

# **POSCO**

Interim condensed separate financial statements  
for the nine-month period ended September 30, 2024  
with the independent auditor's review report

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## **Report on review of interim condensed separate financial statements**

(English translation of a report originally issued in Korean)

### **The Stockholder and Board of Directors POSCO**

We have reviewed the accompanying interim condensed separate financial statements of POSCO (the “Company”), which comprise the interim condensed separate statement of financial position as of September 30, 2024, and the related interim condensed separate statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2024, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for the nine-month period ended September 30, 2024, and a summary of material accounting policies and other explanatory information.

### **Management’s responsibility for the interim condensed separate financial statements**

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

### **Auditor’s responsibility**

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

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

### **Conclusion**

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

## Other matters

The interim condensed separate statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2023, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for the nine-month period ended September 30, 2023, prepared in accordance with KIFRS 1034 and presented for comparative purposes, have been reviewed by KPMG Samjong Accounting Corp., whose review report dated November 14, 2023 expressed an unqualified review conclusion thereon.

Moreover, the separate statement of financial position as of December 31, 2023, and the related separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended (not presented herein), have been audited by KPMG Samjong Accounting Corp., in accordance with KSA, whose report dated March 12, 2024 expressed an unqualified opinion thereon. The accompanying separate statement of financial position as of December 31, 2023, presented for comparative purposes, is not different, in all material respects, from the above audited separate statement of financial position.

*Ernst & Young Han Young*

November 14, 2024

This review report is effective as of November 14, 2024, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed separate financial statements and may result in modification to this review report.

# POSCO

Interim condensed separate financial statements  
for each of the nine-month periods ended September 30, 2024 and 2023

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

Si-woo Lee  
Chief Executive Officer  
POSCO

# POSCO

## Interim condensed separate statements of financial position as of September 30, 2024 (unaudited) and December 31, 2023

(in millions of Won)

	<u>Notes</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>			
Cash and cash equivalents	19	₩ 2,429,796	2,032,952
Trade accounts and notes receivable, net	4,19,22,29	4,835,745	5,043,746
Other receivables, net	5,19	559,855	382,020
Other short-term financial assets	6,19	3,626,565	5,092,954
Inventories	7,26	6,354,275	6,800,608
Other current assets	12	145,629	104,688
<b>Total current assets</b>		<u>17,951,865</u>	<u>19,456,968</u>
Long-term trade accounts and notes receivable, net	4,19,22	4,017	4,023
Other receivables, net	5,19	122,219	137,512
Other long-term financial assets	6,19	613,262	530,685
Investments in subsidiaries, associates and joint ventures	8	2,363,637	2,359,980
Investment property, net	9	64,952	83,389
Property, plant and equipment, net	10	21,041,296	20,571,292
Intangible assets, net	11	402,569	447,998
Defined benefit assets, net	17	318,888	298,442
Deferred tax assets		1,801,364	1,881,454
Other non-current assets	12	30,527	53,785
<b>Total non-current assets</b>		<u>26,762,731</u>	<u>26,368,560</u>
<b>Total assets</b>		₩ <u>44,714,596</u>	<u>45,825,528</u>

(continued)

# POSCO

## Interim condensed separate statements of financial position, continued as of September 30, 2024 (unaudited) and December 31, 2023

(in millions of Won)

	<u>Notes</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Liabilities</b>			
Trade accounts and notes payable	19,29	₩ 1,906,093	2,031,173
Short-term borrowings and current installments of long-term borrowings	13,19	2,851,356	2,010,878
Other payables	14,19,29	1,280,870	1,577,020
Other short-term financial liabilities	15,19	1,123	6,336
Current income tax liabilities		74,500	48,723
Provisions	16	40,175	37,350
Other current liabilities	18	142,480	95,111
<b>Total current liabilities</b>		<u>6,296,597</u>	<u>5,806,591</u>
Long-term borrowings, excluding current installments	13,19	5,032,035	6,465,820
Other payables	14,19	300,384	350,885
Other long-term financial liabilities	15,19	10,551	59,905
Long-term provisions	16	31,077	30,138
Other non-current liabilities	18	2,856	3,261
<b>Total non-current liabilities</b>		<u>5,376,903</u>	<u>6,910,009</u>
<b>Total liabilities</b>		<u>11,673,500</u>	<u>12,716,600</u>
<b>Equity</b>			
Share capital	20	482,403	482,403
Capital surplus	20	24,227,088	24,212,464
Accumulated other comprehensive income	21	45,769	2,666
Retained earnings		8,285,836	8,411,395
<b>Total equity</b>		<u>33,041,096</u>	<u>33,108,928</u>
<b>Total liabilities and equity</b>		<u>₩ 44,714,596</u>	<u>45,825,528</u>

