale and measured them as the smaller of the net fair value after deducting the additional cost of the sale and the book value. Meanwhile, the Company completed the sale of a portion of its shares (2,936,225 shares) for the year ended December 31, 2024, recognizing a gain on disposal of ₩20,847 million.

In addition, as the Company decided to sell a portion of its shares in SK Specialty Co., Ltd., the relevant shares were classified as assets held for sale and measured them as the smaller of the net fair value after deducting the additional cost of the sale and the book value.

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

	<u>December 31, 2024</u>
Investment securities (*1)	₩ 221,537
Investment in associates (*2)	53,439
Investment in subsidiaries	510,397
	<u>₩ 785,373</u>

(*1) As of December 31, 2024, the book value includes ₩46,811 million in valuation loss on the investment securities.

(*2) As of December 31, 2024, the book value includes ₩8,221 million in reversal of impairment loss.

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

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

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

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34. Cash flow

(1) Costs and revenues without the inflow and outflow of cash for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Provision for pension benefits	₩ 48,704	₩ 38,134
Depreciation	100,052	100,514
Amortization	28,538	31,089
Bad debt expenses (reversal)	161	(1,815)
Provisions transferred in	5,595	4,919
Interest expenses	410,112	411,723
Loss on foreign currency translation	551	2,341
Loss on valuation of financial assets measured at FVTPL	12,850	234,819
Loss on valuation of derivative instruments	154,412	62,833
Loss on disposal of investments in subsidiaries, associate	7,228	769
Loss on impairment of investments in subsidiaries, associate	1,091,505	720,612
Reversal of loss on impairment of investments in subsidiaries, associates	(9,434)	-
Loss on disposal of property, plant and equipment	611	11
Loss on disposal of intangible assets	571	63
Loss on impairment of intangible assets	25,663	21,820
Share-based payment expenses (reversal)	(2,741)	2,828
Other impairment losses on receivables	44,100	-
Income tax expense	199,447	75,733
Dividends income	(821,784)	(1,404,961)
Interest income	(34,318)	(31,500)
Gain on foreign currency translation	(79,471)	(9,414)
Gain on disposal of investments in subsidiaries, associate	(35,512)	-
Gain on valuation of financial assets measured at FVTPL	(76,985)	(32,016)
Gain on valuation of derivative instruments	(68,742)	(275,483)
Gain on disposal of property, plant and equipment	(1,257)	(248)
Gain on disposal of intangible assets	(14,070)	(16)
Others	(3,261)	(483)
	<u>₩ 982,525</u>	<u>₩ (47,728)</u>

(2) Changes in assets and liabilities due to operating activities for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Trade receivables	₩ (149,886)	₩ 56,265
Other receivables	(2,209)	(2,431)
Inventories	65	19
Advanced payments	19,337	(21,595)
Lease receivables	39,609	37,316
Prepaid expenses	18,079	(8,186)
Trade payables	108,556	1,123
Advances received	8,624	28,920
Withholdings	8,361	(8,054)
Other payables	(21,334)	(54,131)
Accrued expenses	(9,335)	67,056
Provision	(193)	(4,993)
Defined benefit obligation	(110,932)	(35,209)
Plan assets	82,949	(6,153)
Others	27,847	64,702
	<u>₩ 19,538</u>	<u>₩ 114,649</u>

34. Cash flow (cont'd)

(3) Important investment and financial activities that do not involve the use of cash and cash equivalents for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended	
	December 31, 2024	December 31, 2023
Transfer of long-term bonds payable to current portion	₩ 1,463,425	₩ 1,493,814
Transfer of borrowings to current portion	89,928	-
Transfer of loans to current portion	(500,982)	(116)
Transfer of investments in associates to investments securities	13,711	-
Transfer of investments securities to associates	28,929	36,232
Transfer of investments in associates and joint ventures to subsidiaries	-	69,828
Transfer of investments in subsidiaries to associates and joint ventures	436,452	-
Decrease in other payables regarding the acquisition of property, plant and equipment	97	6,466
Transfer of construction-in-progress to its respective account	16,034	14,153

