



# **SK Inc.**

Separate Financial Statements  
December 31, 2025 and 2024  
(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 statements of financial position as of December 31, 2025 and 2024 and the separate statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes, including material accounting policies.

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, 2025 and 2024 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, 2025 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, 2026 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 Matter

Key audit matter is this matter that, in our professional judgment, was of most significance in our audit of the separate financial statements as of and for the year ended December 31, 2025. This matter was 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 this matter.

#### Uncertainty in estimating total contract costs

As described in Notes 2 and 3 to the separate financial statements, the Company recognizes contract revenue related to performance obligations for system development services and similar contracts based on the percentage of completion as of the end of the reporting period, when the progress of such performance obligations can be reasonably measured. The Company measures the percentage of completion of the contract based on the ratio of accumulated contract costs incurred for performance obligations divided by total estimated contract costs. As total estimated contract costs are subject to significant changes based on management's significant judgments, there is uncertainty in the 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 design and operating effectiveness of the relevant internal controls.
- Inquiring of and inspecting the documents for contracts with significant total contract costs.
- Inquiring of 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 of and inspecting the documents for contracts with significant differences.
- Inquiring of 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, 2025 and 2024 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 Samjory Accounting Corp.*

Seoul, Korea  
March 11, 2026

This report is effective as of March 11, 2026, 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, 2025 and 2024**

“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, 2025 and 2024**  
(Korean won in millions and U.S. dollar in thousands)

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	4,6	₩ 82,417	₩ 250,164	\$ 57,437	\$ 174,342
Short-term financial instruments	4,36,37	237,916	265,546	165,807	185,062
Trade receivables, net	4,7,26,32,37	1,028,389	798,696	716,697	556,621
Other receivables, net	4,7,32,37	16,358	7,584	11,400	5,285
Inventories, net	8	121	88	84	61
Other current assets	4,5,7,12,18,20,32,37	699,941	706,713	487,799	492,520
Assets held for sale	33	33,679	785,373	23,471	547,336
<b>Total current assets</b>		<b>2,098,821</b>	<b>2,814,164</b>	<b>1,462,695</b>	<b>1,961,227</b>
Non-current assets:					
Long-term other receivables, net	4,7,37	471	441	328	307
Long-term investment securities	4,5,9,36,37	807,202	455,906	562,549	317,727
Investments in subsidiaries	10	19,589,389	19,808,660	13,652,094	13,804,906
Investments in associates	10	578,027	691,117	402,834	481,648
Property, plant and equipment, net	11	382,787	563,948	266,769	393,023
Right-of-use asset, net	12	147,803	137,861	103,006	96,077
Investment properties, net	13	6,246	62,535	4,353	43,581
Intangible assets, net	14	2,110,738	2,107,636	1,471,000	1,468,838
Defined benefit assets	17	1,034	-	721	-
Other non-current assets	4,5,7,12,18,20,32,36,37	676,475	590,824	471,444	411,753
<b>Total non-current assets</b>		<b>24,300,172</b>	<b>24,418,928</b>	<b>16,935,098</b>	<b>17,017,860</b>
<b>Total assets</b>		<b>₩ 26,398,993</b>	<b>₩ 27,233,092</b>	<b>\$ 18,397,793</b>	<b>\$ 18,979,087</b>
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Current liabilities:					
Short-term borrowings	4,5,15,32,34,37	₩ 400,000	₩ 2,385,000	\$ 278,765	\$ 1,662,137
Trade payables	4,32,37	221,682	233,353	154,493	162,627
Other payables	4,32,34,37	33,044	41,879	23,029	29,186
Accrued expenses	4,37	231,133	181,734	161,080	126,653
Provisions	16	7,475	9,345	5,209	6,513
Current portion of long-term debt	4,15,34,37	1,859,234	1,904,167	1,295,724	1,327,038
Other current liabilities	4,5,19,20,26,32,34,37	446,854	455,793	311,418	317,647
<b>Total current liabilities</b>		<b>3,199,422</b>	<b>5,211,271</b>	<b>2,229,718</b>	<b>3,631,801</b>
Non-current liabilities:					
Bonds and long-term borrowings	4,5,15,34,37	6,325,353	6,385,293	4,408,219	4,449,992
Defined benefit liabilities	17	-	16,320	-	11,374
Deferred tax liabilities	30	384,365	303,957	267,869	211,831
Provisions	16	28,680	26,715	19,987	18,617
Other non-current liabilities	4,5,19,20,32,34,37	890,306	669,642	620,466	466,683
<b>Total non-current liabilities</b>		<b>7,628,704</b>	<b>7,401,927</b>	<b>5,316,541</b>	<b>5,158,497</b>
<b>Total liabilities</b>		<b>10,828,126</b>	<b>12,613,198</b>	<b>7,546,259</b>	<b>8,790,298</b>
<b>Equity</b>					
Share capital	1,21	16,143	16,143	11,250	11,250
Other paid-in capital	21,25	3,223,523	3,223,468	2,246,514	2,246,476
Retained earnings	22	12,349,037	11,374,392	8,606,200	7,926,957
Other components of equity	24	(17,836)	5,891	(12,430)	4,106
<b>Total equity</b>		<b>15,570,867</b>	<b>14,619,894</b>	<b>10,851,534</b>	<b>10,188,789</b>
<b>Total liabilities and equity</b>		<b>₩ 26,398,993</b>	<b>₩ 27,233,092</b>	<b>\$ 18,397,793</b>	<b>\$ 18,979,087</b>

See accompanying notes to the separate financial statements.

SK Inc.

Separate statements of comprehensive income (loss)

For the years ended December 31, 2025 and 2024

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

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		2025	2024	2025	2024
Operating revenue	26	₩ 3,612,294	₩ 3,706,767	\$ 2,517,454	\$ 2,583,293
Operating expenses	27	2,799,131	2,708,428	1,950,750	1,887,538
<b>Operating profit</b>		<b>813,163</b>	<b>998,339</b>	<b>566,704</b>	<b>695,755</b>
Finance income	4,28	306,217	285,710	213,407	199,115
Finance costs	4,28	661,409	711,648	460,944	495,957
Other non-operating income	29	2,760,913	67,934	1,924,114	47,344
Other non-operating expenses	29	1,302,722	1,186,781	907,884	827,082
<b>Profit (loss) before income tax expense</b>		<b>1,916,162</b>	<b>(546,446)</b>	<b>1,335,397</b>	<b>(380,825)</b>
Income tax expense	30	572,082	199,447	398,691	138,997
<b>Profit (loss) for the year</b>		<b>1,344,080</b>	<b>(745,893)</b>	<b>936,706</b>	<b>(519,822)</b>
<b>Other comprehensive income (loss):</b>					
Items that will not be reclassified subsequently to profit or loss (net of tax):					
Remeasurements of the net defined benefit plans		24,552	(11,799)	17,111	(8,223)
Loss on valuation of financial assets measured at FVOCI		(32,090)	(206,046)	(22,364)	(143,596)
		(7,538)	(217,845)	(5,253)	(151,819)
<b>Total comprehensive income (loss) for the year</b>		<b>₩ 1,336,542</b>	<b>₩ (963,738)</b>	<b>\$ 931,453</b>	<b>\$ (671,641)</b>
<b>Earnings (loss) per share (Korean won and U.S. dollar):</b>	31				
Basic earnings (loss) per share (common shares)		₩ 24,399	₩ (13,534)	\$ 17.00	\$ (9.43)
Basic earnings (loss) per share (preferred shares)		24,449	(13,534)	17.04	(9.43)
Diluted earnings (loss) per share (common shares)		24,385	(13,612)	16.99	(9.49)
Diluted earnings (loss) per share (preferred shares)		24,449	(13,534)	17.04	(9.43)

See accompanying notes to the separate financial statements.

SK Inc.

Separate statements of changes in equity  
For the years ended December 31, 2025 and 2024

(Korean won in millions)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
<b>Balance as of January 1, 2024</b>	₩ 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)
Gain (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)
<b>Balance as of December 31, 2024</b>	<b>₩ 16,143</b>	<b>₩ 3,223,468</b>	<b>₩ 11,374,392</b>	<b>₩ 5,891</b>	<b>₩ 14,619,894</b>
<b>Balance as of January 1, 2025</b>	<b>₩ 16,143</b>	<b>₩ 3,223,468</b>	<b>₩ 11,374,392</b>	<b>₩ 5,891</b>	<b>₩ 14,619,894</b>
Total comprehensive income:					
Profit for the year	-	-	1,344,080	-	1,344,080
Remeasurements of the net defined benefit plans	-	-	24,552	-	24,552
Loss on valuation of financial assets measured at FVOCI	-	-	(8,363)	(23,727)	(32,090)
Transactions with owners:					
Dividends	-	-	(385,624)	-	(385,624)
Granting of stock options	-	50	-	-	50
Acquisition and disposal of treasury stocks	-	5	-	-	5
<b>Balance as of December 31, 2025</b>	<b>₩ 16,143</b>	<b>₩ 3,223,523</b>	<b>₩ 12,349,037</b>	<b>₩ (17,836)</b>	<b>₩ 15,570,867</b>

(Continued)

**SK Inc.**  
**Separate statements of changes in equity**  
**For the years ended December 31, 2025 and 2024 (cont'd)**

(U.S. dollar in thousands)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
<b>Balance as of January 1, 2024</b>	<b>\$ 11,250</b>	<b>\$ 2,235,050</b>	<b>\$ 8,684,115</b>	<b>\$ 163,073</b>	<b>\$ 11,093,488</b>
Total comprehensive income:					
Loss for the year	-	-	(519,822)	-	(519,822)
Remeasurements of the net defined benefit plans	-	-	(8,223)	-	(8,223)
Gain (loss) on valuation of financial assets measured at FVOCI	-	-	15,371	(158,967)	(143,596)
Transactions with owners:					
Dividends	-	-	(191,963)	-	(191,963)
Granting of stock options	-	3,432	-	-	3,432
Acquisition and disposal of treasury stocks	-	(44,275)	-	-	(44,275)
Retirement of treasury stock	-	52,521	(52,521)	-	-
Transfer of operations under common control	-	(252)	-	-	(252)
<b>Balance as of December 31, 2024</b>	<b>\$ 11,250</b>	<b>\$ 2,246,476</b>	<b>\$ 7,926,957</b>	<b>\$ 4,106</b>	<b>\$ 10,188,789</b>
<b>Balance as of January 1, 2025</b>	<b>\$ 11,250</b>	<b>\$ 2,246,476</b>	<b>\$ 7,926,957</b>	<b>\$ 4,106</b>	<b>\$ 10,188,789</b>
Total comprehensive income:					
Profit for the year	-	-	936,706	-	936,706
Remeasurements of the net defined benefit plans	-	-	17,111	-	17,111
Loss on valuation of financial assets measured at FVOCI	-	-	(5,828)	(16,536)	(22,364)
Transactions with owners:					
Dividends	-	-	(268,746)	-	(268,746)
Granting of stock options	-	35	-	-	35
Acquisition and disposal of treasury stocks	-	3	-	-	3
<b>Balance as of December 31, 2025</b>	<b>\$ 11,250</b>	<b>\$ 2,246,514</b>	<b>\$ 8,606,200</b>	<b>\$ (12,430)</b>	<b>\$ 10,851,534</b>

See accompanying notes to the separate financial statements.

SK Inc.

Separate statements of cash flows

For the years ended December 31, 2025 and 2024

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

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		2025	2024	2025	2024
<b>Cash flows from operating activities:</b>					
Profit (loss) for the year		₩ 1,344,080	₩ (745,893)	\$ 936,706	\$ (519,822)
Non-cash adjustments	34	(856,693)	1,004,404	(597,040)	699,982
Working capital adjustments	34	(256,482)	19,538	(178,746)	13,616
Interest received		93,680	24,485	65,287	17,064
Interest paid		(338,295)	(386,223)	(235,762)	(269,164)
Dividends received		491,330	821,784	342,414	572,712
Income taxes paid		(570,839)	(12,529)	(397,825)	(8,732)
<b>Net cash provided by (used in) operating activities</b>		<b>(93,219)</b>	<b>725,566</b>	<b>(64,966)</b>	<b>505,656</b>
<b>Cash flows from investing activities:</b>					
Decrease (increase) in short-term financial instruments, net		27,630	(140,726)	19,256	(98,074)
Decrease (increase) in short-term loans, net		2,591	(39,278)	1,806	(27,373)
Increase in long-term financial instruments		(5,153)	(2,135)	(3,591)	(1,488)
Decrease in long-term financial instruments		74	-	52	-
Increase in long-term loans		-	(16)	-	(11)
Decrease in long-term loans		132	20	92	14
Proceeds from disposal of long-term investment securities		48,445	117,624	33,762	81,974
Proceeds from disposal of investments in subsidiaries		82,462	124,497	57,469	86,764
Proceeds from disposal of investments in associates		35,486	75,057	24,731	52,308
Proceeds from disposal of assets held for sale		2,845,690	9,275	1,983,197	6,464
Proceeds from disposal of property, plant and equipment		6,292	19,774	4,385	13,781
Proceeds from disposal of intangible assets		3,109	25,762	2,167	17,954
Proceeds from disposal of investment properties		15	-	10	-
Acquisition of long-term investment securities		(215,082)	(4,990)	(149,893)	(3,478)
Acquisition of investments in subsidiaries		(600,539)	(101,608)	(418,523)	(70,812)
Acquisition of property, plant and equipment		(75,677)	(46,464)	(52,740)	(32,381)
Acquisition of intangible assets		(35,054)	(24,780)	(24,430)	(17,269)
Acquisition of investment properties		(81,825)	-	(57,025)	-
Increase in guarantee deposits		(30,412)	(2,776)	(21,195)	(1,935)
Decrease in guarantee deposits		30,178	2,198	21,031	1,532
Sale of business unit and business transfer		506,844	-	353,226	-
Acquisition of business		-	(348)	-	(243)
Cash outflows due to other investing activities		(61,687)	(21,879)	(42,989)	(15,248)
<b>Net cash provided by (used in) investing activities</b>		<b>2,483,519</b>	<b>(10,793)</b>	<b>1,730,798</b>	<b>(7,521)</b>
<b>Cash flows from financing activities:</b>					
Proceeds from (Repayment of) short-term borrowings, net		(1,985,000)	(571,200)	(1,383,372)	(398,077)
Proceeds from bonds and long-term borrowings		1,693,625	1,643,705	1,180,309	1,145,519
Payment of dividends		(385,624)	(275,447)	(268,746)	(191,963)
Repayment of current portion of long-term debt		(1,805,000)	(1,495,000)	(1,257,927)	(1,041,884)
Payment in lease liabilities		(75,293)	(73,728)	(52,473)	(51,382)
Acquisition and disposal of treasury shares		-	(64,470)	-	(44,930)
Proceeds from deposits received		453	947	316	660
Repayment from deposits received		(328)	(359)	(229)	(250)
<b>Net cash used in financing activities</b>		<b>(2,557,167)</b>	<b>(835,552)</b>	<b>(1,782,122)</b>	<b>(582,307)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(166,867)</b>	<b>(120,779)</b>	<b>(116,290)</b>	<b>(84,172)</b>
<b>Net foreign exchange effects</b>		<b>(880)</b>	<b>2,037</b>	<b>(615)</b>	<b>1,420</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>250,164</b>	<b>368,906</b>	<b>174,342</b>	<b>257,094</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>₩ 82,417</b>	<b>₩ 250,164</b>	<b>\$ 57,437</b>	<b>\$ 174,342</b>

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, 2025, 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 Chey, each holding 17.90%, 7.37% and 6.66% respectively, as of December 31, 2025.

## **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 ₩1,434.9 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, 2025. 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 have been consistently applied for all periods presented except for adoption of new and revised K-IFRSs applied in 2025, 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 10, 2026.

## 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, 2025.

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

When an entity estimates a spot exchange rate due to a lack of exchangeability between two currencies, it shall disclose relevant information. The amendments do not have any significant impact on the Company's financial statements.

### 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. 1109 *Financial Instruments*, K-IFRS No. 1107 *Financial Instruments: Disclosures***

K-IFRS 1109 *Financial Instruments* and K-IFRS 1107 *Financial Instruments: Disclosures* have been amended to address recent questions raised in practice, and to include new requirements. The amendments are effective for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the financial statements. The key amendments are as follows:

- Allow financial liabilities to be considered settled (removed) through the electronic payment system prior to the payment date if certain criteria are met;
- Clarify and provide additional guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Introduce new disclosures requirements regarding the impact on the entity and the extent of its exposure for each type of financial instrument when the timing or amount of contractual cash flows changes due to amendment of contract terms; and
- Update disclosures requirements for equity instruments designated at fair value through other comprehensive income (FVOCI).

#### **Annual Improvements to K-IFRS Volume 11**

Annual Improvements to *K-IFRS Volume 11* should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the financial statements.

- 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.

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

### **Amendments to K-IFRS No. 1109 *Financial Instruments*, K-IFRS No. 1107 *Financial Instruments: Disclosures* – *Contracts Referencing Nature-dependent Electricity***

The amendments define contracts referencing nature-dependent electricity in which a company is exposed to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (e.g. the weather), and clarify that 'contracts for purchasing or selling nature-dependent electricity' are subject to own-use exemption. In addition, the amendments revise the hedging accounting requirements to permit the designation of a 'variable nominal volume' of 'forecasted sales or purchases of electricity' as the 'hedged item', and related disclosures have been added. The amendments are effective for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the financial statements.

### **Enactments to K-IFRS No. 1118 *Presentation and Disclosure in Financial Statements***

K-IFRS 1118 *Presentation and Disclosure in Financial Statements* replaces K-IFRS 1001 *Presentation of Financial Statements* and introduces new requirements aimed at enhancing comparability of financial performance among similar companies and providing users with more relevant information. Although it does not affect the recognition or measurement of financial statement items, it is expected to have a broad impact on presentation and disclosure, including the income statement and the disclosure of 'management-defined performance measures'.

These enactments are effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. According to the transition requirements, comparative information for annual periods ending December 31, 2026, is restated in accordance with K-IFRS 1118.

Management is currently reviewing the impact of applying the new standards on the Company's financial statements. While adopting the standards will not affect the Company's net income, it is expected to have impacts on how to calculate and report operating profit by classifying income and expenses into new categories in the income statement.

## **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 acquiree and the equity interests issued by the Company in exchange for control of the acquiree. 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 consideration transferred and the carrying amount of the net assets acquired to other paid-in 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:

<u>Description</u>	<u>Useful lives (years)</u>	<u>Description</u>	<u>Useful lives (years)</u>
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.

<u>Description</u>	<u>Useful lives (years)</u>
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 ~ 8	Vehicles	1 ~ 4
Tools and furniture	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**

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sales rather than through continuing use.

Once non-current assets are classified as held for sale, or while they form part of disposal groups classified as held for sale, the assets are not depreciated (or amortised), and any equity-accounted investee is no longer equity accounted.

### **2.13 Discontinued operation**

The Company excludes post-tax profits and losses from discontinued operations from the results of continuing operations and present them as a single amount in the statement of comprehensive income.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

### **2.14 Financial liabilities and equity instruments**

#### **2.14.1 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 Summary of basis of preparation and material accounting policy information (cont'd)**

### **2.14.2 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

### **2.14.3 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.

### **2.14.4 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.

### **2.14.5 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)**

### **2.15 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.

### **2.16 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.

### **2.17 Provision**

#### **2.17.1 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.

#### **2.17.2 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.

#### **2.17.3 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.

#### **2.17.4 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)**

### **2.17.4.1 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.

### **2.17.4.2 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.

## **2.18 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:

### **2.18.1 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.

### **2.18.2 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)**

### **2.18.3 Rendering of services**

The Company provide customized system implementation , system operation, maintenance and repair services. For system implementation 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.

### **2.18.4 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 already received consideration (or for which consideration is due). When a customer pays consideration before the Company transfers goods or renders services to the customer, the Company recognizes a contract liability at the earlier of the payment date or the date the payment becomes due. Contract liabilities are recognized as revenue when the Company satisfies the related performance obligations under the contract.