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

# POSCO

## Interim condensed separate statements of comprehensive income

### for each of the three-month and nine-month periods ended September 30, 2024 and 2023 (Unaudited)

	Notes	For the three-month periods ended September 30		For the nine-month periods ended September 30	
		2024	2023	2024	2023
<i>(in millions of Won, except per share informations)</i>					
<b>Revenue</b>	22,29	₩ 9,478,670	9,675,435	28,275,089	29,595,617
<b>Cost of sales</b>	7,26,29	(8,746,708)	(8,656,593)	(26,273,117)	(26,886,383)
<b>Gross profit</b>		731,962	1,018,842	2,001,972	2,709,234
Selling and administrative expenses					
Other administrative expenses	23,26	(224,459)	(232,115)	(648,020)	(701,238)
Selling expenses	23,26	(69,495)	(59,377)	(202,388)	(188,295)
<b>Operating profit</b>		438,008	727,350	1,151,564	1,819,701
Finance income and costs	19,24				
Finance income	19,24	445,266	257,029	1,313,713	1,198,858
Finance costs	19,24	(369,108)	(276,439)	(1,204,548)	(1,197,364)
Other non-operating income and expenses					
Other non-operating income	25	(10,933)	6,720	25,837	42,535
Other non-operating expenses	25,26	(157,819)	(48,791)	(342,450)	(331,180)
<b>Profit before income tax</b>		345,414	665,869	944,116	1,532,550
Income tax expense	27	(88,818)	(166,402)	(188,966)	(369,842)
<b>Profit</b>		256,596	499,467	755,150	1,162,708
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	17	1,895	569	7,299	6,966
Net changes in fair value of equity investments at fair value through other comprehensive income	19,21	9,777	(6,974)	43,103	3,178
<b>Total comprehensive income</b>		₩ 268,268	493,062	805,552	1,172,852
<b>Earnings per share (in Won)</b>	28				
Basic earnings per share (in Won)		2,660	5,177	7,827	12,020
Diluted earnings per share (in Won)		₩ 2,660	5,177	7,827	12,020

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



## POSCO

### Interim condensed separate statements of changes in equity for each of the nine-month periods ended September 30, 2024 and 2023 (Unaudited)

<i>(in millions of Won)</i>	Share capital	Capital surplus	Hybrid bonds	Accumulated other comprehensive income	Retained earnings	Total
<b>Balance as of January 1, 2023</b>	₩ 482,403	31,235,868	199,384	(2,786)	581,756	32,496,625
<b>Comprehensive income:</b>						
Profit	-	-	-	-	1,162,708	1,162,708
Other comprehensive income	-	-	-	-	6,966	6,966
Remeasurements of defined benefit plans, net of tax	-	-	-	-	-	-
Net changes in fair value of equity investments	-	-	-	-	-	-
at fair value through other comprehensive income, net of tax	-	-	-	3,178	-	3,178
<b>Transactions with owners of the Company, recognized directly in equity:</b>						
Year-end dividends	-	-	-	-	(325,043)	(325,043)
Repayment of hybrid bonds	-	(453)	(199,384)	-	-	(199,837)
Interest of hybrid bonds	-	-	-	-	(4,109)	(4,109)
Shared based payments	-	(8,512)	-	-	-	(8,512)
Share premium transferred to retained earnings	-	(7,000,000)	-	-	7,000,000	-
Others	-	(13,813)	-	-	-	(13,813)
<b>Balance as of September 30, 2023</b>	₩ 482,403	24,213,090	-	392	8,422,278	33,118,163
<b>Balance as of January 1, 2024</b>	₩ 482,403	24,212,464	-	2,666	8,411,395	33,108,928
<b>Comprehensive income:</b>						
Profit	-	-	-	-	755,150	755,150
Other comprehensive income	-	-	-	-	7,299	7,299
Remeasurements of defined benefit plans, net of tax	-	-	-	-	-	-
Net changes in fair value of equity investments	-	-	-	-	-	-
at fair value through other comprehensive income, net of tax	-	-	-	43,103	-	43,103
<b>Transactions with owners of the Company, recognized directly in equity:</b>						
Year-end dividends	-	-	-	-	(589,786)	(589,786)
Interim dividends	-	-	-	-	(298,222)	(298,222)
Shared based payments	-	14,623	-	-	-	14,623
<b>Balance as of September 30, 2024</b>	₩ 482,403	24,227,088	-	45,769	8,285,836	33,041,096