(4) Details of major changes in liabilities arising from financing activities for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	For the year ended December 31, 2024				
	Beginning balance	Financial cash flow	Non-cash transactions		Ending balance
			New lease	Others	
Short-term borrowings	₩ 3,306,200	₩ (571,200)	₩ -	₩ 89,928	₩ 2,824,928
Long-term borrowings	499,651	40,000	-	(89,793)	449,858
Bonds payable	7,284,813	108,705	-	6,156	7,399,674
Lease liabilities	368,010	(73,728)	7,318	65,610	367,210
Leasehold deposits received	24,933	588	-	264	25,785
Dividends payable	178	(275,447)	-	275,452	183
	<u>₩ 11,483,785</u>	<u>₩ (771,082)</u>	<u>₩ 7,318</u>	<u>₩ 347,617</u>	<u>₩ 11,067,638</u>

	For the year ended December 31, 2023				
	Beginning balance	Financial cash flow	Non-cash transactions		Ending balance
			New lease	Others	
Short-term borrowings	₩ 3,774,050	₩ (467,850)	₩ -	₩ -	₩ 3,306,200
Long-term borrowings	199,515	300,000	-	136	499,651
Bonds payable	6,900,506	378,731	-	5,576	7,284,813
Lease liabilities	415,360	(70,327)	12,395	10,582	368,010
Leasehold deposits received	23,853	551	-	529	24,933
Dividends payable	171	(278,764)	-	278,771	178
	<u>₩ 11,313,455</u>	<u>₩ (137,659)</u>	<u>₩ 12,395</u>	<u>₩ 295,594</u>	<u>₩ 11,483,785</u>

35. Commitments and contingencies

(1) The agreements concluded with financial institutions as of December 31, 2024 and 2023 are as follows (Korean won in millions, and USD in thousands):

December 31, 2024				
Financial institutions	Type	Currency	Commitments amount	Unused amount
KEB Hana Bank	General loan	KRW	66,000	66,000
	Limit loan	KRW	50,000	50,000
	Credit bond loan	KRW	30,000	30,000
	Bank overdraft	KRW	5,000	5,000
	Guarantee of foreign currency payment	USD	15,000	15,000
	Issuance of L/C	USD	4,000	4,000
	Note acceptance agreement	KRW	300,000	-
Shinhan Bank	General loan	KRW	20,000	20,000
	Note discount	KRW	70,000	70,000
	Limit loan	KRW	220,000	150,000
	Guarantee of foreign currency payment	USD	2,000	2,000
	Issuance of L/C	USD	10,000	10,000
NH Bank	General loan	KRW	210,000	-
	Limit loan	KRW	90,000	40,000
Woori Bank	General loan	KRW	470,000	260,000
	Limit loan	KRW	250,000	250,000
KB Bank	General loan	KRW	350,000	50,000
	Limit loan	KRW	250,000	80,000
	Bank overdraft	KRW	20,000	20,000
IBK Bank	General loan	KRW	10,000	10,000
Korea Development Bank	General loan	KRW	10,000	10,000
Bank of China	Limit loan	KRW	80,000	30,000
Industrial and commercial bank of China	Limit loan	KRW	100,000	100,000
China Gwangdae Bank	General loan	KRW	40,000	-
Credit Agricole Bank	Limit loan	USD	50,000	-
December 31, 2023				
Financial institutions	Type	Currency	Commitments amount	Unused amount
KEB Hana Bank	General loan	KRW	200,000	-
	Limit loan	KRW	116,000	116,000
	Credit bond loan	KRW	30,050	30,050
	Bank overdraft	KRW	5,000	5,000
	Guarantee of foreign currency payment	USD	15,000	15,000
	Issuance of L/C	USD	4,000	4,000
	Note acceptance agreement	KRW	100,000	100,000
Shinhan Bank	Note discount	KRW	20,000	20,000
	Limit loan	KRW	470,000	455,000
	Guarantee of foreign currency payment	USD	2,000	2,000
	Issuance of L/C	USD	10,000	10,000
	Credit bond loan	KRW	20,000	14,500
NH Bank	Limit loan	KRW	170,000	170,000
Woori Bank	Accounts receivable secured by accounts	KRW	270,000	270,000
	Limit loan	KRW	880	880
KB Bank	Limit loan	KRW	300,000	270,000
	Bank overdraft	KRW	20,000	20,000
IBK Bank	Limit loan	KRW	10,000	10,000
Korea Development Bank	Limit loan	KRW	10,000	10,000
Jeonbuk Bank	Limit loan	KRW	20,000	20,000
Bank of China	Limit loan	KRW	30,000	30,000
	General loan	KRW	50,000	-
Industrial and commercial bank of China	Limit loan	KRW	100,000	100,000
China Gwangdae Bank	General loan	KRW	40,000	-
Credit Agricole Bank	Limit loan	USD	50,000	50,000
	General loan	USD	100,000	-