### **2.18.5 Sale of goods**

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

## **2.19 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

## **2.20 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.

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**4. Financial instruments**

(1) Financial assets

Details of financial assets as of December 31, 2025 and 2024 are as follows (in millions of Korean won):

	December 31, 2025				Total
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	
Current assets:					
Cash and cash equivalents	₩ 34,071	₩ -	₩ 48,346	₩ -	₩ 82,417
Short-term financial instruments	201,016	-	36,900	-	237,916
Trade receivables (*1)	-	-	764,767	-	764,767
Lease receivables	-	-	42,046	-	42,046
Short-term loans	-	-	576,868	-	576,868
Short-term other receivables	-	-	16,358	-	16,358
Accrued income	-	-	4,316	-	4,316
Guarantee deposits	-	-	3,227	-	3,227
Derivative financial assets	45,413	-	-	-	45,413
	<u>₩ 280,500</u>	<u>₩ -</u>	<u>₩ 1,492,828</u>	<u>₩ -</u>	<u>₩ 1,773,328</u>
Non-current assets:					
Long-term financial instruments	₩ -	₩ -	₩ 8,924	₩ -	₩ 8,924
Long-term lease receivables	-	-	177,817	-	177,817
Long-term investment securities	106,064	700,912	226	-	807,202
Long-term loans	-	-	-	-	-
Long-term other receivables	-	-	471	-	471
Long-term guarantee deposits	-	-	50,504	-	50,504
Derivative financial assets	434,175	-	-	-	434,175
	<u>₩ 540,239</u>	<u>₩ 700,912</u>	<u>₩ 237,942</u>	<u>₩ -</u>	<u>₩ 1,479,093</u>
	<u>₩ 820,739</u>	<u>₩ 700,912</u>	<u>₩ 1,730,770</u>	<u>₩ -</u>	<u>₩ 3,252,421</u>

(\*1) Contract assets (unbilled receivables) amounting to ₩263,622 million as of December 31, 2025 are not included in the financial instruments.

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**4. Financial instruments (cont'd)**

	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
<b>Current assets:</b>					
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
	<u>₩ 369,468</u>	<u>₩ -</u>	<u>₩ 1,303,016</u>	<u>₩ -</u>	<u>₩ 1,672,484</u>
<b>Non-current assets:</b>					
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
	<u>₩ 511,777</u>	<u>₩ 269,965</u>	<u>₩ 254,627</u>	<u>₩ -</u>	<u>₩ 1,036,369</u>
	<u>₩ 881,245</u>	<u>₩ 269,965</u>	<u>₩ 1,557,643</u>	<u>₩ -</u>	<u>₩ 2,708,853</u>

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

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**4. Financial instruments (cont'd)**

(2) Financial liabilities

Details of financial liabilities as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025				
	Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Other financial liabilities	Total
<b>Current liabilities:</b>					
Short-term borrowings	₩ -	₩ 400,000	₩ -	₩ -	₩ 400,000
Current portion of long-term debt	-	1,859,234	-	-	1,859,234
Trade payables	-	221,682	-	-	221,682
Other payables (*1)	-	26,980	-	-	26,980
Accrued expenses (*1)	17,000	39,467	-	-	56,467
Lease liabilities	-	-	-	90,018	90,018
Dividends payable	-	189	-	-	189
Leasehold deposits received	-	244	-	-	244
Derivative financial liabilities	68,975	-	-	-	68,975
Advances received	-	66,065	-	-	66,065
	<u>₩ 85,975</u>	<u>₩ 2,613,861</u>	<u>₩ -</u>	<u>₩ 90,018</u>	<u>₩ 2,789,854</u>
<b>Non-current liabilities:</b>					
Long-term borrowings	₩ -	₩ 269,908	₩ -	₩ -	₩ 269,908
Bonds	-	6,055,445	-	-	6,055,445
Long-term lease liabilities	-	-	-	270,390	270,390
Leasehold deposits received	-	26,339	-	-	26,339
Derivative financial liabilities	576,849	-	-	-	576,849
	<u>₩ 576,849</u>	<u>₩ 6,351,692</u>	<u>₩ -</u>	<u>₩ 270,390</u>	<u>₩ 7,198,931</u>
	<u>₩ 662,824</u>	<u>₩ 8,965,553</u>	<u>₩ -</u>	<u>₩ 360,408</u>	<u>₩ 9,988,785</u>

(\*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.

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**4. Financial instruments (cont'd)**

	December 31, 2024				
	Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Other financial liabilities	Total
<b>Current liabilities:</b>					
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
	<u>₩ 16,980</u>	<u>₩ 4,661,923</u>	<u>₩ -</u>	<u>₩ 77,972</u>	<u>₩ 4,756,875</u>
<b>Non-current liabilities:</b>					
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
	<u>₩ 338,955</u>	<u>₩ 6,410,834</u>	<u>₩ -</u>	<u>₩ 289,238</u>	<u>₩ 7,039,027</u>
	<u>₩ 355,935</u>	<u>₩ 11,072,757</u>	<u>₩ -</u>	<u>₩ 367,210</u>	<u>₩ 11,795,902</u>

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

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**4. Financial instruments (cont'd)**

(3) Details of gains and losses by each category of financial instruments for the years ended December 31, 2025 and 2024 are as follows (in millions of Korean won):

Financial assets:

	For the year ended December 31, 2025				
	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	₩ 27,929	₩ -	₩ 75,015	₩ -	₩ 102,944
Gain on derivatives	140,458	-	-	-	140,458
Gain on foreign currency	-	-	(8,431)	-	(8,431)
Others	(39,100)	(71)	(3,959)	-	(43,130)
	<u>₩ 129,287</u>	<u>₩ (71)</u>	<u>₩ 62,625</u>	<u>₩ -</u>	<u>₩ 191,841</u>
Other comprehensive gains and loss:					
Gain on investment securities	₩ -	₩ (32,090)	₩ -	₩ -	₩ (32,090)
Gain on derivatives	-	-	-	-	-
	<u>₩ -</u>	<u>₩ (32,090)</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ (32,090)</u>
	<u>₩ 129,287</u>	<u>₩ (32,161)</u>	<u>₩ 62,625</u>	<u>₩ -</u>	<u>₩ 159,751</u>
	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	₩ 10,338	₩ -	₩ 23,980	₩ -	₩ 34,318
Gain on derivatives	3,274	-	-	-	3,274
Gain on foreign currency	-	-	75,509	-	75,509
Others	64,135	-	(44,201)	-	19,934
	<u>₩ 77,747</u>	<u>₩ -</u>	<u>₩ 55,288</u>	<u>₩ -</u>	<u>₩ 133,035</u>
Other comprehensive gains and loss:					
Gain on investment securities	₩ -	₩ (206,046)	₩ -	₩ -	₩ (206,046)
Gain on derivatives	-	-	-	-	-
	<u>₩ -</u>	<u>₩ (206,046)</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ (206,046)</u>
	<u>₩ 77,747</u>	<u>₩ (206,046)</u>	<u>₩ 55,288</u>	<u>₩ -</u>	<u>₩ (73,011)</u>

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**4. Financial instruments (cont'd)**

Financial liabilities:

	For the year ended December 31, 2025				
	Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Other liabilities	Total
Profit or loss:					
Interest expense	₩ -	₩ (359,299)	₩ -	₩ (10,112)	₩ (369,411)
Loss on derivatives	(157,556)	-	-	-	(157,556)
Loss on foreign currency	-	(7,025)	-	-	(7,025)
Others	(17,000)	-	-	-	(17,000)
	<u>₩ (174,556)</u>	<u>₩ (366,324)</u>	<u>₩ -</u>	<u>₩ (10,112)</u>	<u>₩ (550,992)</u>
Other comprehensive gains and loss:					
Loss on investment securities	₩ -	₩ -	₩ -	₩ -	₩ -
Loss on derivatives	-	-	-	-	-
	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>
	<u>₩ (174,556)</u>	<u>₩ (366,324)</u>	<u>₩ -</u>	<u>₩ (10,112)</u>	<u>₩ (550,992)</u>

	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 expense	₩ -	₩ (400,989)	₩ -	₩ (9,123)	₩ (410,112)
Loss on derivatives	(209,171)	-	-	-	(209,171)
Loss on foreign currency	-	16,109	-	-	16,109
Others	-	-	-	-	-
	<u>₩ (209,171)</u>	<u>₩ (384,880)</u>	<u>₩ -</u>	<u>₩ (9,123)</u>	<u>₩ (603,174)</u>
Other comprehensive gains and loss:					
Loss on investment securities	₩ -	₩ -	₩ -	₩ -	₩ -
Loss on derivatives	-	-	-	-	-
	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>
	<u>₩ (209,171)</u>	<u>₩ (384,880)</u>	<u>₩ -</u>	<u>₩ (9,123)</u>	<u>₩ (603,174)</u>

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**5. Fair values measurement of financial instruments**

(1) The fair value and book value of financial instruments that are not measured at fair value as of December 31, 2025 and 2024 is as follows.(Korean won in millions):

	December 31, 2025		December 31, 2024	
	Book value	Fair value	Book value	Fair value
Bonds	₩ 7,564,679	₩ 7,554,856	₩ 7,399,674	₩ 7,424,783
Borrowings	1,019,908	1,010,999	3,274,786	3,289,110

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 2.98% to 4.10%.

For other financial assets and liabilities, 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, 2025 and 2024 are as follows (Korean Won in millions):

	December 31, 2025				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets:					
Financial assets measured at FVTPL	₩ 341,151	₩ 12,100	₩ 235,087	₩ 93,964	₩ 341,151
Financial assets measured at FVOCI	700,912	4,191	48,763	647,958	700,912
Derivative financial assets	479,588	-	45,413	434,175	479,588
Financial liabilities:					
Derivative financial liabilities	₩ 645,824	₩ -	₩ 187	₩ 645,637	₩ 645,824
Financial liabilities measured at FVTPL	17,000	-	-	17,000	17,000
	December 31, 2024				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets:					
Financial assets measured at FVTPL	₩ 542,513	₩ 87,242	₩ 356,842	₩ 98,429	₩ 542,513
Financial assets measured at FVOCI	269,965	2,421	36,601	230,943	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

The Company reassesses the classification of financial instruments that are measured at fair value on a recurring basis at the end of each reporting period, based on the lowest level input that is significant to the entire measurement, to determine whether there have been any transfers between levels of the fair value hierarchy. During the current period, the valuation technique used to measure the fair value of SK Specialty Co., Ltd. was changed from the market approach to the discounted cash flow (DCF) model. Other than this change, there were no transfers between levels of the fair value hierarchy during the current and prior periods.

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**5. Fair values measurement of financial instruments (cont'd)**

(3) Changes in Level 3 financial instruments for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025							Ending Balance
	Beginning balance	Profit or loss	Other comprehensive loss	Acquisitions	Disposals	Others (*1)		
<b>Financial assets:</b>								
Financial assets measured at FVTPL	₩ 98,429	₩ (5,925)	₩ -	₩ 5,037	₩ (3,577)	₩ -	₩	₩ 93,964
Financial assets measured at FVOCI	230,943	-	(44,272)	3,000	(5,974)	464,261		647,958
Derivative financial assets	326,106	108,069	-	-	-	-		434,175
	<u>₩ 655,478</u>	<u>₩ 102,144</u>	<u>₩ (44,272)</u>	<u>₩ 8,037</u>	<u>₩ (9,551)</u>	<u>₩ 464,261</u>		<u>₩ 1,176,097</u>
<b>Financial liabilities:</b>								
Derivative financial liabilities	₩ 340,515	₩ 84,872	₩ -	₩ 220,250	₩ -	₩ -	₩	₩ 645,637
Financial liabilities measured at FVTPL	-	17,000	-	-	-	-		17,000

(\*1) As the valuation methodology used to measure the fair value has been changed for the year ended December 31, 2025, SK Specialty Co., Ltd., amounting to ₩464,262 million, is classified as level 3.

	December 31, 2024							Ending Balance
	Beginning balance	Profit or loss	Other comprehensive income	Acquisitions	Disposals	Others (*1)		
<b>Financial assets:</b>								
Financial assets measured at FVTPL	₩ 94,056	₩ (166)	₩ -	₩ 7,832	₩ (3,293)	₩ -	₩	₩ 98,429
Financial assets measured at FVOCI	236,478	-	34,451	-	(11,057)	(28,929)		230,943
Derivative financial assets	298,524	27,582	-	-	-	-		326,106
	<u>₩ 629,058</u>	<u>₩ 27,416</u>	<u>₩ 34,451</u>	<u>₩ 7,832</u>	<u>₩ (14,350)</u>	<u>₩ (28,929)</u>		<u>₩ 655,478</u>
<b>Financial liabilities:</b>								
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 associates from financial assets measured at FVOCI.

## **5. Fair values measurement of financial instruments (cont'd)**

### **(4) 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 multiples approach, and Sales Comparison Approach. 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 multiples 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.

**5. Fair values measurement of financial instruments (cont'd)**

6) Price return swap contracts

The fair value of price return swap contracts is measured using a discounted cash flow model. The fixed return of the contract from the valuation date to maturity is discounted to its present value using the term structure of interest rates on privately placed bonds that reflects the Company's repayment priority and credit rating. The present value of the disposal proceeds arising from the sale of the underlying assets is measured by discounting the present value of the underlying assets, excluding dividends and others until the disposal date, using the dividend yield. The Company considers the key assumptions and estimates mentioned above to have significantly impact the fair value of price return swap contracts and, therefore, classifies its fair value measurement as Level 3 in the fair value hierarchy.

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

<b>December 31, 2025</b>						
Valuation	Valuation amount	Level 3 techniques	Inputs	Input variations		
SK Specialty Co., Ltd.	Assets ₩	445,128	DCF model	Permanent growth rate	1%	
				WACC	9.42%	
SK Shipping Co., Ltd.	Assets	201,880	DCF model	Permanent growth rate	0%	
				WACC	7.43%	
Total return swap agreement for investors of SK Shipping Co., Ltd., SK Siltron Co., Ltd., SK Innovation Co., Ltd.	Assets	434,175	Monte-Carlo simulation	Term structure of interest rate	3.01% ~ 3.53%	
	Liabilities	352,509		WACC	13.05% ~ 15.88%	
Financial liabilities from guarantees obligations for SK Pharmteco Inc.	Liabilities	37,126	Binomial tree model	Per-Share underlying asset value	KRW 14,041 ~ 101,200	
				Volatility	45.00%	
Put option of SK Signet Inc.	Liabilities	1,733	Binomial tree model	Volatility	15.50%	
				Per-Share underlying asset value	KRW 9,700	
Price Return Swap agreement for investor of SK Innovation Co., Ltd.	Liabilities	254,269	DCF model	Term structure of interest rate	3.01% ~ 3.53%	
				Dividend yield	1.98%	
				Per-Share underlying asset value	KRW 101,200	

**SK Inc.**  
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**5. Fair values measurement of financial instruments (cont'd)**

December 31, 2024						
	Valuation	Valuation amount	Level 3 techniques	Inputs	Input variations	
SK Shipping Co., Ltd.	Assets	₩ 206,292	DCF model	Permanent growth rate WACC	0% 7.66%	
Total return swap agreement for investors of SK Shipping Co., Ltd., SK Siltron Co., Ltd., SK Innovation Co., Ltd.	Assets	326,106	Monte-Carlo simulation	Term structure of interest rate WACC	2.71% ~ 3.39% 11.44% ~ 13.78%	
Financial liabilities from guarantees obligations for SK Pharmteco Inc.	Liabilities	298,167				
	Liabilities	39,294	Binomial model	Per-Share underlying asset value Volatility	USD 28.93 50.00%	
Put option of SK Signet Inc.	Liabilities	3,055	Binomial model	Volatility	26.33%	

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 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, 2025, the valuation methodology used to measure the fair value of SK Specialty Co., Ltd. was changed from the market approach to the DCF model. For the year ended December 31, 2024, the valuation methodology used to measure the fair value of Group14 Technologies, Inc. was changed from the market approach to the market multiples approach. Other than these changes, 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, 2025 and 2024.

**SK Inc.**  
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**6. Cash and cash equivalents**

Details of Cash and cash equivalents as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025		December 31, 2024	
Cash	₩	22,696	₩	26,610
Demand deposits		11,542		37,358
Short term investment assets		48,179		186,196
	₩	82,417	₩	250,164

**7. Trade receivables and other receivables**

Details of trade receivables and other receivables as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025			December 31, 2024		
	Gross amount	Allowance for doubtful accounts	Book value	Gross amount	Allowance for doubtful accounts	Book value
Trade receivables	₩ 1,028,853	₩ (464)	₩ 1,028,389	₩ 799,160	₩ (464)	₩ 798,696
Short-term loans	619,915	(43,047)	576,868	641,203	(44,100)	597,103
Other receivables	16,358	-	16,358	7,584	-	7,584
Accrued income	4,316	-	4,316	3,124	-	3,124
Guarantee deposits	3,227	-	3,227	9,673	(60)	9,613
Lease receivables	42,046	-	42,046	40,001	-	40,001
Long-term loans	-	-	-	145	-	145
Long-term other receivables	471	-	471	441	-	441
Long-term guarantee deposits	50,504	-	50,504	44,451	-	44,451
Long-term lease receivables	177,817	-	177,817	205,548	-	205,548
	₩ 1,943,507	₩ (43,511)	₩ 1,899,996	₩ 1,751,330	₩ (44,624)	₩ 1,706,706

**8. Inventories**

Details of inventories as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025			December 31, 2024		
	Acquisition cost	Valuation allowance	Book value	Acquisition cost	Valuation allowance	Book value
Raw materials	₩ 121	₩ -	₩ 121	₩ 88	₩ -	₩ 88
	₩ 121	₩ -	₩ 121	₩ 88	₩ -	₩ 88

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**9. Investment securities**

(1) Details of investment securities as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025							
	Equity instruments				Debt instruments			
	Listed stocks		Unlisted stocks		Listed debt securities		Unlisted debt securities	
Current assets								
Financial assets measured at FVTPL	₩	-	₩	-	₩	-	₩	-
	₩	-	₩	-	₩	-	₩	-
Non-current assets								
Financial assets measured at FVTPL (*1)	₩	12,100	₩	10,644	₩	-	₩	83,320
Financial assets measured at FVOCI		4,191		696,721		-		-
Financial assets measured at amortized cost		-		-		-		226
	₩	16,291	₩	707,365	₩	-	₩	83,546
	₩	16,291	₩	707,365	₩	-	₩	83,546

(\*1) It consists of Kodiak AI, Inc. and Primer Sazze Fund II, L.P., Glassdome, Inc. and others.

	December 31, 2024							
	Equity instruments				Debt instruments			
	Listed stocks		Unlisted stocks		Listed debt securities		Unlisted debt securities	
Current assets								
Financial assets measured at FVTPL	₩	-	₩	-	₩	-	₩	-
	₩	-	₩	-	₩	-	₩	-
Non-current assets								
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
	₩	89,663	₩	276,182	₩	-	₩	90,061

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

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

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

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**9. Investment securities (cont'd)**

(2) Details of equity securities traded in active markets designated as other comprehensive income-fair value metrics as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025	December 31, 2024
Gi Innovation, Inc	₩ 4,191	₩ 2,097
KG Mobility Corp. (formerly, Ssangyong Motor Company)	-	324

(3) Changes in financial assets measured at FVOCI for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Beginning balance	₩ 269,965	₩ 581,716
Acquisitions	17,221	-
Disposals	(6,272)	(17,353)
Other comprehensive income (loss)	(44,263)	(279,162)
Others (*1)	464,261	(15,236)
Ending balance	₩ 700,912	₩ 269,965

(\*1) For the year ended December 31, 2025, SK Specialty Co., Ltd. ₩464,261 million was transferred to financial assets measured at FVOCI from investments in subsidiaries.

