

Investment

Business

Financial Story Investment Division

Financial Sector

SK Inc. is dedicated to ensuring stable financial operations, securing investment resources, and maximizing shareholder value as a leading ESG management and investment specialist, in order to achieve sustained growth.

SK Inc. handles various financial tasks, including overall financial management such as funding, accounting, and taxation. We provide decision-making support through investment risk evaluations and aim to establish a structure of sustainable investment resource circulation by attracting external investments under optimal conditions and implementing divestments.

In addition, we strive to enhance shareholder value by strengthening shareholder returns, such as dividend payments and share repurchases, ensuring that the increase in corporate value directly translates into improved shareholder value. Going forward, our company will continue to engage in ongoing communication to gain the empathy and trust of our shareholders and stakeholders, while consistently pursuing sustainable shareholder returns linked to investment performance.

Portfolio Mgmt. Sector

We support the continued growth of investment portfolio and the discovery and development of new growth portfolio in the future as a top priority to enhance corporate value.

In particular, we have developed a financial story centered around ESG themes for 2021, executing portfolio innovation in key areas such as advanced materials, green technology, biotechnology, and digital technology. To achieve this, as an investment specialist, we prioritize conducting investment suitability assessments and focus on portfolio performance management. Additionally, we take a leading role in practicing ESG and happiness management initiatives.

Furthermore, we will strive to maximize the overall value of the portfolio with stakeholders through proactive communication with the market.



SK Inc. CFO,
Lee, Sung Hyung

Portfolio for ESG- based 4 Key Areas

Advanced Materials

Proactively investing in high-growth 'semiconductor/ power semiconductor/battery' core materials to create synergy with existing businesses and accelerate the expansion of high-growth material portfolio

- Investment Asset
SK Specialty, SK Siltron
Wason, SES AI,
SK Signet, SK Powertech

Green

Securing decarbonization technology corporate assets to preoccupy green industry's growth hub and realizing Net Zero

- Investment Asset
TerraPower, Plug Power,
Monolith, Atom Power,
Lunar Energy, Fulcrum,
Joyvio, Perfect Day,
Nature's Fynd, Wildtype



Bio

Along with the development of innovative new drugs, expanding its scope to the entire value chain business of all bio and synthetic drugs encompassing CDMO

- Investment Asset
CBM, ProteoVant, Standigm,
Hummingbird, Yposkesi

Digital

Discovering candidates for new key business areas leading digital innovation and investing in new technologies

- Investment Asset
Socar, Chindata, DataRobot,
Soft Berry, Geminus AI, A4X

* Cumulative investment amount by 2022 (direct investment assets of SK Inc. in the growth area), including merger costs and excluding divest amount

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Advanced Materials



We invest in innovative technologies that connect people, technology, and customers.

The Advanced Materials Investment Center is a differentiated investment company that proactively invests in and nurtures core material and component technologies for continuous innovation in advanced industries. We leverage the technological expertise and differentiated synergy capabilities of the SK Group. We play a key role in future technology innovation and the global supply chain in areas such as semiconductor materials, battery materials, and EV supply chain management (SCM), which are expected to experience rapid and substantial growth aligned with global megatrends. These trends include the expansion of the high-performance computing (HPC) chipset market, the widespread adoption of electric vehicles (EVs) and the increasing demand for high-capacity/efficient batteries, the growing importance of power efficiency, and the advancement of vision sensing technology driven by autonomous driving and augmented reality (AR). In 2023, we aim to achieve visible results from our new growth portfolio, lead the establishment of a global supply chain for core technologies, drive portfolio optimization, and enhance the corporate value of SK Inc.

Kim, Yang Taek,
Head of the Advanced Materials Investment Center

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Green



We take the lead in the decarbonization sector for the transition to a sustainable energy system.

The Green Investment Center, established in 2021, has set its vision as becoming a value investor specializing in global decarbonization. It focuses on identifying and investing in business opportunities related to carbon emission reduction and removal solutions. In line with the global movement towards decarbonization, we concentrate on three main areas: energy transition, industrial transition, and carbon management. These areas involve replacing and cleaning fossil energy sources to increase the production and consumption of zero-carbon power, reducing direct emissions in industrial processes, and directly removing carbon that has already been emitted. Based on wide range and proactive investments in innovative climate change response solutions, we will secure green anchor assets which will serve a foundation for future growth within SK Group. Moreover through value creation, we aim to contribute to sustainable growth across companies and industries.

Kim, Moohwan,
Head of the Green Investment Center

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Bio



We provide new solutions for the healthy lives of humanity.