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

# POSCO

## Interim condensed separate statements of cash flows

for each of the nine-month periods ended September 30, 2024 and 2023

(Unaudited)

(in millions of Won)

	<u>Notes</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
<b>Cash flows from operating activities</b>			
Profit	₩	755,150	1,162,708
Adjustments for :			
Expenses related to post-employment benefit		62,351	57,438
Depreciation		1,762,991	1,671,300
Amortization		78,288	73,917
Impairment loss on trade and other receivables		386	959
Finance income		(990,311)	(772,955)
Finance costs		887,715	767,677
Loss on valuation of inventories		29,407	10,096
Gain on disposal of property, plant and equipment		(8,071)	(5,903)
Loss on disposal of property, plant and equipment		108,919	104,924
Impairment loss on property, plant and equipment		184,099	152,144
Impairment loss on intangible assets		-	3,536
Gain on disposal of emission rights		-	(25,847)
Increase to provisions		15,059	17,367
Income tax expense		188,966	369,843
Others		(2,364)	392
Changes in operating assets and liabilities	31	214,375	(406,769)
Interest received		92,015	108,912
Interest paid		(301,512)	(323,730)
Dividends received		31,163	16,569
Income taxes paid		(103,146)	(19,641)
Net cash provided by operating activities	₩	<u>3,005,480</u>	<u>2,962,937</u>

(continued)

# POSCO

## Interim condensed separate statements of cash flows, continued for each of the nine-month periods ended September 30, 2024 and 2023 (Unaudited)

(in millions of Won)

	Notes	September 30, 2024	September 30, 2023
<b>Cash flows from investing activities</b>			
Decrease in deposits	W	1,883,955	3,267,791
Proceeds from disposal of short-term financial instruments		4,882,950	25,290,562
Proceeds from disposal of current debt securities		369,510	125,000
Proceeds from disposal of other securities		495	-
Collection of short-term loans		-	9,426
Collection of long-term loans		8,833	-
Collection of lease receivables		8,674	554
Proceeds from disposal of assets held for sale		-	1,939
Proceeds from disposal of emission rights		-	25,847
Acquisition of deposits		466	-
Cash inflow from insurance claim		-	1,391
Increase in deposit instruments		(2,217,700)	(3,989,455)
Acquisition of short-term financial instruments		(2,354,337)	(24,808,070)
Increase in long-term loans		(4,233)	(7,048)
Acquisition of debt securities		(1,010,073)	(260,013)
Acquisition of investments in subsidiaries, associates and joint ventures		(3,675)	(1,318,843)
Acquisition of property, plant and equipment		(2,563,350)	(2,577,180)
Payment for disposal of property, plant and equipment		(83,437)	(47,742)
Acquisition of intangible assets		(33,278)	(33,931)
Proceeds from disposal of assets held for sale		-	(1,716)
Payment for deposits		(3,147)	-
Net cash used in investing activities	W	<u>(1,118,347)</u>	<u>(4,321,488)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,081,743	3,745,500
Increase in long-term financial liabilities		3,510	722
Receipt of government grants		-	97
Proceeds from disposals of derivatives		166,264	119,550
Repayment of borrowings		(1,787,995)	(2,631,057)
Decrease in long-term financial liabilities		(128)	(536)
Repayment of lease liabilities		(58,579)	(28,342)
Payment of cash dividends		(888,008)	(325,043)
Repayment of hybrid bonds		-	(200,000)
Payment of interest of hybrid bonds		-	(4,587)
Net cash provided by (used in) financing activities	W	<u>(1,483,193)</u>	<u>676,304</u>
<b>Effect of exchange rate fluctuation on cash held</b>		(7,096)	2,485
<b>Net increase(decrease) in cash and cash equivalents</b>		396,844	(679,762)
<b>Cash and cash equivalents at beginning of the period</b>		<u>2,032,952</u>	<u>2,191,598</u>
<b>Cash and cash equivalents at end of the period</b>	W	<u><u>2,429,796</u></u>	<u><u>1,511,836</u></u>