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

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**10. Investments in subsidiaries and associates**

(1) Details of investments in subsidiaries as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	Domicile	Principal business activity	December 31, 2025		December 31, 2024		Fiscal year-end month
			Ownership percentage (%) (*1)	Book value	Ownership percentage (%) (*1)	Book value	
SK Innovation Co., Ltd. (*2,15)	Korea	Resource development	52.09	₩ 6,711,549	55.91	₩ 6,066,879	December
SK Telecom Co., Ltd. (*3)	Korea	Mobile telecommunication	30.57	2,929,870	30.57	2,929,870	December
SK Square Co., Ltd. (*3)	Korea	Investment	32.14	2,486,149	31.50	2,486,149	December
SK Ecoplant Co., Ltd. (*4)	Korea	Construction	69.05	1,270,867	64.69	910,734	December
SK Networks Co., Ltd. (*3)	Korea	Trading and distribution	43.90	706,229	43.90	706,229	December
SK Siltron Co., Ltd.	Korea	Manufacturing and sales of	51.00	622,606	51.00	622,606	December
SKC Co., Ltd. (*3)	Korea	silicon thin sheet 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. (*6)	Korea	Special-gas manufacturing and sales	-	-	100.00	90,070	December
Hweechan Co., Ltd.	Korea	Condominiums/resort business	100.00	335,912	100.00	335,912	December
SK Tri Chem Co., Ltd. (*4)	Korea	Development of precursor products	-	-	65.00	102,505	December
SK Signet Inc. (*8,10)	Korea	Manufacturing of motors, generators, and electrical conversion devices	58.21	211,600	-	91,396	December
SK materials Group14 Co., Ltd. (*7)	Korea	Semiconductor distribution and sales	-	-	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. (*4,11,15)	Korea	Semiconductor industrial photosensitive agent manufacturing and sales	-	-	100.00	57,070	December
SK Powertech Co., Ltd. (*14)	Korea	Semiconductor manufacturing	-	-	98.59	35,247	December
SK Resonac Co., Ltd. (*4)	Korea	Semiconductor distribution and sales	-	-	51.00	23,150	December
Evertch Enterprise Co., Ltd. (*11)	Korea	Manufacturing of other chemical products	-	-	98.48	20,637	December
SK Materials JNC Co., Ltd. (*4)	Korea	Organic light emitting diode material manufacturing, distribution and sales	-	-	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. (*12)	Korea	Computer Systems Integration Advisory	50.00	650	50.00	650	December
SK Pharmteco Inc.	USA	Investment	100.00	1,651,228	100.00	1,651,228	December

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

	Domicile	Principal business activity	December 31, 2025		December 31, 2024		Fiscal year-end month
			Ownership percentage (%) (*1)	Book value	Ownership percentage (%) (*1)	Book value	
Plutus Capital NY, Inc. (*8)	USA	Investment	100.00	₩ 10,082	100.00	₩ 571,967	December
SK China Company, Ltd. (*13)	Hong Kong	Consulting and investment	27.42	557,117	27.42	557,117	December
SK South East Asia Investment Pte. Ltd. (*13)	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. (*8)	USA	Investment	100.00	17,291	100.00	103,818	December
Tillandsia, Inc. (*14)	USA	Investment	-	-	100.00	69,088	December
Saturn Agriculture Investment Co., Ltd. (*5)	Hong Kong	Investment	87.68	67,093	81.00	67,093	December
Energy Solution Holdings Inc. (*8,13)	USA	Investment	29.09	5,014	29.09	54,752	December
I Cube Capital, Inc.	USA	Investment	100.00	52,652	100.00	52,652	December
Roca Capital Inc. (formerly, SK Japan Inc.) (*8,9,13)	Japan	Investment	50.00	457	50.00	47,354	December
SK Life Science Labs, Inc. (*13)	USA	Research and development of new drugs	40.00	41,302	40.00	41,302	December
Areca, Inc. (*14)	USA	Investment	-	-	100.00	41,845	December
Chamaedorea, Inc. (*14)	USA	Investment	-	-	100.00	39,025	December
Auxo Capital Inc.	USA	Investment	100.00	34,917	100.00	34,917	December
SK AX Beijing Co., Ltd. (formerly, SK C&C Beijing Co., Ltd.)	China	Computer system integration advisory	100.00	25,481	100.00	25,481	December
Energy Solution Group, Inc. (*8,9,13)	USA	Energy solution and electric car charger	50.00	54	50.00	24,299	December
SK Americas, Inc. (formerly, SK USA, Inc.) (*13)	USA	Management Advisory	20.00	13,013	20.00	13,013	December
Planeta Pte. Ltd. (*13)	Singapore	Development of carbon emission rights business	38.47	11,366	38.47	11,366	December
SK Investment Management Co., Ltd. (*14)	Hong Kong	Investment	-	-	82.24	10,099	December
SK GI Management	Cayman	Investment	100.00	9,523	100.00	9,523	December
Digital Center Capital Inc.	USA	Investment	100.00	6,424	100.00	6,424	December
SK MENA Investment B.V. (*9,13)	Netherland	Investment	11.54	2,084	11.54	5,178	December
SK Japan Inc. (*13)	Japan	Information collection and consulting	24.91	3,323	24.91	3,323	December
MiraiTech Inc.	Japan	Investment consulting	100.00	2,693	100.00	2,693	December
Gemini Partners Pte. Ltd. (*13)	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 AX USA, Inc. (formerly, SK C&C USA, Inc.)	USA	Computer system integration advisory	100.00	1,971	100.00	1,971	December
SK Technology Innovation Company (*9,13)	Cayman	Research and development	2.07	976	2.12	1,000	December
SK Latin Americas Investment S.A. (*16)	Spain	Investment	-	-	11.54	153	December
Castanea Biosciences Inc.	USA	Investment	100.00	48	100.00	48	December

**SK Inc.**  
**Notes to the separate financial statements**  
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**10. Investments in subsidiaries and associates (cont'd)**

	Domicile	Principal business activity	December 31, 2025		December 31, 2024		Fiscal year-end month
			Ownership percentage (%) (*1)	Book value	Ownership percentage (%) (*1)	Book value	
Halio, Inc. (*16)	USA	Discolored glass manufacturing	-	-	66.16	-	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
				<u>₩19,589,389</u>		<u>₩19,808,660</u>	

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

(\*2) During the year ended December 31, 2025, the Company has entered into a Price Return Swap agreement with a financial investor on the ordinary shares of SK Innovation Co., Ltd. .

(\*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 exercise substantive power.

(\*4) During the year ended December 31, 2025, the Company contributed all its shares in SK Tri Chem Co., Ltd., SK Resonac Co., Ltd., and SK Materials JNC Co., Ltd. to SK Ecoplant Co., Ltd. as an in-kind contribution, and a share exchange transaction was also executed between SK Ecoplant Co., Ltd. and SK Materials Performance Co., Ltd. The shares transferred through the in-kind contribution and the share exchange were accounted for as a transaction under common control and were included in subsidiaries of SK Ecoplant Co., Ltd.

(\*5) A capital reduction with compensation occurred during the year ended December 31, 2025, resulting in a change in the Company's equity interest as the Company did not participate.

(\*6) An 85% equity interest was sold during the year ended December 31, 2025, and the remaining 15% was reclassified as financial assets measured at FVOCI.

(\*7) During the year ended December 31, 2025, the Company contributed all its shares in SK materials Group14Co., Ltd. as an in-kind contribution.

(\*8) For the year ended December 31, 2025, there were signs of impairment, so the impairment loss on investment in subsidiaries was recognized.

(\*9) A capital reduction with compensation occurred during the year ended December 31, 2025.

(\*10) The Company has additionally acquired common stocks during the year ended December 31, 2025 and as a result, holds 66.7% of voting rights including convertible preferred stocks with voting rights.

(\*11) During the year ended December 31, 2025, SK Materials Performance Co., Ltd. completed an absorption-type merger with Evertech Enterprise Co., Ltd. whereby the latter was merged into the former.

(\*12) It was classified as an investment in a subsidiary as control can be exercised due to the impasse in the terms of equity acquisition.

(\*13) When the equity interest of the Company and its subsidiaries is combined, control can be exercised, therefore the investments are classified as a subsidiary.

(\*14) During the year ended December 31, 2025, the investment was completely disposed of.

(\*15) During the year ended December 31, 2025, the investment was additionally contributed.

(\*16) The investment was liquidated for the year ended December 31, 2025.

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**10. Investments in subsidiaries and associates (cont'd)**

(2) Changes in investments in subsidiaries for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025					Ending balance
	Beginning balance	Acquisition	Disposal	Impairment	Others	
SK Innovation Co., Ltd.	₩ 6,066,879	₩ 644,670	₩ -	₩ -	₩ -	₩ 6,711,549
SK Telecom Co., Ltd.	2,929,870	-	-	-	-	2,929,870
SK Square Co., Ltd.	2,486,149	-	-	-	-	2,486,149
SK Ecoplant Co., Ltd.	910,734	-	-	-	360,133	1,270,867
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.	90,070	-	-	-	(90,070)	-
Hweechan Co., Ltd.	335,912	-	-	-	-	335,912
SK Tri Chem Co., Ltd.	102,505	-	-	-	(102,505)	-
SK Signet Inc.	91,396	145,000	-	(24,796)	-	211,600
SK materials Group14 Co., Ltd.	62,692	-	-	(60,771)	(1,921)	-
SK Forest Co., Ltd.	61,387	-	-	-	-	61,387
SK Materials Performance Co., Ltd.	57,070	30,800	-	-	(87,870)	-
SK Powertech Co., Ltd.	35,247	-	(35,247)	-	-	-
SK Resonac Co., Ltd.	23,150	-	-	-	(23,150)	-
Evertech Enterprise Co., Ltd.	20,637	319	-	-	(20,956)	-
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
SK Pharmteco Inc.	1,651,228	-	-	-	-	1,651,228
Plutus Capital NY, Inc.	571,967	-	-	(561,885)	-	10,082
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.	103,818	-	-	(86,527)	-	17,291
Tillandsia, Inc.	69,088	-	(69,088)	-	-	-
Saturn Agriculture Investment Co., Ltd.	67,093	-	-	-	-	67,093
Energy Solution Holdings Inc.	54,752	-	-	(49,738)	-	5,014
I Cube Capital, Inc.	52,652	-	-	-	-	52,652
Roca Capital Inc. (Formerly, SK Japan, Inc.)	47,354	-	(8,976)	(37,921)	-	457
SK Life Science Labs, Inc.	41,302	-	-	-	-	41,302
Areca, Inc.	41,845	-	(41,845)	-	-	-
Chamaedorea, Inc.	39,025	-	(39,025)	-	-	-
Auxo Capital Inc.	34,917	-	-	-	-	34,917
SK AX Beijing Co., Ltd. (formerly, SK C&C Beijing Co., Ltd.)	25,481	-	-	-	-	25,481
Energy Solution Group, Inc.	24,299	-	(3,778)	(20,467)	-	54
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.	6,424	-	-	-	-	6,424
SK MENA Investment B.V.	5,178	-	(3,094)	-	-	2,084
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 AX USA, Inc. (formerly, SK C&C USA, Inc.)	1,971	-	-	-	-	1,971
SK Technology Innovation Company	1,000	-	(24)	-	-	976
SK Latin Americas Investment S.A.	153	-	(153)	-	-	-
Castanea Biosciences Inc.	48	-	-	-	-	48
Halio, Inc.	-	-	-	-	-	-
Socar Mobility Malaysia, SDN. BHD.	-	-	-	-	-	-
SK C&C India Pvt. Ltd.	-	-	-	-	-	-
S&G Technology	-	-	-	-	-	-
	₩ 19,808,660	₩ 820,789	₩ (211,329)	₩ (842,105)	₩ 13,374	₩ 19,589,389

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

	For the year ended December 31, 2024						Ending balance
	Beginning balance	Acquisition	Disposal	Impairment	Others		
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 Powertech Co., Ltd.	150,919	-	-	(115,672)	-	-	35,247
SK Resonac Co., Ltd.	23,150	-	-	-	-	-	23,150
Evertch 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 AX Beijing Co., Ltd.(formerly, 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 AX USA, Inc.(formerly, 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

**10. Investments in subsidiaries and associates (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 the impairment test, the Company recognized impairment losses for subsidiaries whose recoverable amounts were lower than their carrying amounts.

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

- 1) An impairment loss of ₩561,885 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 investment shares held by Plutus Capital NY, Inc.
- 2) An impairment loss of ₩86,527 million was recognized for the stake in Tellus Investment Partners, Inc. due to the deterioration in performance during the current period. The impairment loss was determined by taking into account the subsidiary's net fair value.
- 3) An impairment loss of ₩49,738 million was recognized for the stake in Energy Solution Holdings Inc. whose net asset value has significantly decreased during the current period. The impairment loss was determined by taking into account the subsidiary's net fair value.
- 4) An impairment loss of ₩37,921 million was recognized for the stake in Roca Capital Inc. (formerly SK Japan, Inc.) whose net asset value has significantly decreased during the current period. The impairment loss was determined by taking into account the subsidiary's net fair value.
- 5) An impairment loss of ₩24,796 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 11.78% and a permanent growth rate of 1.0% were applied to measure the value in use.
- 6) An impairment loss of ₩20,467 million was recognized for the stake in Energy Solution Group, Inc. whose net asset value has significantly decreased during the current year. The impairment loss was determined by taking into account the subsidiary's net fair value.
- 7) The Company contributed all its shares of SK materials Group14 Co., Ltd. as an in-kind contribution in Group14 Technologies, Inc. As this qualified as an exchange transaction with commercial substance, an impairment loss of ₩60,771 million was recognized, a difference between the fair value and the carrying amount.

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

(4) Details of investments in associates as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	Domicile	Principal business activity	December 31, 2025		December 31, 2024		Fiscal year-end month
			Ownership percentage (%)	Book value	Ownership percentage (%)	Book value	
SK REIT Co., Ltd. (*3)	Korea	Real estate development and trading	29.19	₩436,452	32.10	₩436,452	March, June, September, December
LTCAM Co.,Ltd. (*1)	Korea	Semiconductor process material	37.47	44,438	37.47	44,438	December
SMCore Inc. (*2,4)	Korea	Manufacturing and sales of automated logistics system	5.49	5,971	26.60	28,940	December
Standigm Inc. (*1,4,8)	Korea	Medical and pharmaceutical research and development industries	12.09	-	12.09	14,410	December
Cloocus Co., Ltd. (*1,4)	Korea	Information and communication service	15.57	6,500	15.57	6,500	December
TBU Inc. (*1,3)	Korea	Electric vehicle charging	31.54	5,700	31.59	5,700	December
Soft berry Inc. (*1,4)	Korea	Logistics infra	18.48	5,684	18.48	5,684	December
A4x Inc. (*1,4)	Korea	Block chain validator	8.33	5,078	8.33	5,078	December
PUMP Co., Ltd. (*1,4)	Korea	Electric kickboard rental service	6.79	5,000	6.79	5,000	December
Twolinecloud Inc. (formerly, TWO LINE CODE Inc.) (*4)	Korea	Software development	19.44	2,300	19.44	2,300	December
The Wave Talk, Inc. (*1,4)	Korea	Manufacturing and technical services	3.74	2,038	3.74	2,038	December
Todo Works Corp. (*1,4)	Korea	Sales of Assistive Devices for People with Disabilities and Medical Devices	10.25	2,037	10.25	2,037	December
Team Blackbird, Inc. (*5)	Korea	Software development	-	-	3.22	1,998	December
ACRYL Inc. (*5)	Korea	Information service	-	-	5.47	127	December
Daehan Kanggun BcN Co., Ltd. (*6)	Korea	Wired communication	-	-	0.20	-	December
Belstar Superfreeze Holdings, LLC (*1,8)	Cayman	Warehouse business	20.98	-	20.98	36,839	December
9352-7281 Quebec Inc.	Canada	Investment	40.09	31,558	40.09	31,558	December
ION Clean Energy, Inc. (*5)	USA	Development of carbon capture technology	-	-	9.26	28,930	December
Hummingbird Bioscience Holdings Pte. Ltd. (*1,4)	Singapore	Monoclonal Antibody Drug Development	8.97	19,026	8.97	19,026	December
VantAI Holdings, Inc. (*5)	USA	Medicine research and development	-	-	40.00	7,817	December
FSK Holdings Co., Ltd.	Hong Kong	IT service	30.00	6,245	30.00	6,245	December
Visible Patient S.A.S. (*9)	France	Manufacturing related to medicine	-	-	22.14	-	December
Mozido Corfire, Inc. (*4,7)	USA	System consulting	19.94	-	19.94	-	December
				<u>₩578,027</u>		<u>₩691,117</u>	

**10. Investments in subsidiaries and associates (cont'd)**

- (\*1) It is the ownership percentage that takes preferred shares with voting rights into consideration.
- (\*2) During the year ended December 31, 2025, a portion of investment was disposed of.
- (\*3) During the year ended December 31, 2025, the shareholding changed due to a capital increase by the associate.
- (\*4) As the Company is able to exercise significant influence over the entity although the Company's ownership interest is less than 20%, the investment in the entity was classified as investments in associates.
- (\*5) During the year ended December 31, 2025, the investment was completely disposed of.
- (\*6) During the year ended December 31, 2025, the entity ceased its operations.
- (\*7) Temporarily closed as of December 31, 2025
- (\*8) For the year ended December 31, 2025, there were signs of impairment, so the impairment loss on investment in associates was recognized.
- (\*9) The investment was liquidated for the year ended December 31, 2025.

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**10. Investments in subsidiaries and associates (cont'd)**

(5) Changes in investments in associates for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025					
	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	-	(22,969)	-	-	5,971
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
Twolinecloud Inc. (formerly,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.	127	-	(127)	-	-	-
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
	₩ 691,117	₩ -	₩ (32,911)	₩ (51,249)	₩ (28,930)	₩ 578,027

	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
Twolinecloud Inc. (formerly,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.	-	-	-	-	-	-
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.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**11. Property, plant and equipment**

(1) Details of property, plant and equipment as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025			
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land	₩ 105,885	₩ -	₩ -	₩ 105,885
Buildings	246,955	(55,272)	-	191,683
Structures	11,646	(3,899)	-	7,747
Machinery	-	-	-	-
Vehicles	10,375	(6,044)	-	4,331
Furniture and fixtures	325,117	(254,673)	-	70,444
Construction-in-progress	2,697	-	-	2,697
	₩ 702,675	₩ (319,888)	₩ -	₩ 382,787

  

	December 31, 2024			
	Acquisition cost	Accumulated depreciation	Accumulated 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

(2) Details of changes in property, plant and equipment for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025							Ending balance
	Beginning balance	Acquisitions	Disposals (*1)	Depreciation	Transfers (*2)	Others (*3)		
Land	₩ 105,097	₩ 929	₩ (41,574)	₩ -	₩ 41,433	₩ -	₩ 105,885	
Buildings	234,457	22,697	(95,830)	(7,878)	38,237	-	191,683	
Structures	8,238	1,325	-	(516)	-	(1,300)	7,747	
Machinery	16,331	36	(3,903)	(966)	706	(12,204)	-	
Vehicles	4,788	392	-	(590)	-	(259)	4,331	
Furniture and fixtures	110,644	41,943	(51,088)	(30,669)	2,535	(2,921)	70,444	
Construction-in-progress	84,393	7,937	(3,626)	-	(84,890)	(1,117)	2,697	
	₩ 563,948	₩ 75,259	₩ (196,021)	₩ (40,619)	₩ (1,979)	₩ (17,801)	₩ 382,787	

(\*1) This includes the transfer of business operations related to the Pangyo Data Center to SK Broadband Co., Ltd., a subsidiary.

(\*2) This includes transfer from construction-in-progress to property, plant and equipment and from property, plant and equipment to intangible assets.

(\*3) This includes an in-kind contribution to SK Ecoplant Co., Ltd. and capitalized borrowing costs.

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

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

	For the year ended December 31, 2024						Ending balance
	Beginning balance	Acquisitions	Disposals	Depreciation	Transfers (*1)	Others (*2)	
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
	<u>₩ 589,096</u>	<u>₩ 44,674</u>	<u>₩ (19,128)</u>	<u>₩ (53,912)</u>	<u>₩ 510</u>	<u>₩ 2,708</u>	<u>₩ 563,948</u>

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

(\*2) This includes capitalized borrowing costs.

(3) Capitalized borrowing costs

Capitalized borrowing costs and capitalization rates for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Borrowing costs capitalized	₩ 1,480	₩ 2,708
Capitalization rate	3.62%	3.78%

**12. Right-of-use assets and lease**

(1) Details of right-of-use assets as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025			
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land and buildings	₩ 295,748	₩ (152,743)	₩ -	₩ 143,005
Vehicles	11,059	(6,483)	-	4,576
Others	289	(67)	-	222
	<u>₩ 307,096</u>	<u>₩ (159,293)</u>	<u>₩ -</u>	<u>₩ 147,803</u>

  

	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
	<u>₩ 281,323</u>	<u>₩ (143,462)</u>	<u>₩ -</u>	<u>₩ 137,861</u>

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

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

(2) Changes in right-of-use assets for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025					Ending balance
	Beginning balance	Increase	Depreciation	Decrease	Others (*1)	
Land and buildings	₩ 132,778	₩ 65,093	₩ (45,319)	₩ (7,582)	₩ (1,965)	₩ 143,005
Vehicles	4,954	4,568	(3,056)	(2,182)	292	4,576
Others	129	160	(67)	-	-	222
	₩ 137,861	₩ 69,821	₩ (48,442)	₩ (9,764)	₩ (1,673)	₩ 147,803

(\*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, 2024					Ending balance
	Beginning balance	Increase	Depreciation	Decrease	Others (*1)	
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.