The core business of Bio Investment Center is the development and production of pharmaceuticals for the treatment of patients, aiming to promote human health and well-being. In the Contract Development & Manufacturing Organization (CDMO) sector, we promote facility expansion and technology-driven growth in the production of synthetic active pharmaceutical ingredients (APIs). In the Cell and Gene Therapy (CGT) business, we establish a global integrated operating system to foster future growth. In the pharmaceutical business sector, through investments we establish a growth foundation in companies with promising technologies and pursue investments in new areas with future growth potential through selectivity and focus. As we embrace an era where the interest in health and well-being continues to rise steadily in the aftermath of the COVID-19 pandemic, we will lead our company's sustainable growth by securing future growth drivers in the field of biotechnology.

Kim, Yeontae,
Head of the Bio Investment Center

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Digital



We invest in new technologies leading global digital transformation.

The Digital Investment Center is expanding its proactive investments in digital technologies and infrastructure, such as AI, Web3, and EV charging platforms, to lead the global digital transformation. We selectively invest in areas that have significant impact on other industries and are expected to experience substantial and sustained growth, aiming to enhance our digital competitiveness. This preparation for the Next portfolio, which can become a core industry for SK Inc.'s future growth, is also an important opportunity to contribute to the digital transformation of SK and Korean society. In the digital field, trends change more frequently than any other fields, requiring us to be agile in our response. Accordingly, SK Inc. establishes a self-reinforcing structure to maximize returns by investing in new promising areas by executing an active investment recoupment strategy. We will continue to differentiate our methodologies and speed in finding anchor investments in each subdivisions domains, striving to build an optimized portfolio

Yoo, Gyeongsang,
Head of the Digital Investment Center

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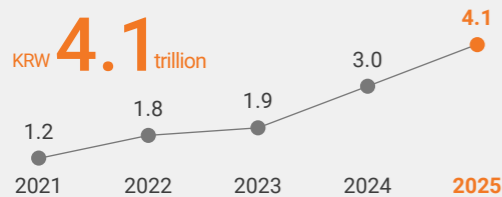
Advanced Material



To grow into the Global No. 1
Advanced Materials Company in 2025

Global NO.1

EBITDA Goals



* Accumulated with performances of SK Materials Co., Ltd., SK Siltron Co., Ltd and other investment companies

** Goals by year: Forecast as of today

Major Investment Companies

- Wason
- SES AI
- SK Signet
- SK Powertech

Rapid Evolution, Thriving Future

2022 Performance

Existing SK Inc. investments, such as SK Materials, SK Siltron, and Wason, have demonstrated robust financial performance, proving SK Inc.'s potential and capabilities as an innovation technology investor.

SK Materials achieved sales of KRW 1,530.2 billion and EBITDA of KRW 521.2 billion, representing a growth of 29% and 22%, respectively, compared to the previous year. This was realized through stable sales of specialty gases based on long-term contracts and expanding sales of new high-value-added products. SK Siltron recorded sales of KRW 2,354.7 billion and EBITDA of KRW 957.8 billion, demonstrating a growth of 27% and 53%, respectively, compared to the previous year. This growth was achieved through improved supply of silicon wafers and cost reduction measures resulting from enhanced productivity. Wason, a Chinese copper foil company in which SK Inc. holds a 30% stake, maintained stable growth by actively expanding production capacity and ensuring stable operations. It recorded a 27% increase in sales and a 28% growth in EBITDA compared to the previous year.

In 2022, despite the downturn in the overall industry, our existing investments showed significant growth in revenue and profit compared to the previous year. Additionally, our new portfolio generated meaningful results, witnessing robust growth in the advanced materials sector. Furthermore, we maintain ongoing communication with the market and stakeholders to ensure understanding and alignment with the vision, goals, and strategic direction of SK Inc.'s Advanced Materials Investment Center.

2023 Strategic Directions

In 2022, SK Inc. achieved meaningful results in terms of investment and expansion of new growth portfolios. A successful example of proactive technology investment was seen when SES AI, a next-generation Li-Metal technology company in which SK Inc. holds a 12.2% stake, completed its initial public offering (IPO) on the New York Stock Exchange in February 2022. Furthermore, after acquiring a stake in Yespowertech, a SiC power semiconductor design and production company, in 2021, SK Inc. secured majority ownership (99%) and renamed it SK Power Tech in March 2022. SK Power Tech began full-scale production in April 2023, establishing a mass production system through the relocation to the Busan Fab. With the expansion of production capacity through the addition of a new fab and the enlargement of a high-value-added portfolio, SK Power Tech aims to grow into a global top-tier SiC power semiconductor company. Additionally, in March 2022, the leading EV fast-charging technology company in North America, Signet EV, changed its name to SK Signet. It is expected to grow as a core portfolio within the high-growth EV industry.