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

# POSCO

## Notes to the interim condensed separate financial statements September 30, 2024 and 2023 (Unaudited)

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### 1. General Information

POSCO (the “Company”) was newly established with the purpose of production and sales of steel rolled products and plates, upon a vertical spin-off of steel business of POSCO HOLDINGS INC. (“Pre-spin off Company”, known as POSCO before spin-off, the surviving company) on March 1, 2022 (the date of spin-off). As of September 30, 2024, POSCO is wholly owned by POSCO HOLDINGS INC. (100% ownership).

### 2. Basis of Preparation

#### Statement of compliance

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

The interim condensed separate financial statements do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual separate financial statements as of and for year ended December 31, 2023.

These interim condensed financial statements are separate financial statements prepared in accordance with KIFRS 1027 *Separate Financial Statements* presented by a parent, an investor with joint control of, or significant influence over, an investee, in which the investments are accounted for at cost.

#### Use of estimates and judgments

##### (a) Judgments, assumptions and estimation uncertainties

The preparation of the interim condensed separate financial statements in conformity with KIFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. If estimates and assumptions that are based on management’s best judgment at the end of the interim reporting period differ from the actual environment, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

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The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those described in the last annual financial statements.

#### (b) Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of KIFRS including the level in the fair value hierarchy in which such valuation techniques should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

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### 3. Summary of Material Accounting Policies

Except as described in KIFRS 1034 *Interim Financial Reporting* and below, the accounting policies applied by the Company in these interim condensed separate financial statements are the same as those applied by the Company in its separate financial statements as of and for year ended December 31, 2023. The changes in accounting policies described below are expected to be applied to the separate financial statements as of and for the year ending December 31, 2024.

#### Changes in accounting policies

- 1) Amendments to KIFRS 1007 *Statement of Cash Flows* and 1107 *Financial Instruments: Disclosures – Supplier Finance Arrangements*

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understand the effects of supplier finance agreements on an entity's liabilities, cash flows, and exposure to liquidity risks. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's interim condensed separate financial statements.

- 2) Amendments to KIFRS 1116 *Leases – Lease Liability in a Sale and Leaseback*

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Company's interim condensed separate financial statements.

- 3) Amendments to KIFRS 1001 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

The amendments to paragraphs 69 to 76 of KIFRS 1001 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

## **POSCO**

### **Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)**

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In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Company's interim condensed separate financial statements.

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

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#### 4. Trade Accounts and Notes Receivable

Trade accounts and notes receivable as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>			
Trade accounts and notes receivable	₩	4,836,188	5,044,245
Less: Allowance for doubtful accounts		<u>(443)</u>	<u>(499)</u>
	₩	<u>4,835,745</u>	<u>5,043,746</u>
<b>Non-current</b>			
Trade accounts and notes receivable	₩	5,913	5,924
Less: Present value discount		(1,385)	(1,385)
Less: Allowance for doubtful accounts		<u>(511)</u>	<u>(516)</u>
	₩	<u>4,017</u>	<u>4,023</u>

The Company discounted its trade receivables in accordance with a factoring agreement entered into with financial institutions. These trade accounts and notes receivable have not been derecognized from the statement of financial position because the Company retains substantially all of the risks and rewards associated with the transferred assets. The amounts received on transfer have been recognized as secured borrowings. As of September 30, 2024 and December 31, 2023, the carrying amount of such secured borrowings are ₩277,905 million and ₩34,238 million, respectively, which are presented in the statements of financial position as short-term borrowings (see Note 13).



## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

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#### 5. Other Receivables

Other receivables as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>			
Loans	₩	10,605	11,560
Other accounts receivable		498,038	330,287
Lease receivables		12,004	11,648
Accrued income		39,479	28,790
Others		2	6
Less: Allowance for doubtful accounts		<u>(273)</u>	<u>(271)</u>
	₩	<u>559,855</u>	<u>382,020</u>
<b>Non-current</b>			
Loans	₩	49,920	52,824
Other accounts receivable		11,617	18,847
Lease receivables		49,643	57,648
Others		33,393	30,161
Less: Allowance for doubtful accounts		<u>(22,354)</u>	<u>(21,968)</u>
	₩	<u>122,219</u>	<u>137,512</u>