(3) Details of lease-related income and expenses from lease contracts for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Depreciation of right-of-use assets	₩ 48,442	₩ 42,746
Interest cost on lease liabilities	10,112	9,123
Short-term lease expenses	3,651	3,584
Low-value underlying asset lease-related expenses	1,414	1,083
Expenses related to variable lease	31	-
	₩ 63,650	₩ 56,536

(4) Total cash outflows from leases for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
The total cash outflows from leases	₩ 90,501	₩ 87,518

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

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

(5) The gross investment in the lease and the present value of the minimum lease payments for finance leases as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025							Total
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3~4 years	4 ~ 5 years	More than 5 years		
Gross Investment in the lease	₩ 42,556	₩ 42,739	₩ 43,380	₩ 44,030	₩ 44,691	₩ 23,122	₩ 240,518	
Present value of minimum lease payment	42,046	40,426	39,946	39,470	38,999	18,975	219,862	

  

	December 31, 2024							Total
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3~4 years	4 ~ 5 years	More than 5 years		
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	

(6) Details of income and expenses from financial lease contracts as a lessor for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Financial profit of net lease investment	₩ 6,170	₩ 6,887

(7) Details of adjustments for undiscounted lease payments related to financial leases and net investments in finance leases as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025	December 31, 2024
Undiscounted financial leases to be received	₩ 240,518	₩ 276,955
Unrealized financial income related to financial lease receivables	20,656	31,406
Net financial lease investment	₩ 219,862	₩ 245,549

(8) The maturity analysis of the contracts currently provided by the Company under operating lease as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025							Total
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3~4 years	4 ~ 5 years	More than 5 years		
Gross Investment in the lease	₩ 1,000	₩ 879	₩ -	₩ -	₩ -	₩ -	₩ 1,879	

  

	December 31, 2024							Total
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3~4 years	4 ~ 5 years	More than 5 years		
Gross Investment in the lease	₩ 60,942	₩ 52,125	₩ 19,489	₩ -	₩ -	₩ -	₩ 132,556	

(9) Details of income and expenses from operating lease contracts as a lessor for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Income from operating lease	₩ 47,213	₩ 76,558

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**13. Investment properties**

(1) Details of investment properties as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025			
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land	₩ 6	₩ -	₩ -	₩ 6
Buildings	10,779	(4,539)	-	6,240
	₩ 10,785	₩ (4,539)	₩ -	₩ 6,246

  

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

(2) Changes in investment properties for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025						Ending balance
	Beginning balance	Acquisitions	Disposals(*1)	Depreciation	Transfers	Others (*2)	
Land	₩ 6	₩ 46,243	₩ -	₩ -	₩ -	₩ (46,243)	₩ 6
Buildings	62,529	35,582	(54,406)	(2,420)	-	(35,045)	6,240
	₩ 62,535	₩ 81,825	₩ (54,406)	₩ (2,420)	₩ -	₩ (81,288)	₩ 6,246

(\*1) This includes the transfer of business operations related to the Pangyo Data Center to SK Broadband Co., Ltd., a subsidiary.

(\*2) This includes an in-kind contribution to SK Ecoplant Co., Ltd.

	For the year ended December 31, 2024						Ending balance
	Beginning balance	Acquisitions	Disposals	Depreciation	Transfers (*1)		
Land	₩ 89	₩ -	₩ -	₩ -	₩ (83)	₩ -	₩ 6
Buildings	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.

(3) Details of income and expenses related to investment properties for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Rental income	₩ 47,213	₩ 76,558
Depreciation of investment properties	(2,420)	(3,394)
	₩ 44,793	₩ 73,164

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, 2025.

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**14. Intangible assets**

(1) Details of intangible assets as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Development costs	₩ 195,199	₩ (114,491)	₩ (4,076)	₩ 76,632
Membership	58,545	-	(3,044)	55,501
Brand-related assets	1,975,000	-	-	1,975,000
Others	4,914	(1,265)	(44)	3,605
	₩ 2,233,658	₩ (115,756)	₩ (7,164)	₩ 2,110,738

  

	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
	₩ 2,257,632	₩ (121,289)	₩ (28,707)	₩ 2,107,636

(2) Changes in intangible assets for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025							Ending balance
	Beginning balance	Acquisitions	Disposals	Amortization	Impairment(*2)	Transfers(*3)	Others(*4)	
Development costs	₩ 72,112	₩ 30,394	₩ (548)	₩ (22,279)	₩ (3,528)	₩ 481	₩ -	₩ 76,632
Membership (*1)	59,477	-	(1,124)	-	-	-	(2,852)	55,501
Brand-related assets (*1)	1,975,000	-	-	-	-	-	-	1,975,000
Others	1,047	4,791	(1,779)	(1,122)	(44)	1,498	(786)	3,605
	₩ 2,107,636	₩ 35,185	₩ (3,451)	₩ (23,401)	₩ (3,572)	₩ 1,979	₩ (3,638)	₩ 2,110,738

(\*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 an in-kind contribution to SK Ecoplant Co., Ltd.

	For the year ended December 31, 2024							Ending balance
	Beginning balance	Acquisitions	Disposals	Amortization	Impairment(*2)	Transfers(*3)	Others(*4)	
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
	₩ 2,151,930	₩ 24,859	₩ (12,110)	₩ (28,538)	₩ (25,663)	₩ 152	₩ (2,994)	₩ 2,107,636

(\*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.

**14. Intangible assets (cont'd)**

(3) Details of current R&D expenditures recognized as expenses for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Current R&D expenditure handled at the time of occurrence	₩ 25,455	₩ 28,640

(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 both external information and internal information (historical information).

Significant assumptions used in impairment testing of brand-related assets as of December 31, 2025 are as follows:

Recoverable amounts	Growth rate (*1)	Discount rate (*2)
Value in use	1.00%	9.7 ~ 20.7%

(\*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, 2025.

**SK Inc.**  
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**15. Borrowings and bonds**

(1) Short-term borrowings

Details of short-term borrowings as of December 31, 2025 and 2024 are as follows (Korean won in millions):

Description	Financial institution	Currency	Interest rate (%)	December 31, 2025	December 31, 2024
Working capital loan	KB Bank and others	KRW	-	₩ -	₩ 600,000
Facility loan	NH Bank	KRW	-	-	60,000
Commercial paper	Shinhan Bank	KRW	3.63~ 3.90	400,000	1,725,000
				₩ 400,000	₩ 2,385,000

(2) Bonds

Details of bonds as of December 31, 2025 and 2024 are as follows (Korean won in millions):

Series	Currency	Issue date	Maturity	Interest rate (%)	December 31, 2025	December 31, 2024
277-4th	KRW	2016-06-01	2026-06-01	2.43	₩ 60,000	₩ 60,000
283-2nd	KRW	2018-02-27	2025-02-27	2.99	-	60,000
283-3rd	KRW	2018-02-27	2028-02-27	3.26	100,000	100,000
284-2nd	KRW	2018-06-08	2025-06-08	3.01	-	60,000
284-3rd	KRW	2018-06-08	2028-06-08	3.09	100,000	100,000
285-2nd	KRW	2018-09-06	2025-09-06	2.47	-	60,000
285-3rd	KRW	2018-09-06	2028-09-06	2.55	120,000	120,000
287-2nd	KRW	2019-02-27	2026-02-27	2.23	70,000	70,000
287-3rd	KRW	2019-02-27	2029-02-27	2.35	80,000	80,000
288-2nd	KRW	2019-06-04	2026-06-04	1.83	60,000	60,000
288-3rd	KRW	2019-06-04	2029-06-04	1.87	110,000	110,000
289-3rd	KRW	2019-09-20	2029-09-20	1.84	70,000	70,000
290-3rd	KRW	2019-11-28	2029-11-28	1.89	70,000	70,000
291-2nd	KRW	2020-02-20	2025-02-20	1.63	-	160,000
291-3rd	KRW	2020-02-20	2027-02-20	1.70	40,000	40,000
291-4th	KRW	2020-02-20	2030-02-20	1.80	60,000	60,000
292-2nd	KRW	2020-06-03	2025-06-03	1.69	-	120,000
292-3rd	KRW	2020-06-03	2030-06-03	1.79	50,000	50,000
293-1st	KRW	2020-09-07	2025-09-07	1.57	-	200,000
293-2nd	KRW	2020-09-07	2027-09-07	1.74	30,000	30,000
293-3rd	KRW	2020-09-07	2030-09-07	1.83	120,000	120,000
294-1st	KRW	2020-12-03	2025-12-03	1.61	-	150,000
294-2nd	KRW	2020-12-03	2030-12-03	1.93	90,000	90,000
295-2nd	KRW	2021-02-24	2026-02-24	1.60	150,000	150,000
295-3rd	KRW	2021-02-24	2028-02-24	1.75	30,000	30,000
295-4th	KRW	2021-02-24	2031-02-24	2.03	80,000	80,000
296-2nd	KRW	2021-06-04	2026-06-04	2.07	220,000	220,000
296-3rd	KRW	2021-06-04	2031-06-04	2.49	70,000	70,000
297-2nd	KRW	2021-09-13	2026-09-13	2.09	200,000	200,000
297-3rd	KRW	2021-09-13	2031-09-13	2.28	60,000	60,000
298-2nd	KRW	2021-11-05	2026-11-05	2.72	100,000	100,000
298-3rd	KRW	2021-11-05	2031-11-05	2.83	40,000	40,000
302-1st	KRW	2022-02-22	2025-02-22	3.00	-	220,000
302-2nd	KRW	2022-02-22	2027-02-22	3.10	120,000	120,000
302-3rd	KRW	2022-02-22	2032-02-22	3.19	50,000	50,000
303-1st	KRW	2022-06-09	2025-06-09	3.97	-	160,000
303-2nd	KRW	2022-06-09	2027-06-09	4.14	160,000	160,000

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**15. Borrowings and bonds (cont'd)**

(2) Bonds (cont'd)

Series	Currency	Issue date	Maturity	Interest rate (%)	December 31, 2025	December 31, 2024
303-3rd	KRW	2022-06-09	2029-06-09	4.24	30,000	30,000
304-2nd	KRW	2022-09-16	2025-09-16	4.71	-	145,000
304-3rd	KRW	2022-09-16	2027-09-16	4.85	160,000	160,000
305-2nd	KRW	2022-12-08	2025-12-08	5.49	-	130,000
305-3rd	KRW	2022-12-08	2027-12-08	5.45	40,000	40,000
306-1st	KRW	2023-02-27	2026-02-27	4.07	160,000	160,000
306-2nd	KRW	2023-02-27	2028-02-27	4.20	230,000	230,000
307-1st	KRW	2023-05-30	2026-05-30	4.19	150,000	150,000
307-2nd	KRW	2023-05-30	2028-05-30	4.38	290,000	290,000
307-3rd	KRW	2023-05-30	2030-05-30	4.60	110,000	110,000
307-4th	KRW	2023-05-30	2033-05-30	4.67	50,000	50,000
308-1st	KRW	2023-09-11	2026-09-11	4.40	150,000	150,000
308-2nd	KRW	2023-09-11	2028-09-11	4.50	140,000	140,000
308-3rd	KRW	2023-09-11	2030-09-10	4.65	50,000	50,000
308-4th	KRW	2023-09-11	2033-09-11	4.81	70,000	70,000
309-1st	KRW	2023-12-11	2026-12-11	3.96	90,000	90,000
309-2nd	KRW	2023-12-11	2028-12-11	4.04	110,000	110,000
310-1st	KRW	2024-02-29	2026-02-27	3.73	50,000	50,000
310-2nd	KRW	2024-02-29	2027-02-26	3.81	220,000	220,000
310-3rd	KRW	2024-02-29	2029-02-28	3.83	110,000	110,000
311-1st	KRW	2024-05-30	2027-05-28	3.69	210,000	210,000
311-2nd	KRW	2024-05-30	2029-05-30	3.78	120,000	120,000
311-3rd	KRW	2024-05-30	2031-05-30	3.86	50,000	50,000
312-1st	KRW	2024-08-29	2026-08-28	3.29	50,000	50,000
312-2nd	KRW	2024-08-29	2027-08-27	3.40	290,000	290,000
312-3rd	KRW	2024-08-29	2029-08-29	3.39	80,000	80,000
312-4th	KRW	2024-08-29	2031-08-29	3.39	30,000	30,000
313-1st	KRW	2024-11-28	2027-11-26	3.26	260,000	260,000
313-2nd	KRW	2024-11-28	2029-11-28	3.26	140,000	140,000
314-1st	KRW	2025-03-07	2028-03-07	3.06	270,000	-
314-2nd	KRW	2025-03-07	2030-03-07	3.12	160,000	-
315-1st	KRW	2025-05-29	2028-05-29	2.73	240,000	-
315-2nd	KRW	2025-05-29	2030-05-29	2.88	110,000	-
315-3rd	KRW	2025-05-29	2035-05-29	3.18	30,000	-
316-1st	KRW	2025-08-28	2028-08-28	2.76	170,000	-
316-2nd	KRW	2025-08-28	2030-08-28	2.92	260,000	-
317-1st	KRW	2025-11-28	2028-11-28	3.40	250,000	-
317-2nd	KRW	2025-11-28	2030-11-28	3.58	140,000	-
					<u>₩ 7,580,000</u>	<u>₩ 7,415,000</u>
Discount on bonds payable					₩ (15,321)	₩ (15,326)
Current portion					(1,509,234)	(1,464,239)
					<u>₩ 6,055,445</u>	<u>₩ 5,935,435</u>

**SK Inc.**  
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**15. Borrowings and bonds (cont'd)**

(3) Long-term borrowings

Details of long-term borrowings as of December 31, 2025 and 2024 are as follows (Korean won in millions):

Description	Financial institution	Currency	Interest rate (%)	December 31, 2025	December 31, 2024
Commercial paper	SK securities	KRW	5.75	₩ 100,000	₩ 200,000
Working capital loan	Woori Bank	KRW	3.87 ~ 4.29	350,000	450,000
Working capital loan	KB Bank	KRW	4.03 ~ 4.12	170,000	240,000
				₩ 620,000	₩ 890,000
	Discount on long-term borrowings			(92)	(214)
	Current portion			(350,000)	(439,928)
				₩ 269,908	₩ 449,858

**16. Provisions**

Changes in provisions for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025							
	Beginning balance	Increase	Use	Return	Transfers (*1)	Ending balance	Current	Non-Current
Provision for service warranties	₩ 7,434	₩ 3,184	₩ (2,754)	₩ (654)	₩ -	₩ 7,210	₩ 7,210	₩ -
Other provisions	28,626	2,908	(167)	(2,345)	(77)	28,945	265	28,680
	₩ 36,060	₩ 6,092	₩ (2,921)	₩ (2,999)	₩ (77)	₩ 36,155	₩ 7,475	₩ 28,680

(\*1) This includes disposal of assets associated with the Pangyo Data Center to SK Broadband Co.,Ltd., a subsidiary.

This includes the transfer of liabilities related to the Pangyo Data Center to SK Broadband Co., Ltd., a subsidiary.

	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	

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.

**SK Inc.**  
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**17. Retirement benefit plan**

(1) Defined contribution plans

The expenses related to the defined contributions plans recognized for the years ended December 31, 2025 and 2024, were ₩4,660 million and ₩2,305 million, respectively.

(2) Details of defined benefit liabilities(assets) as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	₩ 438,952	₩ 496,108
Fair value of plan assets	(439,986)	(479,788)
	<u>₩ (1,034)</u>	<u>₩ 16,320</u>

(3) Changes in the defined benefit liabilities (assets) for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 496,108	₩ (479,788)	₩ 16,320
Retirement benefits:			
Current service cost	43,898	-	43,898
Net interest cost (income)	17,470	(16,728)	742
Remeasurements:			
Return on plan assets (excluding amounts included in net interest expense)	-	2,917	2,917
Changes in financial assumptions	(23,052)	-	(23,052)
Experience adjustment	(9,688)	-	(9,688)
Changes in demographic assumption	(4,042)	-	(4,042)
Contributions	-	(31,410)	(31,410)
Benefit payments	(36,464)	37,563	1,099
Payments due to settlement	(46,206)	46,203	(3)
Others	928	1,257	2,185
Ending balance	<u>₩ 438,952</u>	<u>₩ (439,986)</u>	<u>₩ (1,034)</u>
	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 (excluding amounts included in net interest expense)	-	3,811	3,811
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	<u>₩ 496,108</u>	<u>₩ (479,788)</u>	<u>₩ 16,320</u>

**17. Retirement benefit plan (cont'd)**

(4) The components of plan assets as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash and cash equivalents	₩ 3,367	₩ 4,107
Debt instruments	109,680	139,668
Short-term financial instruments and others	326,939	336,013
	<u>₩ 439,986</u>	<u>₩ 479,788</u>

(5) Principal actuarial assumptions

The principal assumptions used in actuarial calculation as of December 31, 2025 and 2024 are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate for defined benefit obligation	3.67% ~ 4.66%	3.59% ~ 4.24%
Expected rate of salary increase	3.00% ~ 6.16%	3.00% ~ 6.66%

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, 2025 and 2024, are as follows (Korean won in millions):

	<u>December 31, 2025</u>	
	<u>Increase</u>	<u>Decrease</u>
Discount rate for defined benefit obligation(0.5%)	₩ (13,386)	₩ 14,231
Expected rate of salary increase(0.5%)	14,008	(13,308)
	<u>December 31, 2024</u>	
	<u>Increase</u>	<u>Decrease</u>
Discount rate for defined benefit obligation(0.5%)	₩ (16,874)	₩ 18,036
Expected rate of salary increase(0.5%)	17,612	(13,898)

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, 2025, a reasonable estimate of user contributions expected to be paid in the next year in relation to the defined benefit plan is ₩31,128 million.

(8) The weighted average durations of defined benefit obligations as of December 31, 2025 and 2024 are as follows (In years):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Weighted average durations of defined benefit obligations	1.973 ~ 13.338	2.062 ~ 13.75

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**18. Other assets**

Details of other assets as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets:		
Accrued income	₩ 4,316	₩ 3,124
Advance payments	1,921	8,926
Prepaid expenses	26,137	35,320
Short-term loans	576,868	597,103
Guarantee deposits	3,227	9,613
Current lease receivables	42,046	40,001
Derivative financial assets	45,413	12,626
Others	13	-
	<u>₩ 699,941</u>	<u>₩ 706,713</u>
Non-current assets:		
Long-term financial instruments	₩ 8,924	₩ 3,772
Long-term prepaid expenses	4,928	10,675
Long-term loans	-	145
Long-term guarantee deposits	50,504	44,451
Non-current lease receivables	177,817	205,548
Derivative financial assets	434,175	326,106
Others	127	127
	<u>₩ 676,475</u>	<u>₩ 590,824</u>

**19. Other liabilities**

Details of other liabilities as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current liabilities:		
Advances received	₩ 189,742	₩ 189,115
Withholdings	45,947	34,526
Income tax liabilities	51,739	136,773
Dividends payable	189	183
Leasehold deposits received	244	244
Lease liabilities	90,018	77,972
Derivative financial liabilities	68,975	16,980
	<u>₩ 446,854</u>	<u>₩ 455,793</u>
Non-current liabilities:		
Long-term leasehold deposits received	₩ 26,339	₩ 25,541
Long-term lease liabilities	270,390	289,238
Derivative financial liabilities	576,849	338,955
Long-term employee benefits	16,728	15,908
	<u>₩ 890,306</u>	<u>₩ 669,642</u>

**20. 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 and others with certain of subsidiaries' common share investors and others. Details of derivative assets and liabilities as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025			
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Purpose of trading				
Option contracts	₩ -	₩ -	₩ 1,733	₩ 37,126
Swap contracts	-	434,175	67,055	539,723
Forward contracts	45,413	-	187	-
	₩ 45,413	₩ 434,175	₩ 68,975	₩ 576,849

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

During the year ended December 31, 2025, the Company has entered into a Price Return Swap agreement with a financial investor on the ordinary shares of SK Innovation Co., Ltd., a subsidiary and accordingly, recognized derivative liabilities (Note 35).