35. Commitments and contingencies (cont'd)

(2) As of December 31, 2024, the significant details of the lawsuits in which the Company is a defendant are as follows (Korean won in millions):

Plaintiff	Defendant	Case details	Claim amount	Current Status
Daesang information technology Co., Ltd.	SK Inc.	Claim for service fees and others	₩ 902	Ongoing in first trial
ECS Telecom Co., Ltd.	SK Inc.	Claim for damages	2,000	Ongoing in second trial

(3) The promissory notes and checks provided by the Company as of December 31, 2024 are as follows (Korean won in millions and except for number papers):

	Papers	Amount
Blank checks	7	₩ -
Blank notes	10	-

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

	Currency	December 31, 2024	December 31, 2023
Seoul Guarantee Insurance	KRW	9,694	14,022
Korea Software Financial Cooperative	KRW	609,793	585,609

(5) 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 Entem 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 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 division, with SK Specialty Co., Ltd., which was physically divided as of December 1, 2021.
- 2) The Company entered into a contract to lease the headquarter building from SK REIT Co., Ltd. Under the terms of the lease, the lease period is until July 5, 2026, and the Company has an option to extend the lease term for 5 years before the termination of contract. The Company has the preemptive right to purchase the building at the fair value when the lessor elects to dispose the property.
- 3) The Company holds IT outsourcing and IT system maintenance agreements to provide hardware and information systems maintenance, and development service entered into between the Company and the affiliates of SK Group companies and others.

35. Commitments and contingencies (cont'd)

- 4) The Company has total return swap contracts in regard 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 (in 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.	

- 5) 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 (in 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.

35. Commitments and contingencies (cont'd)

- 6) The Company entered into total return swap contracts with ordinary share investors of SK Innovation 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 (in shares)	5,529,918
Contract date	September 6, 2024
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 Innovation Co., Ltd. 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.

- 7) LNG Americas, Inc., one of the subsidiaries, is scheduled to be provided with liquefaction service for 20 years from FLNG Liquefaction 3, LLC, which plans to operate natural gas liquefaction plants in Texas starting from 2020. As of December 31, 2024, SK Innovation Co., Ltd., one of the subsidiaries, is responsible for performance guarantee in case of LNG Americas, Inc.'s inability to make payments for service or for claims against breach of obligation. In regard to this, the Company provides performance guarantee for SK Innovation Co., Ltd.'s guarantee.
- 8) The Company entered into a cash deficiency support agreement with Hudson Energy NY, LLC, a subsidiary of Plutus Capital NY, Inc., to lend funds for the shortfall of payment for loans and credit limit of USD 236,000 thousand.
- 9) 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.
- 10) The Company signed a contract 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.
- 11) The Company signed a contract 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. As a result, a derivative financial instrument liability has been recognized (refer to Note 4).

35. Commitments and contingencies (cont'd)

- 12) The Company's shares in Socar Co., Ltd. (2,936,225 shares), held as assets held for sale, are subject to a pledge by the buyer, Lotte Rental Co., Ltd.
- 13) Upon the issuance of public bonds, there are conditions related to the maintenance of financial ratios, restrictions on the establishment of collateral, limitations on the disposal of assets, and restrictions on changes to the governance structure, as stipulated in the agreement between the Company and the bond trustee.
- 14) As of December 31, 2024, SK Pharmteco Inc., a subsidiary of the Company, has obligations to repay the investment at a price that ensures a guaranteed return to investors if the IPO is unsuccessful within the specified period. The Company has provided a payment guarantee related to the issuance of redeemable convertible preferred stock by SK Pharmteco Inc. As a result, a derivative financial instrument liability has been recognized (refer to Note 4).
- 15) The Company has entered into a shareholder agreement related to the convertible preferred shares issued by its subsidiary, SK Ecoplant Co., Ltd. Under this agreement, if SK Ecoplant Co., Ltd. fails to complete a qualified public offering by the deadline, the Company has the right to request the investor to sell all of the preferred shares, either directly or through a third party designated by the Company.