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 6. Other Financial Assets

(a) Other financial assets as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Current</b>			
Derivative assets	₩	74,514	115,362
Debt securities		930,000	289,437
Deposit instruments		1,433,700	1,097,469
Short-term financial instruments		1,188,351	3,590,686
	₩	<u>3,626,565</u>	<u>5,092,954</u>
<b>Non-current</b>			
Derivative assets	₩	122,538	98,030
Equity securities		479,489	420,925
Other securities		11,213	11,708
Deposit instruments(*1)		22	22
	₩	<u>613,262</u>	<u>530,685</u>

(\*1) As of September 30, 2024 and December 31, 2023, financial instruments are restricted in use for financial arrangements, pledge and others.

(b) Equity securities as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<b>September 30, 2024</b>					<b>December 31, 2023</b>	
	<b>Number of shares</b>	<b>Ownership (%)</b>	<b>Acquisition cost</b>	<b>Fair value</b>	<b>Net changes in fair value of equity securities</b>	<b>Book value</b>	<b>Book value</b>
<b>Marketable equity securities</b>							
SAMWONSTEEL Co., Ltd.	5,700,000	14.25	₩ 14,878	14,763	(115)	14,763	17,471
YODOGAWA STEEL WORKS, LTD.	600,000	1.72	13,842	31,008	17,166	31,008	20,891
DONGKUK INDUSTRIES CO., LTD.	2,611,989	4.82	12,852	17,840	4,988	17,840	12,577
PT.Krakatau Steel	236,625,000	1.22	6,876	2,620	(4,256)	2,620	2,809
AJUSTEEL Co., Ltd.	510,000	1.93	4,600	2,693	(1,907)	2,693	3,621
dhSteel	782,148	7.21	4,224	1,365	(2,859)	1,365	3,113
Woori Financial Group Inc.	20,280,000	2.79	261,638	314,340	52,702	314,340	263,640
Others (5 companies)			14,616	11,077	(3,539)	11,077	13,020
			<u>333,526</u>	<u>395,706</u>	<u>62,180</u>	<u>395,706</u>	<u>337,142</u>
<b>Non-marketable equity securities</b>							
TAECHANG STEEL	99,999	10.99	8,845	8,845	-	8,845	8,845
Pinetree PosMagnesium Co., Ltd.	11,144,000	19.90	8,794	8,794	-	8,794	8,794
WINSTEEL CO.	342,577	10.00	8,060	8,060	-	8,060	8,060
KOH-A JUNG GONG CO., LTD.	490,000	19.84	7,573	7,573	-	7,573	7,573
POONGSAN SPECIAL METAL CO., LTD.	315,790	5.00	7,556	7,556	-	7,556	7,556
DK Corporation	55,000	4.91	7,446	7,446	-	7,446	7,446
DaeSung SnM Co., Ltd.	50,567	8.21	7,237	7,237	-	7,237	7,237
Others (18 companies)			28,272	28,272	-	28,272	28,272
			<u>83,783</u>	<u>83,783</u>	<u>-</u>	<u>83,783</u>	<u>83,783</u>
			<u>₩ 417,309</u>	<u>479,489</u>	<u>62,180</u>	<u>479,489</u>	<u>420,925</u>

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

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#### 7. Inventories

Inventories as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
Finished goods	₩	1,333,343	1,291,805
Semi-finished goods		1,770,620	2,206,118
By-products		18,945	20,774
Raw materials		1,226,985	1,112,287
Fuel and materials		562,969	467,013
Materials-in-transit		1,470,085	1,730,768
Others		734	721
		<u>6,383,681</u>	<u>6,829,486</u>
Less: Allowance for inventories valuation		<u>(29,406)</u>	<u>(28,878)</u>
	₩	<u><u>6,354,275</u></u>	<u><u>6,800,608</u></u>

The amounts of loss on valuation of inventories recognized in cost of sales for the nine-month period ended September 30, 2024 and for the year ended December 31, 2023 are ₩29,046 million and ₩28,878 million, respectively.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 8. Investments in Subsidiaries, Associates and Joint Ventures

(a) Details of subsidiaries and carrying amounts as of September 30, 2024 and December 31, 2023 are as follows:

(in millions of Won)