(2) Details of gains and losses related to financial derivatives for the purpose of trading for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025			
	Profit or loss			
	Gain on valuation	Loss on valuation	Gain on transactions	Loss on transactions
Purpose of trading				
Option contracts	₩ 2,168	₩ 240	₩ 1,561	₩ -
Swap contracts	108,069	106,036	87	44,025
Forward contracts	42,350	187	8,077	28,922
	₩ 152,587	₩ 106,463	₩ 9,725	₩ 72,947

	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 contracts	₩ -	₩ 42,348	₩ -	₩ -
Swap contracts	66,648	86,404	1,600	23,479
Forward contracts	2,094	25,660	3,160	101,508
	₩ 68,742	₩ 154,412	₩ 4,760	₩ 124,987

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**21. Share capital and other paid-in capital**

(1) Details of share capital as of December 31, 2025 and 2024 are as follows (Korean won in millions, except for number of shares):

	December 31, 2025	
	Common stocks	Preferred stocks (No voting rights)
Number of shares authorized (in shares)	400,000,000	45,000,000
Par value per share (Korean won)	₩ 200	₩ 200
Number of shares issued (in shares)	72,502,703	566,135
Issued capital	₩ 16,030	₩ 113

  

	December 31, 2024	
	Common stocks	Preferred stocks (No voting rights)
Number of shares authorized (in shares)	400,000,000	45,000,000
Par value per share (Korean 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, 951,000 shares of its treasury share (par value : ₩190 million) for the year ended December 31, 2023 and 695,626 shares of its treasury share (par value : ₩139 million) for the year ended December 31, 2024 by reducing retained earnings, which resulted in a difference between the 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 shares, of which up to 45,000,000 shares may be issued as non-voting preferred shares.

(2) Changes in the total number of shares issued for the years ended December 31, 2025 and 2024 are as follows (In shares):

	For the year ended December 31, 2025	
	Common stocks	Preferred stocks (No voting rights)
Beginning	72,502,703	566,135
Retirement of treasury shares	-	-
Ending	72,502,703	566,135

  

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

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**21. Share capital and other paid-in capital (cont'd)**

(3) Details of other paid-in capital as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Additional paid-in capital (*1)	₩ 6,609,167	₩ 6,609,167
Treasury shares (*2)	(1,948,207)	(1,948,386)
Stock option	9,760	9,710
Other capital surplus	(1,426,906)	(1,426,732)
Other capital adjustments	(20,291)	(20,291)
	<u>₩ 3,223,523</u>	<u>₩ 3,223,468</u>

(\*1) For the year ended December 31, 2015, the treasury shares(from new share issuance) acquired through the absorption merger of former SK Co., Ltd. amounting to ₩3,369,395 million were deducted from additional paid-in capital.

(\*2) As of December 31, 2025, treasury shares consist of those acquired to increase the enterprise value and to stabilize share price (6,957,461 ordinary shares), and those acquired from repurchase of shares from dissenting shareholders on business combination and shares arising from odd lot shares (11,023,238 ordinary shares and 1,787 preferred shares) for the year 2015.

(4) The changes in other paid-in capital for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	<u>For the year ended December 31, 2025</u>					
	<u>Additional paid in capital</u>	<u>Treasury shares</u>	<u>Stock options</u>	<u>Other capital surplus</u>	<u>Other capital adjustments</u>	<u>Total</u>
Beginning balance	₩ 6,609,167	₩ (1,948,386)	₩ 9,710	₩ (1,426,732)	₩ (20,291)	₩ 3,223,468
Acquisition and disposal of treasury shares	-	179	-	(174)	-	5
Granting of stock options	-	-	50	-	-	50
Ending balance	<u>₩ 6,609,167</u>	<u>₩ (1,948,207)</u>	<u>₩ 9,760</u>	<u>₩ (1,426,906)</u>	<u>₩ (20,291)</u>	<u>₩ 3,223,523</u>
	<u>For the year ended December 31, 2024</u>					
	<u>Additional paid in capital</u>	<u>Treasury shares</u>	<u>Stock options</u>	<u>Other capital surplus</u>	<u>Other capital adjustments</u>	<u>Total</u>
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)
Granting of stock options	-	-	4,925	-	-	4,925
Retirement of treasury shares	-	75,362	-	-	-	75,362
Business transfer under equal control	-	-	-	-	(362)	(362)
Ending balance	<u>₩ 6,609,167</u>	<u>₩ (1,948,386)</u>	<u>₩ 9,710</u>	<u>₩ (1,426,732)</u>	<u>₩ (20,291)</u>	<u>₩ 3,223,468</u>

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**21. Share capital and other paid-in capital (cont'd)**

(5) Details of treasury shares as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of treasury shares (in shares)	17,982,486	17,984,141
Acquisition amount	₩ 1,948,207	₩ 1,948,386

(6) Changes in treasury shares for the years ended December 31, 2025 and 2024 are as follows (Number of shares):

	<u>For the years ended</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Beginning	17,984,141	18,336,199
Acquisition	1	357,602
Disposal	(1,656)	(14,034)
Retirement	-	(695,626)
Ending	<u>17,982,486</u>	<u>17,984,141</u>

## 22. Retained earnings

(1) Details of retained earnings as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Legal reserve		
Earned surplus reserve (*1)	₩ 8,072	₩ 8,072
Voluntary reserve		
Reserve for business rationalization	11,121	11,121
Reserve for business improvement	51,775	51,775
Unappropriated retained earnings	12,278,069	11,303,424
	<u>₩ 12,349,037</u>	<u>₩ 11,374,392</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, 2025 and 2024 are as follows (Korean won in millions):

	<u>For the years ended</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
I . Retained earnings before appropriation	₩ 12,278,069	₩ 11,303,424
Unappropriated retained earnings carried over from prior years	11,000,430	12,197,049
Interim dividends	(82,630)	(82,627)
Profit (loss) for the year	1,344,080	(745,893)
Remeasurement loss on defined benefit plans	24,552	(11,799)
Retirement of treasury shares	-	(75,362)
Reclassification of other comprehensive income	(8,363)	22,056
II . Transfer from voluntary reserves	-	-
III . Appropriation of retained earnings	<u>(358,090)</u>	<u>(302,994)</u>
Earned surplus reserve	-	-
Dividends	(358,090)	(302,994)
IV . Unappropriated retained earnings to be carried forward to the next year	<u>₩ 11,919,979</u>	<u>₩ 11,000,430</u>

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**23. Dividends**

(1) Details of dividends proposed for approval at the annual ordinary shareholders' meeting for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions, except for number of shares):

	For the years ended			
	December 31, 2025		December 31, 2024	
	Ordinary share	Preferred share (No voting rights)	Ordinary share	Preferred share (No voting rights)
Number of shares issued (in shares)	72,502,703	566,135	72,502,703	566,135
Number of treasury shares (in shares)	17,980,699	1,787	17,982,354	1,787
Number of shares (in shares)	54,522,004	564,348	54,520,349	564,348
Dividend per share(Korean won)	₩ 6,500	₩ 6,550	₩ 5,500	₩ 5,550
Par value per share(Korean won)	200	200	200	200
Dividend rate per share	3,250%	3,275%	2,750%	2,775%
Dividends	₩ 354,394	₩ 3,696	₩ 299,862	₩ 3,132

(2) Details of interim dividends proposed for approval at Board of Directors for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions, except for number of shares):

	For the years ended			
	December 31, 2025		December 31, 2024	
	Ordinary share	Preferred share (No voting rights)	Ordinary share	Preferred share (No voting rights)
Number of shares issued (in shares)	72,502,703	566,135	72,502,703	566,135
Number of treasury shares (in shares)	17,980,699	1,787	17,982,354	1,787
Number of shares (in shares)	54,522,004	564,348	54,520,349	564,348
Dividend per share(Korean won)	₩ 1,500	₩ 1,500	₩ 1,500	₩ 1,500
Par value per share(Korean won)	200	200	200	200
Dividend rate per share	750%	750%	750%	750%
Dividends	₩ 81,783	₩ 847	₩ 81,780	₩ 847

**24. Other components of equity**

(1) Details of other components of equity as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Gain on financial assets measured at FVOCI	₩ (17,836)	₩ 5,891

(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, 2025 and 2024 are as follows (Korean won in millions):

	<u>For the years ended</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Beginning balance	₩ 5,891	₩ 233,993
Gain and loss on the valuation of financial assets measured at FVOCI, before income tax	(44,263)	(279,162)
Corporate tax relating to FVOCI, included in other comprehensive income	12,173	73,116
Other comprehensive income reclassified to retained earnings due to the sale of FVOCI	8,363	(22,056)
Ending balance	<u>₩ (17,836)</u>	<u>₩ 5,891</u>

**25. Shared-based payment**

(1) Cash-settled share-based payment

1) The terms and conditions related to the grants of the stock options granted under the share option program as of December 31, 2025 are as follows (Korean won):

	2-1	2-2	1(*1)	2(*1)
Grant date	2020-03-25	2020-03-25	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)	142,692	71,346	39,098	19,551
Exercise price	₩ 153,450	₩ 153,450	₩ 89,204	₩ 89,204
Contractual life of options	2023.03.26 ~2027.03.25	2023.03.26 ~2027.03.25	2023.03.31 ~2027.03.30	2023.03.31 ~2027.03.30
Vesting conditions	2 year service from the grant date	3 year service from the grant date	2 year service from the grant date	3 year service from the grant date

(\*1) The stock options have been transferred from the former SK Materials Co., Ltd. (the merged and dissolved entity).

2) Details of compensation cost for the years ended December 31, 2025 and 2024, due to stock option program are as follows (Korean won in millions):

For the year ended December 31, 2025				
Compensation costs recognized for the current period	Accumulated compensation costs recognized for the periods	Residual compensation costs	Total compensation costs	Related liabilities
₩ 25,361	₩ 32,927	₩ -	₩ 32,927	₩ 32,927
For the year ended December 31, 2024				
Compensation costs recognized for the prior period	Accumulated compensation costs recognized for the periods	Residual compensation costs	Total compensation costs	Related liabilities
₩ (6,411)	₩ 8,893	₩ -	₩ 8,893	₩ 7,566

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**25. Share-based payment (cont'd)**

(1) Cash-settled share-based payment (cont'd)

3) Changes in stock options for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	For the years ended			
	December 31, 2025		December 31, 2024	
	Stocks (in shares)	Weighted average exercise price	Stocks (in shares)	Weighted average exercise price
Beginning balance	272,687	₩ 139,632	332,725	₩ 153,397
Exercised	-	-	(18,607)	108,959
Extinguished	-	-	(41,431)	263,950
Ending balance	272,687	₩ 139,632	272,687	₩ 139,632
Stock options available for exercise	272,687	₩ 139,632	58,649	₩ 89,204

4) The assumptions and variables used in option pricing model as of December 31, 2025 are as follows (Korean won):

Descriptions	December 31, 2025			
	2-1	2-2	1(*1)	2(*1)
Option Pricing Model	The binomial model	The binomial model	The binomial model	The binomial model
Expected price (Closing price on the preceding day)	₩ 256,500	₩ 256,500	₩ 256,500	₩ 256,500
Risk-free interest rate	2.64%	2.64%	2.64%	2.64%
Expected option life	7 years	7 years	7 years	7 years
Expected volatility	44.40%	44.40%	44.40%	44.40%
Dividend yield	2.73%	2.73%	2.73%	2.73%
Exercise price	₩ 153,450	₩ 153,450	₩ 89,204	₩ 89,204
Fair value per share	₩ 107,995	₩ 107,995	₩ 167,296	₩ 167,296

(\*1) The stock options have been transferred from the former SK Materials Co., Ltd.

(2) Equity-settled share-based payment

1) 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

**25. Share-based payment (cont'd)**

(2) Equity-settled share-based payment (cont'd)

2) Details of compensation cost for the years ended December 31, 2025 and 2024, due to equity-settled share-based payment are as follows (Korean won in millions):

For the year ended December 31, 2025			
Compensation costs recognized for the current period	Accumulated compensation costs recognized for the periods	Residual compensation costs	Total compensation costs
₩ -	₩ 9,580	₩ -	₩ 9,580
For the year ended December 31, 2024			
Compensation costs recognized for the prior period	Accumulated compensation costs recognized for the periods	Residual compensation costs	Total compensation costs
₩ 3,330	₩ 9,580	₩ -	₩ 9,580

3) The assumptions and variables used in the option pricing model for equity-settled share-based payment as of December 31, 2025 are as follows (Korean won):

Descriptions	For 2023		For 2024	
	The binomial model		The binomial model	
Option Pricing Model				
Initial grant amount (Korean won in millions)	₩	4,775	₩	1,775
Weighted average stock price at the grant date	₩	171,980	₩	189,533
Beta		1.19		1.35
Expected price (Closing price on the preceding day)	₩	168,500	₩	158,100
Risk-free interest rate		3.49%		3.44%
Expected option life		2.3years		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. The recognized stock compensation costs related to the Stock Grant is ₩280 million and ₩340 million for the years ended December 31, 2025 and 2024, respectively.

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**26. Operating revenues**

(1) Details of operating revenues for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Revenue from contracts with customers:		
IT service (*1)	₩ 2,704,533	₩ 2,481,164
Trademark usage income	369,218	329,490
	₩ 3,073,751	₩ 2,810,654
Revenue from other sources:		
Dividend income	₩ 491,330	₩ 819,555
Rental income	47,213	76,558
	538,543	896,113
	₩ 3,612,294	₩ 3,706,767

(\*1) This includes contract revenue of ₩1,858,437 million and ₩1,684,004 million recognized from the cost-based input method for the years ended December 31, 2025 and 2024 respectively.

(2) Revenue from contracts with customers for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Type of goods or services:		
IT service	₩ 2,704,533	₩ 2,481,164
Trademark usage income	369,218	329,490
	₩ 3,073,751	₩ 2,810,654
Geographical location:		
Korea	₩ 2,718,841	₩ 2,203,963
Asia	87,807	92,544
Europe	43,236	65,305
North America	223,867	448,842
	₩ 3,073,751	₩ 2,810,654
Timing of revenue recognition:		
Recognized at a point in time	₩ 445,950	₩ 595,426
Recognized over a period of time	2,627,801	2,215,228
	₩ 3,073,751	₩ 2,810,654

(3) Details of contract assets, contract liabilities for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Contract assets:		
IT service contract	₩ 263,622	₩ 311,973
Contract liabilities:		
IT service contract	123,677	117,269

(4) Among the balance of contract liabilities for the years initiated 2025 and 2024, the recognized revenue for the year ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
IT service contract	₩ 107,357	₩ 163,512

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**26. Operating revenues (cont'd)**

(5) The period during which profits are expected to be generated from the above contract as of December 31, 2025 and 2024 are as follows (Korean won in millions):

		December 31, 2025								
		Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total		
IT service contract	₩	123,677	₩	-	₩	-	₩	-	₩	123,677

  

		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

(6) Details of construction profit variation by changes of accounting estimates related to construction contracts for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

		For the year ended December 31, 2025						
		Changes in estimated construction revenue	Change in estimated cost	Impact on current period profit (loss)	Impact on future period profit (loss)			
IT service contract	₩	1,086	₩	(1,595)	₩	3,354	₩	(673)

  

		For the year ended September 30, 2024						
		Changes in estimated construction revenue	Change in estimated cost	Impact on current period profit (loss)	Impact on future period profit (loss)			
IT service contract	₩	12,708	₩	41,265	₩	(27,099)	₩	(1,458)

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, 2025 and 2024 are as follows (Korean won in millions):

		For the year ended December 31, 2025										
		Contract date	Contractual completion deadline	Progress (%)	Unbilled receivable		Trade receivable (*1)					
					Total	Impairment	Total	Allowance for doubtful accounts				
(US) SK On year 2023 Hyundai logistics automation construction project		2024.06.10	2026.12.31	83.57%	₩	33,120	₩	-	₩	1,495	₩	-
(US) SK On year 2022 return logistics automation construction project		2023.03.23	2026.06.30	98.51%	-	-	-	22,090	-	-	-	
SK On year 2022 return logistics automation construction project_SKOH2		2022.09.05	2025.12.31	100.00%	-	-	-	-	-	-	-	
(US) SK On year 2022 process logistics automation construction project_BOSK_TN1		2023.03.23	2027.12.31	87.09%	-	-	-	-	-	-	-	

(\*1) The balance of receivable does not include unbilled receivable.

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**26. Operating revenues (cont'd)**

	For the year ended September 30, 2024						
	Contract date	Contractual completion deadline	Progress (%)	Unbilled receivable		Trade receivable (*1)	
				Total	Impairment	Total	Allowance for doubtful accounts
(US) SK On year 2023 Hyundai logistics automation construction project	2024.06.10	2026.12.31	49.54%	₩ 43,883	₩ -	₩ 16,148	₩ -
(US) SK On year 2022 return logistics automation construction project	2023.03.23	2025.05.31	85.14%	-	-	5,884	-
SK On year 2022 return logistics automation construction project_SKOH2	2022.09.05	2025.03.31	93.64%	7,793	-	-	-

(\*1) The balance of receivable does not include unbilled receivable.

**27. Operating expenses**

Details of operating expenses for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Material costs	₩ 438,631	₩ 550,498
Outsourcing costs	1,074,480	880,586
Salaries	524,216	502,973
Provision for pension benefits	49,599	82,479
Depreciation	88,645	95,690
Amortization	8,497	12,806
Rents	6,291	6,052
Communications	19,925	20,741
Employee welfare benefits	100,326	90,566
Commissions	268,011	251,732
Education and training	28,287	28,498
Research and development	25,455	28,640
Office management	60,659	73,733
Travel	21,255	22,191
Others	84,854	61,243
	<u>₩ 2,799,131</u>	<u>₩ 2,708,428</u>

**28. Finance income and costs**

(1) Details of finance income for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Interest income	₩ 102,944	₩ 34,318
Gain on foreign currency transactions	9,127	21,434
Gain on foreign currency translation	896	79,471
Gain on valuation of financial assets measured at FVTPL	30,938	76,985
Gain on valuation of derivatives	152,587	68,742
Gain on transactions of derivatives	9,725	4,760
	<u>₩ 306,217</u>	<u>₩ 285,710</u>

(2) Details of finance costs for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Interest expenses	₩ 369,411	₩ 410,112
Loss on foreign currency transactions	9,468	8,736
Loss on foreign currency translation	16,011	551
Loss on valuation of financial assets measured at FVTPL	70,038	12,850
Loss on valuation of derivatives	106,463	154,412
Loss on transactions of derivatives	72,947	124,987
Loss on disposal of long-term investment securities	71	-
Other finance costs	17,000	-
	<u>₩ 661,409</u>	<u>₩ 711,648</u>

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**29. Other non-operating income and expenses**

(1) Details of other non-operating income for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Reversal of impairment loss on investments in subsidiaries and associates	₩ -	₩ 9,434
Gain on disposal of investments in subsidiaries and associates	2,489,306	35,512
Gain on disposal of property, plant and equipment	251,683	1,257
Gain on disposal of intangible assets	23	14,070
Others	19,901	7,661
	<u>₩ 2,760,913</u>	<u>₩ 67,934</u>

(2) Details of other non-operating expenses for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Loss on disposal of investments in subsidiaries and associates	₩ 351,476	₩ 7,228
Loss on impairment of investments in subsidiaries and associates	913,115	1,091,505
Loss on disposal of property, plant and equipment	4,140	611
Loss on disposal of intangible assets	185	571
Loss on impairment of intangible assets	3,572	25,663
Donations	5,698	7,388
Others	24,536	53,815
	<u>₩ 1,302,722</u>	<u>₩ 1,186,781</u>

**30. Income taxes**

(1) Components of income tax expense for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Current income tax	₩ 489,037	₩ 123,321
Tax details charged directly to the equity	(223)	(50)
Tax related to each component of other comprehensive income	2,860	77,348
Amount resulting from the reduction of deferred tax assets or the reversal of the reduction	80,408	(1,172)
Income tax expense	<u>₩ 572,082</u>	<u>₩ 199,447</u>

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**30. Income taxes (cont'd)**

(2) Tax details charged directly to the equity for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Profit from disposal of treasury shares	₩ (223)	₩ (50)

(3) Tax related to each component of other comprehensive income for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Remeasurement loss on defined benefits plans	₩ (9,313)	₩ 4,232
Gain on valuation of financial assets measured at FVOCI	(1,202)	(9,995)
Loss on valuation of financial assets measured at FVOCI	13,375	83,111
	₩ 2,860	₩ 77,348

(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, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Profit(loss) before income tax expense	₩ 1,916,162	₩ (546,446)
Income tax at statutory tax rate (*1)	495,505	(154,624)
Non-taxable revenue	(98,785)	(186,422)
Non-deductible expenses	7,235	4,482
Tax credit	(6,428)	(1,392)
Unrecognized deferred taxes	77,409	565,554
Adjustments in respect of current income tax of prior year	63,957	11,080
Global minimum tax	482	-
Other tax effects on adjustments between accounting income and tax expense (benefit)	32,707	(39,231)
Income tax expense (benefit)	₩ 572,082	₩ 199,447
Effective tax rate (*2)	29.86%	-

(\*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.