36. Deposits restricted for the use

Deposits restricted for the use as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023	Reason for restriction
Short-term & Long-term financial instruments	₩ 16,652	₩ 14,517	Refund guarantee and others
Long-term investment securities (Equity investment of Korea Software Financial Cooperation)	2,537	2,479	Refund guarantee
Long-term financial instruments	20	20	Collateral for bank overdraft

37. Financial risk management

(1) Outline

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

The Company's financial assets and liabilities are exposed to mainly 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.

37. Financial risk management (cont'd)

(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.

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

	December 31, 2024	December 31, 2023
Financial assets measured at FVTPL	₩ 599,169	₩ 481,417
Financial assets measured at amortized cost	1,493,675	1,390,629
Total (*1)	₩ 2,092,844	₩ 1,872,046

(*1) Equity products and cash and cash equivalents are excluded from the table above and refer to the notes 35 for payment guarantee details.

(2.2) The changes in the loss allowance as of December 31, 2024 and 2023 are as follows (Korean won in millions):

For the years ended December 31, 2024					
	Beginning balance	Impairment	Write-off	Others	Ending balance
Trade receivables	₩ 363	₩ 101	₩ -	₩ -	₩ 464
Other receivables	-	44,160	-	-	44,160
	₩ 363	₩ 44,261	₩ -	₩ -	₩ 44,624

For the years ended December 31, 2023					
	Beginning balance	Impairment	Write-off	Others	Ending balance
Trade receivables	₩ 600	₩ 7	₩ -	₩ (244)	₩ 363
Other receivables	1,563	-	-	(1,563)	-
	₩ 2,163	₩ 7	₩ -	₩ (1,807)	₩ 363

37. Financial risk management (cont'd)

(2.3) The details of overdue or impaired financial assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

December 31, 2024							
	Normal receivables (not deferred and impaired)	Past due but unimpaired receivables				Individual impaired receivables	Total
		Less than 1 month	1 ~ 3 months	3 ~ 6 months	More than 6 months		
Trade receivables	₩ 756,490	₩ 27,218	₩ 11,961	₩ 779	₩ 2,636	₩ 76	₩ 799,160
Other receivables	908,010	-	-	-	-	44,160	952,170
	<u>₩ 1,664,500</u>	<u>₩ 27,218</u>	<u>₩ 11,961</u>	<u>₩ 779</u>	<u>₩ 2,636</u>	<u>₩ 44,236</u>	<u>₩ 1,751,330</u>

December 31, 2023							
	Normal receivables (not deferred and impaired)	Past due but unimpaired receivables				Individual impaired receivables	Total
		Less than 1 month	1 ~ 3 months	3 ~ 6 months	More than 6 months		
Trade receivables	₩ 603,174	₩ 38,407	₩ 2,477	₩ 252	₩ 1,131	₩ 363	₩ 645,804
Other receivables	854,536	-	-	-	-	-	854,536
	<u>₩ 1,457,710</u>	<u>₩ 38,407</u>	<u>₩ 2,477</u>	<u>₩ 252</u>	<u>₩ 1,131</u>	<u>₩ 363</u>	<u>₩ 1,500,340</u>

(3) Liquidity risk

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

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

December 31, 2024						
	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years	Total	
Borrowings	₩ 1,953,941	₩ 907,301	₩ 463,374	₩ -	₩	3,324,616
Bonds payable	499,720	1,187,954	5,398,273	1,026,738		8,112,685
Financial derivatives liabilities	1,057	15,923	338,955	-		355,935
Trade payables	233,353	-	-	-		233,353
Lease liabilities	20,469	56,491	236,942	66,382		380,284
Other liabilities	118,321	428	138	29,771		148,658
	<u>₩ 2,826,861</u>	<u>₩ 2,168,097</u>	<u>₩ 6,437,682</u>	<u>₩ 1,122,891</u>	₩	<u>12,555,531</u>

December 31, 2023						
	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years	Total	
Borrowings	₩ 1,776,440	₩ 1,599,387	₩ 506,916	₩ -	₩	3,882,743
Bonds payable	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>

37. Financial risk management (cont'd)

(4) Market risk

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

(4.1) Foreign currency risk

Foreign currency risk is the risk that the fair value of a financial instrument may fluctuate because of changes in foreign exchange rates. The Company is primarily exposed to this risk through sales and purchases. The Company manages its foreign currency risk periodically.