SK Inc. aims to leap forward as a global top-tier advanced materials company by enhancing its wide-ranging material portfolio competitiveness in the advanced materials sector. In 2023, the company will focus on strengthening its portfolio in semiconductor materials, battery materials, and EV supply chain management (SCM) areas. SK Signet will pursue the full-scale expansion in the global market, including the establishment of production lines in the United States. SK Power Tech will enter the market in full swing with the operation of its mass production fab, and SK-G14 JV will invest in SiC anode materials, generating visible results in the new growth portfolio. SK Inc. also aims to lead in the establishment of a global supply chain through proactive response to SCM changes, including the establishment of local sites worldwide and collaboration/investment with global technology companies to enter promising future material markets. Finally, through portfolio optimization of existing assets, SK Inc. will enhance its corporate value, solidifying its position as an investment specialist. By focusing on these strategies, SK Inc. aims to strengthen its position as a global leader in advanced materials and advance its presence in key technology-based global supply chains, while generating visible results in its new growth portfolios.

Green



Constantly Evolving, Leading the Green Frontier

In 2022, SK Inc. actively responded to the global carbon-neutral trend and various regulatory environments by progressively reviewing the divestment of its existing fossil fuel-based assets, aiming to further greenify its portfolio.

2022 Performance

In 2022, SK Inc. selected energy transition and business transformation as key investment strategies, securing a foundation for commercialization through concentrated investments in promising assets within the decarbonization sector. In the Energy Transition sector, SK Inc. established a foundation for carbon free power generation by investing in TerraPower, a company with next-generation small modular reactor technology. Furthermore, the acquisition of Atom Power, a company specializing in SiC solid-state circuit breaker, and additional investments in Lunar Energy, a residential energy storage system (ESS) company, strengthened the basis for electric vehicle charging and home/commercial energy solution businesses. Additionally, following the investments made in 2021, Monolith and Fulcrum are actively leading the domestic and international business ecosystems. They are considering additional investments from SK E&S and SK Innovation, exploring opportunities for domestic commercialization and participation in projects in the US.

In the Industrial Transition sector, SK Inc. made new investments in Wildtype, the world's first successful developer of cultured salmon, while also strengthening the value-up aspect of its existing portfolio. In order to enter the Korean market with Perfect Day, a global alternative protein development company, SK Inc. signed an MOU with Maeil Dairy and Perfect Day to accelerate domestic regulatory procedures and product development through collaboration (SK-Maeil Dairy-Perfect Day).

2023 Strategic Directions

SK Inc. aims to capture anchor-type investment opportunities in the global market based on existing numerous grey assets (assets that have not yet achieved complete decarbonization but have high upside potential in the Green Transition). Additionally, SK Inc. seeks to maximize upside potential from commercialization/ scale-up through proactive investments in promising growth businesses, leveraging the strategic synergy of SK Group's existing capabilities. In this regard, SK Inc. will pursue environmentally friendly businesses that can make a substantial contribution to carbon reduction and actively participate in the rapidly expanding clean technology market to secure key opportunities and enhance competitiveness through collaboration with global partners. By aligning the capabilities of member companies in key decarbonization business areas, SK Inc. will actively consider participating in global joint ventures or new project opportunities, thereby contributing to the future enterprise value of SK Inc.

Accumulated investments in 2022

KRW **1.9** trillion

Leading the industry-wide decarbonization with 3 major challenges
(alternative energy/clean solution, sustainable food/ environmental technology, carbon dioxide treatment)

Green Transformation

Major Invested Company

Alternative Energy/Clean Solution

- Plug Power
- Monolith
- Lunar Energy
- Fulcrum
- TerraPower
- Atom Power

Sustainable Food

- Perfect Day
- Nature's Fynd
- Wildtype

Bio



Pioneering Synergy, Biotech Transformation

In 2022, SK Inc. maintained a strong growth trajectory in the API (Active Pharmaceutical Ingredient) business through a robust product portfolio. In the pharmaceutical sector, the company refined its mid- to long-term investment strategy and pursued strategic synergies among key assets such as SK Biopharmaceuticals, SK Pharmteco, and the investment portfolio. Furthermore, SK Inc. plans to establish a foundation for future growth by investing in next-generation technologies in the innovative new drug sector.

2022 Performance

SK Pharmteco, the integrated contract development and manufacturing organization (CDMO) business of SK Inc., achieved approximately 17% revenue growth in 2022, recording KRW 910 billion compared to the previous year. In the synthetic API segment, strong growth was driven by large-scale products, and continuous operational excellence initiatives contributed to an increase in EBITDA margin. While SK Pharmteco successfully expanded business in the CGT (Cell and Gene Therapy) CDMO segment, CGT CDMO revenues were somewhat muted in 2022 due to reduced investments in the CGT market amid macroeconomic challenges. Despite that, SK Pharmteco has been accelerating its entry into the promising CGT business. This includes becoming a major shareholder in CBM, a U.S.-based CGT CDMO, and focusing on strengthening the company's foundation through equipment inspections and operational efficiency initiatives to proactively prepare for market recovery after 2023.