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**30. Income taxes (cont'd)**

(5) Changes in deferred income tax assets (liabilities) for the years ended December 31, 2025 and 2024, are as follows (Korean won in millions):

	For the year ended December 31, 2025				
	Beginning balance	Deferred income tax expense (benefit) recognized in profit or loss	Deferred income tax related to items recognized directly in equity	Tax related to each component of other comprehensive income	Ending balance
Provisions	₩ 8,729	₩ (136)	₩ -	₩ -	₩ 8,593
Investments in associates and subsidiaries	127,844	(44,834)	-	-	83,010
Advanced depreciation provision	(195,738)	(14,933)	-	-	(210,671)
Available for sale financial instruments	(15,232)	(94,328)	-	12,173	(97,387)
Depreciation	4,006	(247)	-	-	3,759
Deemed cost of land and buildings	(3,871)	(161)	-	-	(4,032)
Accrued bonuses and others	22,914	2,591	-	-	25,505
Net defined benefit liabilities	(14,566)	16,345	-	(9,313)	(7,534)
Treasury shares	186,107	7,624	-	-	193,731
Intangible assets	(521,249)	(21,736)	-	-	(542,985)
Others	97,099	66,547	-	-	163,646
	₩ (303,957)	₩ (83,268)	₩ -	₩ 2,860	₩ (384,365)

	For the year ended December 31, 2024				
	Beginning balance	Deferred income tax expense (benefit) recognized in profit or loss	Deferred income tax related to items 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	16	-	-	186,107
Intangible assets	(521,249)	-	-	-	(521,249)
Others	47,417	49,682	-	-	97,099
	₩ (305,129)	₩ (76,176)	₩ -	₩ 77,348	₩ (303,957)

(6) Details of deductible temporary differences for which no deferred tax assets were recognized as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025	December 31, 2024
Investments in subsidiaries, associates and others	₩ 3,659,219	₩ 3,179,218

**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, 2025 and 2024 are as follows (Korean won in millions):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investments in subsidiaries, associates and others	₩ 5,458,004	₩ 5,259,490

(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 additional tax would arise in accordance with the global minimum tax law, and accordingly, the amount recognized as income tax expense for the year ended December 31, 2025 is ₩482 million. 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 (loss) per share**

**(1) Basic earnings (loss) per ordinary share**

1) Basic earnings (loss) per ordinary share for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions, except per share information):

	<u>For the years ended</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Profit (loss) for the year	₩ 1,344,080	₩ (745,893)
Less: preferred dividends and residual profit (loss) (*1)	13,798	(7,638)
Profit (loss) for the year attributable to ordinary share owners of the Company	1,330,282	(738,255)
Weighted-average number of ordinary shares outstanding (*2)	54,521,591	54,548,178
Basic earnings (loss) per ordinary share (Korean won)	<u>₩ 24,399</u>	<u>₩ (13,534)</u>

(\*1) Preferred shares are entitled to receive cash dividends at a rate 25% higher than that of ordinary shares.

(\*2) The weighted-average number of shares reflects changes in treasury shares during the years ended December 31, 2025 and 2024.

2) The weighted-average number of basic earnings (loss) per ordinary shares outstanding for the years ended December 31, 2025 and 2024 are as follows (In shares):

	<u>For the years ended</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Weighted-average number of issued shares outstanding	72,502,703	72,808,702
Adjustment: treasury shares	<u>(17,981,112)</u>	<u>(18,260,524)</u>
Weighted-average number of ordinary shares outstanding	<u>54,521,591</u>	<u>54,548,178</u>

**31. Earnings (loss) per share (cont'd)**

**(2) Basic earnings (loss) per preferred share**

Basic earnings (loss) per preferred share for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions, except per share information):

	For the years ended	
	December 31, 2025	December 31, 2024
Preferred dividends and residual profit (loss)	₩ 13,798	₩ (7,638)
Weighted-average number of preferred shares outstanding	564,348	564,348
Basic earnings (loss) per preferred share (in Korean won) (*1)	₩ 24,449	₩ (13,534)

(\*1) Earnings (losses) per share were calculated for preference shares that are treated as 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 (loss) per share and diluted earnings(losses) per share are the same.

**(3) Diluted earnings (loss) per share**

1) The details of the calculation of diluted earnings (loss) per ordinary share for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions, except per share information):

	For the years ended	
	December 31, 2025	December 31, 2024
Profit (loss) for the year	₩ 1,344,080	₩ (745,893)
Less: preferred dividends and residual profit (loss) (*1)	13,798	(7,638)
Less: numerator adjustment of cash-settled stock option	-	4,718
Profit (loss) for the year to calculate diluted earnings per ordinary share	1,330,282	(742,973)
Adjusted weighted-average number of ordinary shares outstanding	54,554,390	54,583,022
Diluted earnings (loss) per ordinary share (in Korean won)	₩ 24,385	₩ (13,612)

(\*1) Preferred shares are entitled to receive cash dividends at a rate 25% higher than that of ordinary shares.

2) Adjusted weighted-average number of ordinary shares outstanding for calculating diluted earnings for the years ended December 31, 2025 and 2024 are as follows (In shares):

	For the years ended	
	December 31, 2025	December 31, 2024
Weighted-average number of issued shares outstanding	54,521,591	54,548,178
Adjustment: stock options	32,799	34,844
Weighted-average number of diluted ordinary shares outstanding	54,554,390	54,583,022

Diluted earnings (loss) 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, 2025, are as follows:

Ultimate controlling party	Company name
Subsidiaries	<p>Tae-won Chey and related parties</p> <p>SK Innovation Co., Ltd., SK Energy Co., Ltd., Netruck Co., Ltd., Jeju United FC Corporation, SK Energy Europe, Ltd., HAPPYDIDIM, SK Energy Hong Kong Co., Ltd., SK Energy International Pte., Ltd., SK Energy Americas, Inc., SK Energy Road Investment (HK) Co., Ltd., SK Shanghai Asphalt Co., Ltd., SK Geo Centric Co., Ltd., Happymoeum, ONEPOL Co., Ltd., SK Geo Centric International Trading (Shanghai) Co., Ltd., SK Innovation America, Inc., Route on Delaware, Inc., Voltcycle On LLC, BlueOval SK LLC, SK Geo Centric (Beijing) Holding Co., Ltd., SK Geo Centric China, Ltd., SK Geo Centric Japan Co., Ltd., SK Geo Centric Singapore Pte., Ltd., SK Geo Centric Investment Hong Kong Ltd., SK GC Americas, Inc., Green &amp; 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, Grove Energy Capital III, LLC, SK Primacor Europe, S.L.U., 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., Earthon North Ketapang Pte. Ltd, SK on Technology Center (Jiangsu) Co., Ltd., SK On (Shanghai) Co., Ltd., SK Innovation Insurance (Bermuda), Ltd., SK AMERICAS Inc., AUXO CAPITAL INC., Tellus (HONG KONG) Investment Co., Ltd., SKY (Zhuhai Hengqin) Technology Co., Ltd., SK Ecoplant Co., Ltd., Changwon SG Energy Co., Ltd., Seosuwon Development Company, SEONGJU TECH Co., Ltd., TES SBS (US) Holdings LLC, Soltnz, SK Ecoengineering 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., Munkyung Solar Farm Co., Ltd., Econovation, LLC, JIANGSU SKY NEW ENERGY CO., Ltd., TES Sustainable Battery Solutions Nordics AB, SKEC Nanjing Co., Ltd., SKEC (Thai), Thai Woo Ree Engineering Company Ltd., SKEC ANADOLU MUHENDISLIK VE INSAAT LTD. STI., SK HOLDCO PTE. LTD., KS Investment B.V., SK Ecoplant Americas Corporation, Mesa Verde RE Ventures, LLC., Sunlake Co., Ltd, ECOENGINEERING CANADA LTD., SKEC Consultores Ecquador, 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, 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.,</p>

32. Related parties (cont'd)

Subsidiaries	Company name
	<p>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&amp;C Co., Ltd., ECOPLANT HOLDING MALAYSIA SDN. BHD., Silvertown Investco Limited, Changzhou SKY New Energy Co., Ltd., SKC Co., Ltd., SK leaveo Co., Ltd., ECOVANCE VIETNAM COMPANY LIMITED, ISC International, INC., ISC VINA MANUFACTURING COMPANY LIMITED, NEXILIS MANAGEMENT MALAYSIA SDN. BHD., SK Nexilis Poland sp.z o.o., TECHDREAM CO. LIMITED, SK Nexilis Co., Ltd., SK picglobal Co., Ltd., SK NEXILIS MALAYSIA SDN. BHD., Absolics inc., 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, KCE NV 4, LLC, ARIUL SOLAR POWER CO.,LTD., IGE Co., Ltd., Busa Solar Power Co., Ltd., Prism Energy International China Limited, SK E&amp;S Hong Kong Co., Ltd., PRISM ENERGY INTERNATIONAL PTE. LTD., PT Prism Nusantara International, PRISM ENERGY INTERNATIONAL HONG KONG LTD., Prism Energy International Zhoushan Limited, PRISM DLNG PTE. LTD., Prism Energy International Australia Pty Ltd, PRISM Energy International Americas, Inc., DewBlaine Energy, LLC, SK E&amp;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 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 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, 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, KCE AZ 1, LLC, KCE NM 2, 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., SK Materials Performance Co., Ltd., SK Pinx Co., Ltd., SK REITs Management Co., Ltd., Timor Holdings Ltd., 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 Jinzhou real estate development Co.,Ltd., SKYLINE AUTO FINANCIAL LEASING CO.,LIMITED, Tianjin SK Car Rental Co., Ltd, SK Investment Management Co., Limited, SK Semiconductor Investments Co., Limited, 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.,</p>

32. Related parties (cont'd)

Subsidiaries	Company name
	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., PLUTUS CAPITAL NY, INC., SK Pharmteco Inc., ABRASAX INVESTMENT INC., SK Siltron America, Inc, Kinestral Technology Taiwan, 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 AX 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, 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 airplus Incorporated, Energy Solution Holdings Inc., Ackerton Technology Service Co., Ltd., SK AX Beijing Co., Ltd., SK C&C India Pvt. Ltd., ESSENORE Limited, S&G Technology, Essencore (Shenzhen) Limited, Essencore Pte. Ltd., GigaX Europe kft., SK JNC Japan Co., Ltd., SK Auto Service Hong Kong Limited, SK Industrial Development China Co., Ltd., Shanghai SKY Real Estate Development Co.,Ltd., SK Technology Innovation Company, SK INVESTMENT VINA VI PTE. LTD., Digital Center Capital Inc., Martis Capital, LLC, KBA Investment Joint Stock Company, SUNRISE KIM INVESTMENT JOINT STOCK COMPANY, Grove Energy Capital IV, LLC, Energy Solution Group, Inc., Terra Investment Partners II, LLC, SK Networks Co., Ltd., SK Networks Service Co., Ltd., SK intellix Co., Ltd. (formerly, SK Magic Co., Ltd.), SK intellix Service Co., Ltd (formerly, SK Magic Service Co., Ltd.), MINTIT Co., Ltd., Cartini Co., Ltd., EN-CORE Co., Ltd., SK Networks (China) Holdings Co., Ltd., Glowide (Shanghai) Co., Ltd, SK Networks (Dandong) Energy Co., Ltd., POSK(Pinghu) Steel Processing Center Co., Ltd., Shengkaiheng(Shenyang) Real Estate Co.,Ltd, SK Networks Hong Kong Limited, SK (Liaoning) Logistics Co., Ltd., SK Networks Japan Co., Ltd., SK intellix RETAILS MALAYSIA SDN. BHD (formerly, SK MAGIC RETAILS MALAYSIA SDN. BHD), SK Magic Vietnam company limited, MINTIT VINA, SK Networks Americas LLC, 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., SK Broadband Co., Ltd., PS&Marketing Corp., Service Ace Co., Ltd., Service Top Co., Ltd., SK O&S Co., Ltd., SK Japan Inc., SK Telecom China(Holding) Co., Ltd., SK Telecom Americas Inc., 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., 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., One store Co., Ltd., SK Planet Co., Ltd., YLP Inc., TGC Square Pte. Ltd, FSK L&S Hungary Kft., FSK L&S VIETNAM COMPANY LIMITED, Mindknock Co., Ltd., FSK L&S USA,Inc., FSK L&S (Shanghai) Co., Ltd., 11street China Co., Ltd., Center For Breakthrough Medicines Holdings, LLC, Center For Breakthrough Medicines, LLC, MiraiTech Inc., SG (Solar Green) Vina Company Limited, KCE MI 6, LLC, KCE TX 33, LLC, 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., NAMUHX AMERICAS INC., 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., BIWALEE 2ND CO.,LTD., WALEEWON 1ST CO.,LTD., WALEEWON 2ND CO.,LTD., Topsun Power Limited., ISC CO.,LTD., Yuilrobotics. Co.,Ltd., EO SERPANG PTE. LTD, EO BINAIYA PTE. LTD, CHOPO ENERGY CO.,LTD., WALEEJELEE ENERGY CO.,LTD., BIESEU ENERGY CO.,LTD., Renew Energy Co., Ltd, SH ENERGY CO., LTD., HI-TECH AMERICAS CORPORATION, ECOENGINEERING AMERICAS CORPORATION, HI-TECH ENGINEERING PARTNERS LLC,

**32. Related parties (cont'd)**

	Company name
Subsidiaries	TES-AMM (Vietnam) Co., Ltd, Ark2, LLC, KCE ID 7, LLC, KCE AZ 3, LLC, KCE AZ 2, LLC, KCE Project Holdings, LLC, Happy NAMUH Company Limited, SANAEHOTAEYANGGWANGBALJEON1HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON2HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON3HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON4HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON5HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON6HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON7HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON8HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON9HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON10HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON11HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON12HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON13HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON14HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON15HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON16HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON17HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON18HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON19HO CO., LTD, SANAEHOTAEYANGGWANGBALJEON20HO CO., LTD., TES AX CO., LTD., Greenland power, Lumina Mask Co., Ltd., HAEON ENERGY CO.,LTD., EKO GREEN ENERGY CO.,LTD., SK Aircore Co. LTD, Pledgor 2025 NY LC Facility, LLC, Borrower 2025 NY LC Facility, LLC, Forest AI Investment, Oncopia Therapeutics, Inc.
Associates	SK REIT Co., Ltd, LTCAM Co., Ltd., SMCORE Inc., Standigm Inc., Cloocus Co., Ltd., TBU Inc., Soft berry Inc., A4x Inc., PUMP Co., Ltd., Twolinecloud Inc. (formerly, TWO LINE CODE Inc.), The Wave Talk, Inc., Todo Works Corp., Belstar Superfreeze Holdings, LLC, 9352-7281 Quebec Inc., Hummingbird Bioscience Holdings Pte. Ltd., FSK Holdings Co., Ltd., Mozido Corfire, Inc.
Other related parties (*1)	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 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. (formerly, Mro Korea Co.,Ltd.), SK Electlink Co., Ltd., SK Key Foundry Co., Ltd., 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., SK Hynix America, SK HYNIX SYSTEM IC, Content Wavve Corp., Happymore Inc., SK multi utility 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 relationship as regulated by paragraph 10 of K-IFRS No. 1024.

**SK Inc.**  
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**32. Related parties (cont'd)**

(2) Details of significant transactions with the related parties for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	Company name	For the year ended December 31, 2025		
		Sales and others (*1)	Expenses and others (*2)	
Subsidiaries	SK Innovation Co., Ltd.	₩ 277,936	₩ 5,175	
	SK Energy Co., Ltd.	112,289	280	
	SK Geo Centric Co., Ltd.	34,886	-	
	SK Incheon Petrochem Co., Ltd.	27,970	-	
	SK On Co., Ltd.	116,784	-	
	SK On Hungary Kft.	14,797	205	
	SK On(YANCHENG) Co., Ltd.	20,678	-	
	SK on tech plus Co. Ltd. (formerly, SK Mobile Energy Co., Ltd.)	355	152	
	SK Americas, Inc. (formerly, SK USA, Inc.)	1,791	-	
	SK Ecoplant Co., Ltd.	38,663	1,081	
	SKC Co., Ltd.	6,672	205	
	SK Telecom Co., Ltd.	705,014	18,995	
	SK Broadband Co., Ltd.	142,840	14,131	
	SK Planet Co., Ltd.	14,501	158	
	SK Square Co., Ltd.	3,936	-	
	SK Networks Co., Ltd.	50,833	4,516	
	SK intellix Co., Ltd. (formerly, SK Magic Co., Ltd.)	16,205	221	
	SK Specialty Co., Ltd. (*3)	47,486	81,316	
	SK Tri Chem Co., Ltd.	1,124	14	
	SK Siltron Co., Ltd.	32,524	-	
	SK Pinx Co., Ltd.	324	3,893	
	PLUTUS CAPITAL NY, INC.	34,170	-	
	SK airplus Incorporated (formerly, SK Materials airplus Inc.)	2,215	-	
	SK Pharmteco Inc.	632	-	
	SK AX Beijing (formerly, SK C&C Beijing Co., Ltd.)	26,933	9,009	
	SK AX USA, INC. (formerly, SK C&C USA, Inc.)	215,000	-	
	Socar Mobility Malaysia, SDN. BHD.	2,735	-	
	GigaX Europe kft.	26,962	-	
	Others	119,361	54,955	
	Associates	SK REIT Co., Ltd.	23,597	47,071
		SMCore Inc.	347	27,360
		CLOOCUS Co., Ltd.	-	64,905
		Twolinecloud Inc. (formerly, TWO LINE CODE Inc.)	-	6,703
Others		1	41	
Other related parties (*4)	SK hynix Inc.	663,410	15,934	
	SK Gas Co., Ltd.	22,038	-	
	SK Chemicals Co., Ltd.	13,614	-	
	SK Shieldus Co., Ltd.	47,884	35,945	
	SK BIOSCIENCE CO., LTD.	16,750	-	
Others	58,830	4,624		
		₩ 2,942,087	₩ 396,889	

(\*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 disposed of in March 2025. The transaction amount reflects transactions from January 2025 to March 2025.

(\*4) Not designated as disclosure of related parties as defined in paragraph 9 of K-IFRS No. 1024, but includes the entity designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relationship as regulated by paragraph 10 of K-IFRS No. 1024.

**SK Inc.**  
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**32. Related parties (cont'd)**

	Company name	For the year ended December 31, 2024		
		Sales and others (*1)	Expenses and others (*2)	
Subsidiaries	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. (formerly, SK Mobile Energy Co., Ltd.)	389	123	
	SK Americas, Inc. (formerly, SK USA, 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 intellix Co., Ltd. (formerly, 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 airplus Incorporated (formerly, SK Materials airplus Inc.)	51,628	-	
	SK Pharmteco Inc.	523	-	
	SK S.E.ASIA pte. Ltd	51,023	-	
	SK AX Beijing (formerly, SK C&C Beijing Co., Ltd.)	20,720	10,355	
	SK AX USA, INC. (formerly, 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
Twolinecloud Inc. (formerly, 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		
		₩ 3,063,427	₩ 290,109	

(\*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.

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

**SK Inc.**  
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**32. Related parties (cont'd)**

(3) Details of outstanding balances of receivables and payables with the related parties as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	Company name	December 31, 2025	
		Receivables and others	Payables and others
Subsidiaries	SK Innovation Co., Ltd.	₩ 253,532	₩ 27,651
	SK Energy Co., Ltd.	7,370	725
	SK Geo Centric Co., Ltd.	5,157	35
	SK Incheon Petrochem Co., Ltd.	1,361	73
	SK On Co., Ltd.	38,400	8,716
	SK on tech plus Co. Ltd. (formerly, SK Mobile Energy Co., Ltd.)	10	44
	SK On Hungary Kft.	1,007	865
	SK On (YANCHENG) Co., Ltd.	18,430	4,138
	SK Americas, Inc.(formerly, SK USA, Inc.)	34	224
	Plutus Capital NY, Inc.	558,453	-
	SK Ecoplant Co., Ltd.	16,962	1,147
	SKC Co., Ltd.	3,820	4
	SK Pinx Co., Ltd.	14	4
	SK AX Beijing (formerly, SK C&C Beijing Co., Ltd.)	17,588	3,222
	SK AX USA, INC. (formerly, SK C&C USA, Inc.)	142,911	10,927
	SK Networks Co., Ltd.	7,063	216
	SK intellix Co., Ltd. (formerly, SK Magic Co., Ltd.)	4,862	571
	SK Telecom Co., Ltd.	163,398	18,630
	SK Broadband Co., Ltd.	12,891	20,021
	SK Planet Co., Ltd.	2,702	155
	SK Square Co., Ltd.	377	-
	SK airplus Incorporated (formerly, SK Materials airplus Inc.)	529	155
	SK Tri Chem Co., Ltd.	557	152
SK Siltron Co., Ltd.	10,392	235	
GigaX Europe kft.	18,942	1,613	
Others	87,383	17,721	
Associates	SK REIT Co., Ltd.	30,068	238,325
	SMCore Inc.	146	5,342
	CLOOCUS Co., Ltd.	-	6,967
Other related parties (*1)	Twolinecloud Inc. (formerly, TWO LINE CODE Inc.)	270	206
	SK hynix Inc.	326,798	79,159
	SK Gas Co., Ltd.	1,574	2
	SK Chemicals Co., Ltd.	3,243	2
	SK Shieldus Co., Ltd.	48,003	9,025
	SK BIOSCIENCE CO., LTD.	3,043	539
	Others	19,089	2,776
		₩ 1,806,379	₩ 459,587

(\*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 relationship as regulated by paragraph 10 of K-IFRS No. 1024.