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

	Currency	December 31, 2024		December 31, 2023	
		Korean won equivalent	Foreign currencies	Korean won equivalent	Foreign currencies
Assets	USD	₩ 715,609	486,809	₩ 612,899	₩ 475,337
	JPY	230	24,516	168	18,421
	CNY	38,191	189,748	22,132	122,387
	EUR	2,681	1,754	2,703	1,895
	Others	2,336		381	
Liabilities	USD	₩ 63,484	43,187	₩ 18,304	₩ 14,196
	JPY	150	16,028	-	-
	CNY	1,302	6,469	1,148	6,350
	EUR	20	13	191	134
	Others	-		1	

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

Currency	December 31, 2024		December 31, 2023	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ 47,996	₩ (47,996)	₩ 43,762	₩ (43,762)
JPY	6	(6)	12	(12)
CNY	2,715	(2,715)	1,544	(1,544)
EUR	196	(196)	185	(185)
Others	172	(172)	28	(28)

37. 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 may fluctuate because of changes in market interest rates. The Company manages its interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and borrowings. The Company's risk hedging activities are evaluated periodically to consider the status of interest rates and degree of risk aversion and fulfill optimal risk hedging strategies.

Significant assets and liabilities exposed to interest rate risk as of December 31, 2024 and 2023 are as follows (Korean won in millions):

		December 31, 2024		
		Interest rate type	Interest rate	Amount
Short-term borrowings	Variable	CD+1.20% ~ CD+1.30% MOR+1.10% ~ MOR+1.32%	₩	430,000
Long-term borrowings	Variable	CD+1.45% ~ CD+1.79% MOR+1.35% ~ MOR+1.44%	₩	590,000
		December 31, 2023		
		Interest rate type	Interest rate	Amount
Short-term borrowings	Variable	CD+1.30% ~ CD+1.50%	₩	236,000
Long-term borrowings	Variable	CD+1.79% MOR+1.44%	₩	200,000

If all other variables remain constant, the effects of a 1%p change in interest rates on income before tax as of December 31, 2024 and 2023 are as follows (Korean won in millions)

		December 31, 2024		December 31, 2023	
		Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase (decrease) in income before tax	₩	(10,200)	₩ 10,200	₩ (4,360)	₩ 4,360

(4.3) Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments may fluctuate because of changes in market prices other than those arising from interest rate risk or foreign currency risk. The Company's investment securities are exposed to such price risk.

37. Financial risk management (cont'd)

(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 is required to 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's debt ratio as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
Total liabilities	₩	12,613,198	₩	12,720,870
Total equity		14,619,894		15,918,046
Debt ratio		86.27%		79.91%

38. Greenhouse Gas Emissions and Emissions Liabilities

(1) As of December 31, 2024, the quantity of free allocation emission rights for each year of implementation in the third planned period (2021-2025) is as follows (in tCO₂-eq)

	2021	2022	2023	2024	2025	Total
Free-allocated emission rights (*1)	74,400	94,069	109,311	77	77	277,934

(*1) Presents the amount of free-allocated emission right granted initially plus the amount granted additionally less the amount cancelled.

(2) Changes in the quantity of emission rights held for the purpose of performing obligations and the book value for the years ended December 31, 2024 and 2023 are as follows (in tCO₂-eq and Korean won in millions):

For the year ended December 31, 2024								
	2023		2024		2025		Total	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Beginning balance	-	₩ -	-	₩ -	-	₩ -	-	₩ -
Carried forward from prior year	34	-	31	-	-	-	65	1
Allocated for free	109,311	-	77	-	77	-	109,465	-
Purchase (disposal)	17,320	157	-	-	-	-	17,320	157
Submission	(126,634)	(158)	-	-	-	-	(126,634)	(158)
Carried forward to subsequent year	(31)	-	-	-	-	-	(31)	-
Ending balance	-	-	108	-	77	-	185	-

For the year ended December 31, 2023								
	2021		2022		2023		2024 ~ 2025	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Beginning balance	258	₩ -	-	₩ -	-	₩ -	-	₩ -
Carried forward from prior year	-	-	-	-	34	1	-	-
Allocated for free	74,142	-	94,069	-	258	-	510	-
Purchase (disposal)	11,703	243	15,170	200	-	-	-	-
Submission	(86,103)	(243)	(109,205)	(199)	-	-	-	-
Carried forward to subsequent year	-	-	(34)	(1)	-	-	-	-
Ending balance	-	-	-	-	292	1	510	-

For the year ended December 31, 2023			
	Total		
	Quantity	Book value	
Beginning balance	258	₩ -	-
Carried forward from prior year	34	-	1
Allocated for free	168,979	-	-
Purchase (disposal)	26,873	-	443
Submission	(195,308)	-	(442)
Carried forward to subsequent year	(34)	-	(1)
Ending balance	802	-	1

Meanwhile, as of December 31, 2024, there are no emission rights provided as collateral and no emission rights held for gains on trading.