	Country	Principal operations	September 30, 2024		December 31,	
			Ownership (%)	Book value	2023 Book value	
<b>[Domestic]</b>						
POSCO STEELEON Co., Ltd.(*1)	Korea	Coated steel manufacturing	56.87	₩	108,421	108,421
POSCO M-TECH(*2)	Korea	Packing materials manufacturing and sales	48.85		107,278	107,278
PNR	Korea	Steel by product processing and sales	70.00		12,339	12,339
POSCO Humans Co.,Ltd.(*3)	Korea	Business assistance service	100.00		11,685	8,137
eNiob Corporation	Korea	Electronic commerce	69.32		46,357	46,357
POSCO GYS Tech	Korea	Maintenance service	100.00		15,000	15,000
POSCO GY Solution	Korea	Maintenance service	100.00		15,000	15,000
POSCO GYR Tech	Korea	Maintenance service	100.00		23,300	23,300
POSCO PH Solution	Korea	Maintenance service	100.00		9,400	9,400
POSCO PS Tech	Korea	Maintenance service	100.00		15,000	15,000
POSCO PR Tech	Korea	Maintenance service	100.00		12,300	12,300
					<u>376,080</u>	<u>372,532</u>
<b>[Foreign]</b>						
PT.KRAKATAU POSCO(*2)	Indonesia	Steel manufacturing and sales	50.00		928,168	928,108
POSCO Thainox Public Company Limited	Thailand	STS cold-rolled steel manufacturing and sales	74.56		141,019	141,019
POSCO MEXICO S.A. DE C.V.	Mexico	Automotive steel manufacturing and sales	83.28		190,802	190,739
POSCO (Thailand) Company Limited	Thailand	Steel processing and sales	100.00		140,614	140,614
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	Vietnam	Steel manufacturing and sales	51.00		77,028	77,028
POSCO COATED STEEL (THAILAND) CO., LTD.	Thailand	Automotive steel manufacturing and sales	100.00		72,225	72,225
POSCO-India Private Limited	India	Steel manufacturing and sales	99.99		69,674	69,674
PT.POSCO INDONESIA JAKARTA PROCESSING CENTER	Indonesia	Steel processing and sales	70.51		56,976	56,972
POSCO-MKPC SDN BHD	Malaysia	Steel processing and sales	70.00		56,789	56,789
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	China	Steel processing and sales	90.00		38,849	38,849
POSCO-VIETNAM Co., Ltd.	Vietnam	Steel manufacturing and sales	100.00		36,972	36,972
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	Poland	Steel processing and sales	60.00		22,929	22,929
POSCO-Mexico Villagran Wire-rod Processing Center	Mexico	Steel processing and sales	56.75		1,363	1,362
Others (6 companies)					87,067	87,068
					<u>1,920,475</u>	<u>1,920,348</u>
				₩	<u>2,296,555</u>	<u>2,292,880</u>

(\*1) Excluding the treasury shares acquired during the year ended December 31, 2023, the ownership of the Company in terms of voting rights is 56.96%.

(\*2) The Company classified POSCO M-TECH and PT. KRAKATAU POSCO as the investments in a subsidiary, considering additional facts and circumstances, such as the relative size of the voting rights held by the Company and the degree of diversification of other voting rights holders, although the Company holds less than half of the voting rights of POSCO M-TECH and PT. KRAKATAU POSCO.

(\*3) During the nine-month period ended September 30, 2024, the Company additionally acquired 656,000 shares of POSCO Humans and holds 100% of the ownership.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

(b) Details of associates and carrying amounts as of September 30, 2024 and December 31, 2023 are as follows:

(in millions of Won)

	Country	Principal operations	September 30, 2024		December 31,	
			Ownership (%)	Book value	2023	
					Book value	
<b>[Domestic]</b>						
DAEHO GLOBAL MANAGEMENT CO., LTD.	Korea	Investment advisory service	35.82	₩	4,108	4,108
Pohang Special Welding Co., Ltd.	Korea	Welding material and tools manufacturing and sales	50.00		3,111	3,111
					<u>7,219</u>	<u>7,219</u>
<b>[Foreign]</b>						
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.	China	Steel processing and sales	23.82		23,489	23,489
LLP POSUK Titanium	Kazakhstan	Titanium raw material manufacturing and sales	33.90		10,106	10,124
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD>(*1)	China	Steel processing and sales	17.50		2,885	2,885
POSCO SUZHOU PROCESSING CENTER CO., LTD.	China	Steel processing and sales	30.00		2,763	2,763
POSK(Pinghu) Steel Processing Center Co., Ltd.	China	Steel processing and sales	20.00		2,313	2,313
POSCO Vietnam Processing Center. Co.,Ltd (*1)	Vietnam	Steel processing and sales	9.17		12,101	12,101
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	Slovakia	Steel processing and sales	30.00		6,206	6,206
					<u>59,863</u>	<u>59,881</u>
				₩	<u>67,082</u>	<u>67,100</u>