**SK Inc.**  
**Notes to the separate financial statements**  
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**32. Related parties (cont'd)**

	Company name	December 31, 2024	
		Receivables and others	Payables and others
Subsidiaries	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. (formerly, SK Mobile Energy 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 AX Beijing (formerly, SK C&C Beijing Co., Ltd.)	20,123	4,678
	SK AX USA, INC. (formerly, SK C&C USA, Inc.)	163,177	14,011
	SK Networks Co., Ltd.	3,336	123
	SK intellix Co., Ltd. (formerly, 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
Other related parties (*2)	Twolinecloud Inc. (formerly, TWO LINE CODE Inc.)	-	257
	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	
		₩ 1,596,767	₩ 470,531

(\*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 relationship as regulated by paragraph 10 of K-IFRS No. 1024.

**SK Inc.**  
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**32. Related parties (cont'd)**

(4) Details of dividends received with related parties for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	Company name	For the years ended	
		December 31, 2025	December 31, 2024
Subsidiaries	SK Telecom Co., Ltd.	₩ 177,961	₩ 232,466
	SK Innovation Co., Ltd.	168,898	-
	SK Networks Co., Ltd.	24,286	29,143
	SK Tri Chem Co., Ltd.	-	6,500
	SK airplus Incorporated (formerly, SK Materials airplus Inc.)	-	50,000
	SK Resonac Corporation	-	1,532
	SK Materials Performance Co., Ltd.	-	2,001
	SK REITs Management Co., Ltd.	1,000	13,000
	SK Specialty Co., Ltd. (*1)	45,990	60,000
	SK S.E.Asia Pte. Ltd (*4)	-	51,023
	SK E&S Co., Ltd. (*3)	-	348,586
	AUXO CAPITAL INC.	49,730	-
	Associates	SK REIT Co., Ltd. (*2)	23,465
		₩ 491,330	₩ 819,554

(\*1) The counterparty was disposed of in March 2025. The transaction amount reflects transactions from January 2025 to March 2025.

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

(\*3) The counterparty was excluded from subsidiaries as it was merged into SK Innovation Co., Ltd. for the year ended December 31, 2024.

(\*4) The counterparty was excluded from subsidiaries as it was merged into ECO FRONTIER (SINGAPORE) PTE. LTD. for the year ended December 31, 2025.

(5) Details of the significant loan with related parties for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions, USD in thousands):

For the year ended December 31, 2025								
	Company name	Division	Currency	Beginning balance	Loan	Collection	Impairment	Ending balance
Subsidiary	Socar Mobility Malaysia, Sdn. Bhd (*1)	Short-term loans	USD	-	-	-	-	-
Subsidiary	Plutus Capital NY, Inc.	Short-term loans	USD	388,500	-	-	-	388,500
Subsidiary	SK materials Group14 Co., Ltd. (*2)	Short-term loans	KRW	26,000	14,000	(16,590)	(4,000)	19,410

(\*1) The entire amount of the loan has been recognized as impairment for the year ended December 31, 2024.

(\*2) The counterparty was disposed of in August 2025. The transaction amount reflects transactions from January 2025 to August 2025.

For the year ended December 31, 2024								
	Company name	Division	Currency	Beginning balance	Loan	Collection	Impairment	Ending balance
Subsidiary	Socar Mobility Malaysia, Sdn. Bhd	Short-term loans	USD	20,000	10,000	-	(30,000)	-
Subsidiary	Plutus Capital NY, Inc.	Long-term loans	USD	388,500	-	-	-	388,500
Subsidiary	SK materials Group14 Co., Ltd.	Short-term loans	KRW	-	26,000	-	-	26,000

As of December 31, 2025 and 2024, the allowance for doubtful accounts recognized for receivables from related parties amounted to ₩44,100 million. The allowance for doubtful accounts recognized during the years ended December 31, 2025 and 2024 was ₩4,000 million and ₩44,100 million, respectively.

**SK Inc.**  
**Notes to the separate financial statements**  
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**32. Related parties (cont'd)**

(6) Detail of significant transactions with related parties in relation to the investments for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions, USD, JPY in thousands):

	Company name	Currency	Transactions	For the years ended	
				December 31, 2025	December 31, 2024
Subsidiaries	SK Americas, Inc.(formerly, SK USA, Inc.)	USD	Share capital increase	-	9,913
	Tellus Investment Partners, Inc.	USD	Share capital increase	-	5,735
	Auxo Capital Inc.	USD	Share capital increase	-	6,150
	Plutus Capital NY, Inc.	USD	Share capital increase	-	390
	I Cube Capital Inc.	USD	Share capital increase	-	340
	SK Ecoplant Co., Ltd. (*1)	KRW	Share capital increase	360,133	365,434
	Chamaedorea, Inc. (*2)	USD	Share capital increase	-	39,826
	SK Innovation Co., Ltd.	KRW	Share capital increase	400,000	2,600,000
	SK Materials Performance Co., Ltd. (*1)	KRW	Share capital increase	30,800	-
	SK Signet Inc.	KRW	Share capital increase	145,000	-
	SK MENA Investment B.V.	USD	Share capital decrease	2,690	-
	Energy Solution Group, Inc.	USD	Share capital decrease	15,560	-
	Roca Capital (formerly, SK Japan, Inc.)	JPY	Share capital decrease	950,000	12,650,000
	SK Latin Americas investment S.A. (*3)	KRW	Share capital decrease	-	4,983
	SK Technology Innovation Company	USD	Share capital decrease	40	876

(\*1) For the year ended December 31, 2025, an equity transaction occurred due to the in-kind contribution of common shares of SK Tri Chem Co., Ltd., SK Resonac Corporation, SK Materials JNC Co., Ltd. to SK Ecoplant Co., Ltd. and the share exchange transaction of SK Materials Performance Co., Ltd. shares with SK Ecoplant Co., Ltd.

(\*2) All shares were disposed of during the year ended December 31, 2025 and excluded from consolidation.

(\*3) SK Latin Americas investment S.A. was liquidated during the year ended December 31, 2025.

(7) Compensation for key management personnel of the Company for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Salaries	₩ 8,413	₩ 7,381
Provision for pension benefits	2,579	2,645
Share-based payment expenses (reversal)	280	(793)
	₩ 11,272	₩ 9,233

### **33. Assets held for sale**

#### (1) Outline

As the Company decided to sell all of its equity interest in ESR Cayman Limited, it classified the shares as assets held for sale and measured them as the lower of the net fair value after deducting the additional cost of the sale and the book value. Meanwhile, the Company completed the sale for the year ended December 31, 2025.

As the Company decided to sell all of its equity interest in SOCAR, Inc, it classified the shares as assets held for sale and measured them as the lower 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.

As the Company decided to sell a portion of its equity interest in SK Specialty Co., Ltd., it classified the shares as assets held for sale and measured them as the lower of the net fair value after deducting the additional cost of the sale and the book value. Meanwhile, the Company completed the sale for the year ended December 31, 2025 and reclassified the remaining shares to financial assets measured at fair value through other comprehensive income.

As the Company decided to sell all of its equity interest in ION Clean Energy, Inc, it classified the shares as assets held for sale and measured them as the lower of the net fair value after deducting the additional cost of the sale and the book value. Meanwhile, the Company completed the sale for the year ended December 31, 2025.

As the Company decided to sell all of its equity interest in SK Powertech Co., Ltd., it classified the shares as assets held for sale and measured them as the lower of the net fair value after deducting the additional cost of the sale and the book value. Meanwhile, the Company completed the sale for the year ended December 31, 2025.

As the Company decided to sell all of its equity interest SK Investment Management Co., Limited, it reclassified the shares as assets held for sale and measured them at the lower of the net fair value after deducting costs to sell and the book value. Meanwhile, the Company completed the sale for the year ended December 31, 2025.

As the Company decided to contribute all its equity interest in SK materials Group14 Co., Ltd. as an in-kind contribution, it reclassified the shares as assets held for sale and measured them at the lower of the net fair value after deducting costs to sell and the book value. Meanwhile, the Company completed the in-kind contribution for the year ended December 31, 2025.

As the Company decided to transfer the entire operating segment related to Pangyo Data Center to its subsidiary, SK Broadband Co., Ltd., it reclassified relevant assets and liabilities as those held for sale and measured them at the lower of the net fair value after deducting costs to sell and the book value. Meanwhile, the Company completed the sale for the year ended December 31, 2025.

**33. Assets held for sale (cont'd)**

(2) Detail of assets held for sale as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	<u>December 31, 2025</u>	
	<u>Assets</u>	
Investment in associates (*1)	₩	33,679

(\*1) As of December 31, 2025, the book value includes ₩19,761 million in impairment loss.

	<u>December 31, 2024</u>	
	<u>Assets</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.

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**34. Cash flow**

(1) Costs and revenues without the inflow and outflow of cash for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Provision for pension benefits	₩ 44,640	₩ 48,704
Depreciation	91,481	100,052
Amortization	23,401	28,538
Reversal of allowance for doubtful accounts	51	161
Provisions transferred in	902	5,595
Interest expenses	369,411	410,112
Loss on foreign currency translation	16,011	551
Loss on valuation of financial assets measured at FVTPL	70,038	12,850
Loss on valuation of derivative instruments	106,463	154,412
Loss on transaction of derivative instruments	44,025	21,879
Loss on disposal of investments in subsidiaries, associates	351,476	7,228
Loss on impairment of investments in subsidiaries, associates	913,115	1,091,505
Reversal of loss on impairment of investments in subsidiaries, associates	-	(9,434)
Loss on disposal of property, plant and equipment	4,140	611
Loss on disposal of intangible assets	185	571
Loss on impairment of intangible assets	3,572	25,663
Share-based payment expenses (reversal)	25,640	(2,741)
Other finance costs	17,000	-
Other bad debt expense	4,820	44,100
Income tax expense	572,082	199,447
Dividends income	(491,330)	(821,784)
Interest income	(102,944)	(34,318)
Gain on foreign currency translation	(896)	(79,471)
Gain on valuation of financial assets measured at FVTPL	(30,938)	(76,985)
Gain on valuation of derivative instruments	(152,587)	(68,742)
Gain on disposal of investments in subsidiaries, associates	(2,489,306)	(35,512)
Gain on disposal of property, plant and equipment	(251,683)	(1,257)
Gain on disposal of intangible assets	(23)	(14,070)
Others	4,561	(3,261)
	₩ (856,693)	₩ 1,004,404

**34. Cash flow (cont'd)**

(2) Changes in assets and liabilities due to operating activities for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Trade receivables	₩ (249,682)	₩ (149,886)
Other receivables	(4,364)	(2,209)
Inventories	(33)	65
Advanced payments	5,921	19,337
Lease receivables	40,767	39,609
Prepaid expenses	2,275	18,079
Trade payables	(12,689)	108,556
Advances received	627	8,624
Withholdings	11,420	8,361
Other payables	(8,604)	(21,334)
Accrued expenses	(3,654)	(9,335)
Provision	(2,754)	(193)
Defined benefit obligation	(74,720)	(110,932)
Plan assets	44,956	82,949
Others	(5,948)	27,847
	₩ (256,482)	₩ 19,538

(3) Important investment and financial activities that do not involve the use of cash and cash equivalents for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Transfer of long-term bonds payable to current portion	₩ 1,508,306	₩ 1,463,425
Transfer of borrowings to current portion	250,072	89,928
Transfer of loans to current portion	13	500,982
Increase (decrease) in other payables regarding the acquisition of property, plant and equipment	1,062	(97)
Transfer of construction-in-progress to its respective account	83,410	16,034
Acquisition of investments in subsidiaries through in-kind capital contribution	360,133	-
Execution of a price return swap contract	220,250	-

**SK Inc.**  
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**34. Cash flow (cont'd)**

(4) Details of major changes in liabilities arising from financing activities for the years ended December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025				
	Beginning balance	Financial cash flow	Non-cash transactions		Ending balance
			New lease	Others(*1)	
Short-term borrowings	₩ 2,824,928	₩ (1,985,000)	₩ -	₩ (89,928)	₩ 750,000
Long-term borrowings	449,858	(270,000)	-	90,050	269,908
Bonds payable	7,399,674	158,625	-	6,380	7,564,679
Lease liabilities	367,210	(75,330)	67,283	1,245	360,408
Leasehold deposits received	25,785	125	-	674	26,584
Dividends payable	183	(385,624)	-	385,630	189
	<u>₩ 11,067,638</u>	<u>₩ (2,557,204)</u>	<u>₩ 67,283</u>	<u>₩ 394,051</u>	<u>₩ 8,971,768</u>

(\*1) It includes depreciation, amortization, changes due to exchange rate fluctuations, and others.

	For the year ended December 31, 2024				
	Beginning balance	Financial cash flow	Non-cash transactions		Ending balance
			New lease	Others(*1)	
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>

(\*1) It includes depreciation, amortization, changes due to exchange rate fluctuations, and others.

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**35. Commitments and contingencies**

(1) The agreements concluded with financial institutions as of December 31, 2025 and 2024 are as follows (Korean won in millions, and USD in thousands):

December 31, 2025				
Financial Institutions	Details of the commitments	Currency	Commitments limit amount	Unused amount
KEB Hana Bank	Limit loan	KRW	116,000	116,000
	Bank overdraft	KRW	5,000	5,000
	Guarantee of foreign currency payment	USD	15,000	15,000
Shinhan Bank	Issuance of L/C	USD	4,000	4,000
	Note acceptance agreement	KRW	400,000	400,000
	Note discount	KRW	20,000	20,000
	Limit loan	KRW	274,000	274,000
NH Bank	Guarantee of foreign currency payment	USD	2,000	2,000
	Issuance of L/C	USD	10,000	10,000
	Limit loan	KRW	150,000	150,000
Woori Bank	General loan	KRW	350,000	-
	Limit loan	KRW	270,000	270,000
KB Bank	General loan	KRW	170,000	-
	Limit loan	KRW	320,000	320,000
IBK Bank	General loan	KRW	10,000	10,000
Korea Development Bank	General loan	KRW	10,000	10,000
Suhyup Bank	Limit loan	KRW	30,000	30,000
Bank of China	Limit loan	KRW	30,000	30,000
Industrial and commercial bank of China	Limit loan	KRW	100,000	100,000
Credit Agricole Bank	Limit loan	USD	50,000	50,000
December 31, 2024				
Financial Institutions	Details of the commitments	Currency	Commitments limit amount	Unused amount
KEB Hana Bank	Limit loan	KRW	116,000	116,000
	Bank overdraft	KRW	5,000	5,000
	Guarantee of foreign currency payment	USD	15,000	15,000
Shinhan Bank	Issuance of L/C	USD	4,000	4,000
	Note acceptance agreement	KRW	300,000	300,000
	Note discount	KRW	20,000	20,000
	Limit loan	KRW	340,000	270,000
NH Bank	Guarantee of foreign currency payment	USD	2,000	2,000
	Issuance of L/C	USD	10,000	10,000
	General loan	KRW	210,000	-
Woori Bank	Limit loan	KRW	150,000	100,000
	General loan	KRW	450,000	-
KB Bank	Limit loan	KRW	270,000	260,000
	General loan	KRW	370,000	-
Korea Development Bank	Limit loan	KRW	320,000	220,000
	Limit loan	KRW	10,000	10,000
	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	50,000

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**35. Commitments and contingencies (cont'd)**

(2) As of December 31, 2025, 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 payment of goods	₩ 902	Ongoing in second trial
ECS Telecom Co., Ltd.	SK Inc.	Claim for damages	2,000	Ongoing in second trial
J. Brian O'Neill, Richard Heaney	Largest shareholder, directors, management of Center For Breakthrough Medicines, LLC, SK Pharmteco Inc. and SK Inc.	Claim for damages	-	Ongoing in first trial (*1)
Innovation 411, Bryemere Holding LLC, Richard Heany, Brian O'Neil	SK Pharmteco Inc., SK Inc., Center For Breakthrough Medicines, LLC, largest shareholder and directors of, Center For Breakthrough Medicines	Claim for damages	-	Ongoing in first trial (*1)

(\*1) Related litigation amount, duration and final outcome cannot be predicted at this time.

(3) The notes and checks provided by the Company as of December 31, 2025 are as follows (Korean won in millions and except for number of papers):

	Papers	Face Value
Blank checks	7	₩ -
Blank notes	10	-

(4) Guarantees and collateral details provided by third parties as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025	December 31, 2024
Seoul Guarantee Insurance	₩ 8,458	₩ 9,694
Korea Software Financial Cooperative	439,393	609,793

**35. Commitments and contingencies (cont'd)**

(5) Significant commitments

- 1) The Company, SK Innovation Co., Ltd., SK Energy Co., Ltd., SK Geo Centric Co., Ltd., SK Enmove Co., Ltd., SK Incheon Petrochem 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. In addition, 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.
- 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 1st Fund and others	Corporate Turnaround 1st 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 investor make a cash settlement of the amount calculated by deducting the issue price from the net selling price for all target shares. If the amount is positive, the investor pays to the Company, and if the amount is negative, the Company pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.	
Premium	The Company pays to the investor the amount equivalent to 3.899% of the remaining contract amount of the remaining target shares on the third month from the contract date (the "premium payment date"). On the other hand, if the investor receives dividends on the shares held, the amount shall be paid to the Company.	
Call option	The Company may request the purchase of the common stock held by the investor at the contract amount plus a certain level of additional charges on the first day of each year between the date of the investment termination and the maturity date.	

As of December 31, 2025, the value of the total return swap contracts, ₩229,449 million, has been recognized as derivative liabilities.

**35. Commitments and contingencies (cont'd)**

5) The Company entered into total return swap contracts with ordinary investors of SK Siltron Co., Ltd., one of the subsidiaries. Details are as follows:

Description	Total return swap
Investor	Warmachine Sixth Co., Ltd. and others
Number of shares (in shares)	13,140,440
Contract date	August 16, 2022
Expiry date	August 30, 2027
Settlement	The Company and the investors are to settle the amount calculated by deducting the issue price from the net selling price for all target shares. If the amount is positive, the investor pays to the Company, and if the amount is negative, the Company pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.
Premium	The Company shall pay an amount equivalent to 0.5% of the initial contract amount within five business days from the effective date and pay 4.948% to the remaining contract amount of the remaining target stock on the third month (the "premium payment date") from the effective date. On the other hand, if an investor receives dividends, etc. by holding the target stock, the amount shall be paid to the Company.
Call option	On a three-month basis from the effective date of sale ("the quarterly payment day"), the Company has the right to purchase the shares held by the investor at the initial contract price of the ordinary shares with a certain level of additional charges.

As of December 31, 2025, the value of the total return swap contracts, ₩434,175 million, has been recognized as derivative assets.

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

Description	Total return swap
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 are to settle the amount calculated by deducting the issue price from the net selling price for all target shares. If the amount is positive, the investor pays to the Company, and if the amount is negative, the Company pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.
Premium	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.

As of December 31, 2025, the value of the total return swap contracts, ₩123,059 million, has been recognized as derivative liabilities.