38. Greenhouse Gas Emissions and Emissions Liabilities (cont'd)

(3) The details of changes in emission liabilities for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

		<u>For the year ended December 31, 2024</u>		<u>For the year ended December 31, 2023</u>
Beginning balance	₩	163	₩	237
Transferred		201		125
Returned		(157)		(199)
Ending balance		207		163
(*1)				

(*1) Emissions liabilities are included in current provisions.

Meanwhile, the estimated amount of greenhouse gas emissions for the year ended December 31, 2024 is 159,197 tons (tCO₂-eq).

39. Events after the reporting period

(1) Disposal of SK Powertech Co., Ltd.

The Company resolved to sell 1,258,538 shares (98.59% ownership) of its subsidiary, SK powertech Co., Ltd., at the Board of Directors meeting held on March 7, 2025.

(2) Participation in SK Signet Co., Ltd. Capital Increase

In accordance with the Board of Directors' resolution on March 7, 2025, the Company plans to participate in SK Signet Co., Ltd.'s paid-in capital increase by acquiring an additional 9,511,206 common shares for ₩115,000 million on April 30, 2025.

Notice to Readers

This report is annexed in relation to the audit of the separate financial statements as of December 31, 2024 and the audit of internal accounting control system pursuant to Article 8-7 of the Act on External Audit for Joint-stock Companies of the Republic of Korea.

Independent Auditor's Report on Internal Control over Financial Reporting**Based on a report originally issued in Korean**

**To the Shareholders and Board of Directors of
SK Inc.**

Opinion on Internal Control over Financial Reporting

We have audited SK Inc.'s (the "Company") internal control over financial reporting ("ICFR") as of December 31, 2024 based on the criteria established in the Conceptual Framework for Designing and Operating ICFR ("ICFR Design and Operation Framework") issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea (the "ICFR Committee").

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on ICFR Design and Operation Framework.

We also have audited, in accordance with Korean Standards on Auditing (KSAs), the separate financial statements of the Company, which comprise the separate statement of financial position as of December 31, 2024, the separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policy information and other explanatory information, and our report dated March 11, 2025 expressed an unmodified opinion on those separate financial statements.

Basis for Opinion on Internal Control over Financial Reporting

We conducted our audit in accordance with KSAs. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Internal Control over Financial Reporting* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the internal control over financial reporting in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Internal Control over Financial Reporting

The Company's management is responsible for designing, operating and maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Effectiveness of Internal Control over Financial Reporting.

Those charged with governance are responsible for overseeing the Company's internal control over financial reporting.

Auditors' Responsibilities for the Audit of the Internal Control over Financial Reporting

Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted our audit in accordance with KSAs. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.



Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of separate financial statements for external purposes in accordance with Korean International Financial Reporting Standards ("K-IFRS"). A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of separate financial statements in accordance with K-IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the separate financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect material misstatements in the separate financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditors' report is Se Hong Choi.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 11, 2025

This report is effective as of March 11, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the internal control over financial reporting. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Management's Report on the Effectiveness of Internal Control over Financial Reporting

To the Shareholders, Board of Directors, and Audit Committee of SK Inc.

We, as the Chief Executive Officer and the Internal Accounting Manager of SK Inc. ("the Company"), assessed operating status of the Company's Internal Control over Financial Reporting ("ICFR") for the year ending December 31, 2024.

Design and operation of ICFR is the responsibility of the Company's management, including the Chief Executive Officer and the Internal Accounting Manager. We evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable financial information.

We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea ("the ICFR Committee") as the criteria for design and operation of the Company's ICFR. And we conducted an evaluation of ICFR based on the 'Best Practice Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting' established by the ICFR Committee.

Based on our assessment, we concluded that the Company's ICFR is designed and operated effectively as of December 31, 2024, in all material respects, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting'.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings of the readers, and we have reviewed and verified this report with sufficient care.

February 27, 2025

Yong-Ho Jang
Chief Executive Officer



Wanyoung Kim
Internal Accounting Manager