2023 Strategic Directions

In 2023, SK Inc. will pursue a stable growth in its core API business in the synthetic API segment, as well as expand production based on next-generation technologies such as ADC (Antibody-Drug Conjugate) and Oligonucleotide. Furthermore, SK Inc. aims to establish a global integrated operational system for the cell and gene therapy (CGT) business, intensifying synergies between investments in companies such as Yposkesi in France and CBM in the United States. With an active focus on business development, SK Inc. will prioritize the discovery of excellent customers and proactively expand its production capacity through facility expansion when necessary to meet stable order volumes.

In the pharmaceutical sector, SK Inc. will establish growth foundations for each investment portfolio and continuously generate pipeline opportunities by leveraging its existing capabilities to enhance value in the development of innovative drugs. In 2023, SK Inc. will refine its mid- to long-term investment strategy in the pharmaceutical business, strengthening strategic synergies among SK Biopharmaceuticals, SK Pharmteco, and existing/new investment portfolios. The company will focus on rapidly growing areas within the innovative drug sector, actively pursuing investments in promising new technologies and securing capabilities to ensure continuous growth momentum.

Accumulated investments in 2022

KRW **2.0** trillion

Becoming Global Top-tier CDMO in 2025

Global Top-Tier

Goals for 2025

Sales of more than KRW **2.1** trillion

Achieving **20%** margin from EBITDA

Digital



Building Futures, Powering Digital Innovation

SK Inc. is expanding its proactive investments in digital technologies and infrastructure such as AI, Web3, and electric vehicle (EV) charging platforms to generate new businesses that will be at the forefront of the digital realm. The company specifically focuses on areas where the market is rapidly expanding due to the maturity of digital technologies, sectors that have the potential to create new ecosystems and transform industries, and nascent industries in their early stages of formation. By seeking investment opportunities in these areas, SK aims to discover and foster businesses that will lead the way in the new era.

Accumulated investments in 2022

KRW **0.8** trillion

We contribute to the digital transformation of SK Group and society by preoccupying future-leading digital technologies.

Pioneer The Digital World

Major Investment Companies

Mobility and EV Charging Platform

- Socar
- Softberry
- Swift Navigation

AI/Blockchain/Data Center Solution

- Geminus AI
- DataRobot
- Superblock
- A4X

2022 Performance

SK Inc. is actively pursuing businesses related to charging infrastructure in the rapidly growing electric vehicle (EV) charging industry and the mobility industry, which are entering the commercialization stage and experiencing market formation and expansion. To prepare for the upcoming era of electric vehicles, SK, along with various member companies within the SK Group, is driving the development of charging infrastructure-related projects. Through investments in Softberry, the leading EV platform in Korea, and TBU, a provider of mobile charging services, SK aims to maximize synergy among member companies' charging infrastructure businesses while expanding capabilities and assets to establish SK Inc.'s winning strategy in an industry where market growth is clearly expected.

In the AI/Web3 industry, which holds significant transformative potential but lacks established rules of the game, SK Inc. reads market trends and invests in promising companies as potential game-changers, based on our own unique investment hypotheses and strategies.

SK Inc. is strengthening its investments as a global insider, leveraging its global network, in AI companies such as DataRobot, Geminus AI, and A4X, as well as Web3-focused companies like Superblock. In addition to investing in prominent Web3 investment firm Consensys, SK is also collaborating with Republic to create funds, maximizing its global network to enhance its investment capabilities.

Furthermore, SK Inc. pays close attention to technologies and industries in their early stages that have the potential to bring about significant transformations. We are committed to identifying and seizing such opportunities to drive innovation and create positive impact.

2023 Strategic Directions

SK Inc. aims to pursue investments that take into account not only the characteristics of industries based on technological maturity but also the specific characteristics of each region and country. In the software and deep tech sectors, SK Inc. will proactively identify and nurture competitive companies, with a primary focus on the United States, which have strong global technological leadership. In Southeast Asia and other Asian regions, SK Inc. will selectively invest in companies that apply validated technologies and business models, aiming to become winners in their respective industries.

Furthermore, SK Inc. will consider various approaches to investment, including direct investments and investments through funds, tailored to the industry, market, and investment targets. In an environment characterized by unpredictable speed and direction of change, SK Inc. will leverage its expertise and sharp investment strategies to continuously explore future sources of growth.