**35. Commitments and contingencies (cont'd)**

- 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, 2025, 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 to lend funds for the shortfall of principal and interest repayment for loans and credit limit of USD 236,000 thousand of Hudson Energy NY, LLC, a subsidiary of Plutus Capital NY, Inc.
- 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 entered into a cash deficiency support agreement to lend funds for the shortfall of principal and interest repayment for loans and credit limit of MYR 70,000 thousand of Socar Mobility Malaysia, SDN. BHD.
- 11) The Company has signed a contract between shareholders that allows certain shareholders to sell their shares to the Company for ₩50,000 per share if certain conditions are met for shares held by certain shareholders of its subsidiary SK Signet Co., Ltd. The value of the contract, ₩1,733 million, has been recognized as derivative liabilities as of December 31, 2025.
- 12) The Company has pledged 2,936,225 shares of SOCAR Co., Ltd., which it holds as assets held for sale, to the buyer, Lotte Rental Co., Ltd.
- 13) When issuing corporate bonds, there are conditions for maintaining financial ratios, restrictions on the establishment of collateral rights, restrictions on disposal of assets, and restrictions on changes in the governance structure in accordance with the contract between the Company and the bond management company.
- 14) As of December 31, 2025, 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 share by SK Pharmteco Inc. The value of the contract, ₩37,126 million, has been recognized as derivative liabilities as of December 31, 2025.
- 15) The Company has entered into a shareholder agreement regarding 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 IPO 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. However, the Company shall not be entitled to exercise put option if the issuing company fails to complete a qualified public offering by the IPO deadline due to its willful misconduct or gross negligence.
- 16) The Company entered into an agreement with Amazon Web Services ("AWS") for the use of cloud services. In accordance with the agreement, the Company receives AWS services for 10 years starting from July 2025, with a total contract amount of USD 1,300,000 thousand. In addition, the Company entered into an agreement with SK Telecom Co., Ltd., its subsidiary, for the provision of AWS services. Under this agreement, AWS services will be provided for 10 years starting from July 2025, with a total contract amount of USD 800,000 thousand.

**35. Commitments and contingencies (cont'd)**

17) The Company has entered into a Price Return Swap agreement with financial investors regarding the ordinary shares of SK Innovation Co., Ltd., its subsidiary. Details are as follows:

	<u>Price Return Swap</u>
Contract party	[Revenue recipient] SK Inc. [Revenue payers] Double S Ever 2025 Co., Ltd., MS Partners First Co., Ltd., MS Partners Second Co., Ltd., Cube Inno First Co., Ltd., Multi Solution Summit Co., Ltd., S Project SIN Co., Ltd., New Star Green Tech First Co., Ltd. (Total of 7 companies)
Underlying asset	14,414,409 newly issued registered common shares of SK Innovation Co., Ltd.
Contract date	July 30, 2025
Contract period	3 years
Normal payment	The revenue payer shall, on each fixed revenue payment date occurring every quarter during the contract period, pay the revenue recipient a fixed revenue amount calculated by applying the PRS Premium Rate (an interest rate, determined two business days before the investment closing date, calculated as the arithmetic average of the 3-year maturity corporate bond individual average yields provided by four private bond rating agencies plus 1.5% per annum) to the remaining contract amount as of the previous business day.

As of December 31, 2025, the value of the price return swap agreement, ₩254,269 million, has been recognized as derivative liabilities.

18) The Company has entered into an agreement between shareholders with M2I Corporation (hereinafter referred to as "M2I") in relation to its investment in SMCORE. Inc., an associate. Under this agreement, if certain conditions are met, the Company holds the right to sell all or part of its shares in the target company to M2I or to a third party designated by M2I. In addition, M2I holds the right to purchase all or part of the shares held by the Company if certain conditions are met. Meanwhile, if M2I intends to sell all of its shares in SMCORE. Inc. to a third party, the Company holds the right to participate in such sale on the same terms (tag-along right). M2I also holds the right to require to sell all of its shares in the target company together with M2I to the third party (drag-along right).

**(6) Supplier finance arrangements**

Under the terms of the supplier financing arrangements, one or more financial institutions make payments to suppliers on behalf of the Company, and the Company makes payments to the financial institutions in accordance with the terms of the arrangement after the suppliers have been paid. These arrangements may either provide the Company with an extended payment period beyond the original invoice due date or enable suppliers to receive early payment (Korean won in millions) :

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payment term range of liabilities under supplier finance arrangements	30 to 90 days from issuance	30 to 90 days from issuance
Carrying amount of liabilities under supplier finance arrangements	₩ 14,787	₩ 11,724
Amount already paid by financial institutions to suppliers	-	-

### 35. Commitments and contingencies (cont'd)

There were no significant business combinations or foreign exchange differences that affected the liabilities under supplier financing arrangements. There were no non-cash changes related to these liabilities for the years ended December 31, 2025 and 2024. Liabilities under supplier financing arrangements are included in trade payables in the statement of financial position as at December 31, 2025 and 2024, and are considered short-term in nature, and their carrying amounts are regarded as a reasonable approximation of fair value.

### 36. Deposits restricted for the use

Deposits restricted for the use as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025	December 31, 2024	Reason for restriction
Short-term & Long-term financial instruments	₩ 15,692	₩ 16,652	Refund guarantee and others
Long-term investment securities (Equity investment of Korea Software Financial Cooperation)	2,623	2,537	Refund guarantee
Long-term financial instruments	18	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.

#### (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.

1) The carrying amount of a financial asset, measured at amortized cost, represents the maximum exposure to credit risk. The maximum exposure to credit risk as of December 31, 2025 and 2024 is as follows (Korean won in millions):

	December 31, 2025	December 31, 2024
Financial assets measured at FVTPL	₩ 763,924	₩ 599,169
Financial assets measured at amortized cost	1,682,424	1,493,675
Total (*1)	₩ 2,446,348	₩ 2,092,844

(\*1) Cash and cash equivalents and equity instruments are excluded from the table above because they are not related to credit risk.

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**37. Financial risk management (cont'd)**

2) The changes in the loss allowance as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2025				
	Beginning balance	Impairment	Write-off	Others	Ending balance
Trade receivables	₩ 464	₩ -	₩ -	₩ -	₩ 464
Other receivables	44,160	4,851	(4,911)	(1,053)	43,047
	<u>₩ 44,624</u>	<u>₩ 4,851</u>	<u>₩ (4,911)</u>	<u>₩ (1,053)</u>	<u>₩ 43,511</u>

  

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

3) The details of overdue or impaired financial assets as of December 31, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025						
	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	₩ 948,511	₩ 56,606	₩ 13,374	₩ 2,616	₩ 7,670	₩ 76	₩ 1,028,853
Other receivables	871,607	-	-	-	-	43,047	914,654
	<u>₩ 1,820,118</u>	<u>₩ 56,606</u>	<u>₩ 13,374</u>	<u>₩ 2,616</u>	<u>₩ 7,670</u>	<u>₩ 43,123</u>	<u>₩ 1,943,507</u>

  

	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>

**37. Financial risk management (cont'd)**

**(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, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025				
	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years	Total
Bonds and borrowings	₩ 875,974	₩ 1,607,985	₩ 6,211,630	₩ 556,542	₩ 9,252,131
Derivative financial liabilities(*1)	16,592	52,384	576,848	-	645,824
Trade payables	221,682	-	-	-	221,682
Lease liabilities	22,815	66,549	267,438	25,589	382,391
Other liabilities	83,447	66,636	-	30,568	180,651
	<u>₩ 1,220,510</u>	<u>₩ 1,793,554</u>	<u>₩ 7,055,916</u>	<u>₩ 612,699</u>	<u>₩ 10,682,679</u>

(\*1) The maximum guarantee limit for credit risk under financial liabilities from guarantees obligations (financial guarantee contract) for SK Pharmteco Inc. as of December 31, 2025 is ₩805,917 million.

	December 31, 2024				
	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years	Total
Bonds and borrowings	₩ 2,453,661	₩ 2,095,255	₩ 5,861,647	₩ 1,026,738	₩ 11,437,301
Derivative financial liabilities(*1)	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>

(\*1) The maximum guarantee limit for credit risk under financial liabilities from guarantees obligations (financial guarantee contract) for SK Pharmteco Inc. as of December 31, 2024 is ₩754,001 million.

**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.

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, 2025 and 2024 are as follows (Korean won in millions, and foreign currencies in thousands):

	Currency	December 31, 2025		December 31, 2024	
		Korean won equivalent	Foreign currencies	Korean won equivalent	Foreign currencies
Assets	USD	₩ 657,478	458,205	₩ 715,609	486,809
	JPY	593	64,595	230	24,516
	CNY	56,133	274,138	38,191	189,748
	EUR	1,311	778	2,681	1,754
	Others	392		2,336	
Liabilities	USD	31,345	21,845	63,484	43,187
	JPY	976	106,318	150	16,028
	CNY	1,826	8,920	1,302	6,469
	EUR	12	7	20	13
	Others	-		-	

If the exchange rate of the currencies fluctuates by 10%, the effects on equity as of December 31, 2025 and 2024 would be as follows (Korean won in millions):

Currency	December 31, 2025		December 31, 2024	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ 46,083	₩ (46,083)	₩ 47,996	₩ (47,996)
JPY	(28)	28	6	(6)
CNY	3,997	(3,997)	2,715	(2,715)
EUR	96	(96)	196	(196)
Others	29	(29)	172	(172)

**37. Financial risk management (cont'd)**

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, 2025 and 2024 are as follows (Korean won in millions):

	December 31, 2025		
	Interest rate type	Interest rate	Amount
Long-term borrowings	Variable	CD + 1.28% ~ CD + 1.45% MOR + 1.47%	₩ 520,000
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

If all other variables remain constant, the effects of a 1%p change in interest rates on income before tax as of December 31, 2025 and 2024 are as follows (Korean won in millions)

Currency	December 31, 2025		December 31, 2024	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase (decrease) in income before tax	₩ (5,200)	₩ 5,200	₩ (10,200)	₩ 10,200

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.

**(5) Capital management**

The fundamental goal of capital 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 maintains a debt ratio of 69.54% as of December 31, 2025. The maturity of the debt is dispersed in the long term and is primarily composed of bonds. So, debt-repayments are not demanding.

The Company's debt ratio as of December 31, 2025 and 2024 is as follows (Korean won in millions):

	December 31, 2025	December 31, 2024
Total liabilities	₩ 10,828,126	₩ 12,613,198
Total equity	15,570,867	14,619,894
Debt ratio	69.54%	86.27%

**SK Inc.**  
**Notes to the separate financial statements**  
**December 31, 2025 and 2024**

**38. Greenhouse Gas Emissions and Emissions Liabilities**

(1) As of December 31, 2025, the quantity of free allocation emission rights for each year of implementation in the third planned period (2021-2025) is as follows (in tCO<sub>2</sub>-eq)

	2021	2022	2023	2024	2025	Total
Free-allocated emission rights (*1)	74,400	94,069	109,311	116,935	77	394,792

(\*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, 2025 and 2024 are as follows (in tCO<sub>2</sub>-eq and Korean won in millions):

	December 31, 2025					
	2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balance	-	₩ -	-	₩ -	-	₩ -
Carried forward from prior year	31	-	1,510	13	1,541	13
Allocated for free	116,935	-	77	-	117,012	-
Purchase (disposal)	21,200	180	-	-	21,200	180
Government submission	(136,656)	(167)	-	-	(136,656)	(167)
Carried forward to subsequent year	(1,510)	(13)	-	-	(1,510)	(13)
Ending balance	-	₩ -	1,587	₩ 13	1,587	₩ 13

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

Meanwhile, as of December 31, 2025, 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, 2025 and 2024 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2025	December 31, 2024
Beginning balance	₩ 207	₩ 163
Transferred	115	201
Returned	(207)	(157)
Reclassified (*1)	(77)	-
Ending balance (*2)	38	207

(\*1) The amount includes the reclassification of liabilities related to the Pangyo data center to SK Broadband Co., Ltd., a subsidiary.

(\*2) Emissions liabilities are included in current provisions.

Meanwhile, the estimated amount of greenhouse gas emissions for the year ended December 31, 2025 is 87,399 tons (tCO<sub>2</sub>-eq).

**39. Events after the reporting period**

**(1) Sale of Shares in SKBiopharmaceuticals Co., Ltd. and Execution of a Price Return Swap Agreement**

In accordance with a resolution of the Board of Directors dated February 26, 2026, the Company decided to sell a portion (13.94%) of its ordinary shares in SK Biopharmaceuticals Co., Ltd. to financial investors and to enter into a price return swap (“PRS”) agreement in such investors with respect to the shares sold. The principal terms of the PRS agreement are as follows:

	Description
Contract parties	[Revenue receiver] SK Inc. [Revenue payers] Korea Investment & Securities Co., Ltd., S-Sky First Co., Ltd., Great WSJ 2nd Co., Ltd., New Bless First Co., Ltd., and J-On Nine Co., Ltd. (five entities in total)
Underlying asset	10,917,028 existing ordinary shares of SK Biopharmaceuticals Co., Ltd. held by the Company
Contract amount	₩1,250,000 million
Contract term (execution date)	3 years (February 26, 2026)

**(2) Participation in Capital increase of SKC Co., Ltd.**

In accordance with a resolution of the Board of Directors dated February 26, 2026, the Company decided to participate in the paid-in capital increase of SKC Co., Ltd. scheduled for May 22, 2026 and to acquire additionally acquire 6,326,839 common shares for KRW 539,679 million.

**(3) Loans to Yposkesi, SAS and Center for Breakthrough Medicines Holdings, LLC**

In accordance with a resolution of the Board of Directors dated February 26, 2026, the Company decided to enter into loan agreements in March 2026 with Yposkesi, SAS and Center for Breakthrough Medicines Holdings, LLC to provide loans of USD 34 million and USD 66 million, respectively.

**39. Events after the reporting period (cont'd)**

**(4) Capital commitment to SK hynix NAND Product Solutions Corp.**

In accordance with resolution of the Boards of Directors in February 2026, the Company entered into a capital commitment agreement to invest USD 250 million in SK hynix NAND Product Solutions Corp., a U.S. subsidiary of SK hynix Inc., and acquire ordinary shares through capital calls over a four-year period beginning March 1, 2026.

**(5) Disposal of Shares in SK Life Science Labs, Inc.**

In accordance with a resolution of the Board of Directors dated March 6, 2026, the Company decided to dispose of all ordinary shares of its subsidiary SK Life Science Labs, Inc. to SK Biopharmaceuticals Co., Ltd., a subsidiary of the Company.

**(6) Retirement of Treasury Shares**

In accordance with a resolution of the Board of Directors dated March 10, 2026, the Company decided to retire 14,694,388 treasury shares out of a total of 17,982,486 treasury shares held, representing all treasury shares held except for 3,288,098 shares reserved for employee compensation, in January 2027 in order to enhance shareholder value.

### **Notice to Readers**

This report is annexed in relation to the audit of the separate financial statements as of December 31, 2025 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, 2025 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, 2025, 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, 2025, the separate statements of comprehensive income (loss), changes in equity and cash flows for the year then ended, and notes, including material accounting policies, and our report dated March 11, 2026 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.



An audit of internal control over financial reporting for consolidation purposes includes performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risk that a material weakness exists. The audit involves obtaining an understanding of internal control over financial reporting for consolidation purposes, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risks.

#### **Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting for consolidation purposes is implemented by those charged with governance, management, and other employees, and is 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 Samjory Accounting Corp.*

Seoul, Korea  
March 11, 2026

This report is effective as of March 11, 2026, 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.

## Report on the Operations of Internal Accounting Control System

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, 2025.

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 Annex 6 'Standards for Evaluating and Reporting on Internal Control over Financial Reporting' for the Detailed Enforcement Rule of the Regulation on External Audit and Accounting.

Based on our assessment, we concluded that the Company's ICFR is designed and operated effectively as of December 31, 2025, 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.

(Appendix)

Internal control activities performed by the Company to address treasury-related fraud risks including embezzlement

February 25, 2026

Yong-Ho Jang

Chief Executive Officer



Wanyoung Kim

Internal Accounting Manager



(Appendix)

Internal control activities performed by the Company to address treasury-related fraud risks including embezzlement

Category	Control activities performed by the Company	Results of the design and operating effectiveness review (Including responsible department and timing)
Entity Level Controls	<b>&lt;Operation of the Whistleblower Program and Appropriate Follow-Up Actions&gt;</b> The Company independently operates an internal and external whistleblower program for reporting ethics violations. Upon receiving a report, the Company immediately takes appropriate action, analyzes the nature of the violation, and establishes preventive measures to avoid recurrence. The results are reported to management and the Board of Directors (including the Audit Committee) and are reflected in the Company's ethics and compliance program.	No material weaknesses were identified based on the test results. (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)
	<b>&lt;Assessment of Fraud Risks Related to the Internal Control over Financial Reporting (ICFR)&gt;</b> The Company incorporates fraud-risk considerations into the annual determination of the ICFR scope. The assessment of fraud risks is performed by evaluating risk factors related to fraudulent financial reporting as well as those associated with misappropriation of assets. The procedures and results reflecting how fraud risks were considered in determining the ICFR scope are included in the ICFR operating-status review plan, which is reported to the Internal Accounting Manager and the Audit Committee, among others.	No material weaknesses were identified based on the test results. (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)
	<b>&lt;Monitoring of Compliance with Segregation of Duties and Access Restriction Standards&gt;</b> The Company has established and maintains segregation-of-duties standards. The authority-management officer conducts semiannual reviews to identify any violations of these standards and evaluates the results of such reviews.	No material weaknesses were identified based on the test results. (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)
	<b>&lt;Classification of ICFR Deficiencies and Development of Remediation Plans&gt;</b> The Company, following its annual evaluation of the ICFR, reviews identified exceptions and classifies the related control deficiencies. In collaboration with the relevant departments, the Company prepares a detailed list of ICFR deficiencies and establishes remediation plans to address them.	No material weaknesses were identified based on the test results. (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)
Treasury Controls	<b>&lt;Segregation of Duties in the Treasury Process&gt;</b> The responsibility for initiating or modifying cash transfers is segregated from the authority to approve such transfers.	No material weaknesses were identified based on the test results. (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)

<p><b>&lt;Reconciliation of Cash and Cash-Equivalent Balances&gt;</b>  The head of the treasury management department periodically reviews reconciliations between the sub-ledger of cash and cash equivalents and the bank transaction reports. When differences are identified, the head reviews the reason of differences provided and approves the reconciliation.</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>
<p><b>&lt;Restrictions on Cash-Disbursement Authority&gt;</b>  Authority to create or modify account information, initiate or modify cash transfers, and execute cash transfers is restricted to appropriately authorized personnel within the treasury management department.</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>
<p><b>&lt;Identification of Dormant Accounts and Closure of Unused Accounts&gt;</b>  The treasury management department periodically reviews all accounts held in the Company's name to identify dormant or unrecorded accounts and, when necessary, proceeds with the closure of unused accounts.</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>
<p><b>&lt;Review of Cash Disbursements&gt;</b>  The head of the treasury management department reviews the cash-transfer details recorded in the firm banking system and/or internet banking and verifies that they match the key information in the supporting documents before granting approval.</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>
<p><b>&lt;Reconciliation of Corporate Card Authorization and Billing Statements&gt;</b>  The corporate card administrator compares the monthly card authorization records with the billing statements to identify if there are any differences, and makes the necessary adjustments when differences are detected.</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>
<p><b>&lt;Approval of Account Registration and Closure&gt;</b>  The head of the treasury management department reviews the rationale for opening or closing a bank account and grants approval accordingly.</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>
<p><b>&lt;Review and Approval of the Bank Account Listing&gt;</b>  The head of the treasury management department periodically reviews and approves the reconciliation status between bank balance certificates obtained from each bank and the Company's ledger-based bank account listing.</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>
<p><b>&lt;Control Over the Use of Treasury-related Physical Assets&gt;</b>  Physical access to treasury-related assets is restricted. When corporate seals are used, a seal-use request form is prepared, and approval is obtained from an appropriately</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>

	authorized approver within the department responsible for seal-use management.	
	<p><b>&lt;Review of Financing Activities&gt;</b>  The head of the treasury management department reviews and approves the key terms of loan agreements and bond issuance proposals, and submits the matter to the Board of Directors when Board approval is required.</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>
<p><b>Other Process -Level Controls</b></p>	<p><b>&lt;Approval of the Creation and Modification of Key Supplier-Master Information&gt;</b>  An appropriately authorized approver within the department responsible for supplier master data, such as the head of the treasury management department, reviews supporting documentation and verifies its consistency with key supplier-master information (such as the business registration number and payment account details) before granting approval for the creation or modification of such information.</p>	<p><b>No material weaknesses were identified based on the test results.</b>  (Financial Management Team of SK Inc. July 2025, September 2025, December 2025, February 2026)</p>