(\*1) As of September 30, 2024, it is classified as an associate even though the Company's ownership percentage is less than 20% but considering the Company's significant influence over the investee when it comes to the structure of its Board of Directors and others.

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

#### 9. Investment Property, Net

Changes in the carrying amount of investment property for the nine-month period ended September 30, 2024 and the year ended December 31, 2023 are as follows:

1) For the nine-month period ended September 30, 2024

<i>(in millions of Won)</i>		<b>Beginning</b>	<b>Depreciation(*1)</b>	<b>Others(*2)</b>	<b>Ending</b>
Land	₩	2	-	-	2
Buildings		4,215	(258)	-	3,957
Structures		1,065	(65)	-	1,000
Right-of-use assets		78,107	(20,241)	2,127	59,993
	₩	<u>83,389</u>	<u>(20,564)</u>	<u>2,127</u>	<u>64,952</u>

(\*1) The useful life and depreciation method of investment property are identical to those of property, plant and equipment.

(\*2) Others include reclassification resulting from changes in rental ratio of the subleased asset.

2) For the year ended December 31, 2023

<i>(in millions of Won)</i>		<b>Beginning</b>	<b>Depreciation(*1)</b>	<b>Others(*2,3)</b>	<b>Ending</b>
Land	₩	3,639	-	(3,637)	2
Buildings		8,929	(1,114)	(3,600)	4,215
Structures		5,150	(486)	(3,599)	1,065
Right-of-use assets		-	-	78,107	78,107
	₩	<u>17,718</u>	<u>(1,600)</u>	<u>67,271</u>	<u>83,389</u>

(\*1) The useful life and depreciation method of investment property are identical to those of property, plant and equipment.

(\*2) Others include reclassification resulting from changes in the purpose of use.

(\*3) During the year ended December 31, 2023, the Company classified the subleased right-of-use asset as investment property.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 10. Property, Plant and Equipment, Net

(a) Changes in the carrying amount of property, plant and equipment for the nine-month period ended September 30, 2024 and the year ended December 31, 2023 are as follows:

1) For the nine-month period ended September 30, 2024

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Impairment(*1)</u>	<u>Depreciation</u>	<u>Others(*2)</u>	<u>Ending</u>
Land	₩	1,284,191	-	(17)	-	-	13,604	1,297,778
Buildings		1,902,913	67	(152)	(6,526)	(143,314)	181,330	1,934,318
Structures		1,972,389	37	(2,129)	(9,066)	(155,203)	530,822	2,336,850
Machinery and equipment		11,835,007	27,227	(9,893)	(152,988)	(1,362,317)	2,203,977	12,541,013
Vehicles		20,239	358	-	-	(10,131)	11,071	21,537
Tools		31,366	1,455	-	(24)	(10,383)	5,871	28,285
Furniture and fixtures		82,414	2,838	(374)	(232)	(24,317)	5,261	65,590
Right-of-use assets		348,499	4,014	-	-	(36,762)	(766)	314,985
Construction-in-progress		3,094,274	2,391,497	(1,222)	(15,263)	-	(2,968,346)	2,500,940
	₩	<u>20,571,292</u>	<u>2,427,493</u>	<u>(13,787)</u>	<u>(184,099)</u>	<u>(1,742,427)</u>	<u>(17,176)</u>	<u>21,041,296</u>

(\*1) For the nine-month period ended September 30, 2024, the Company estimated the recoverable amount based on the net fair value of individual assets including the No.1 steel making plant, No.4 Blast furnace production facility and others in Pohang, which were partially shut down due to renovation. The Company recognized impairment loss of ₩184,099 million since recoverable amounts are less than their carrying amounts.

(\*2) Others represent assets transferred from construction-in-progress to other property, plant and equipment, assets transferred from right-of-use assets to investment property, and others.

2) For the year ended December 31, 2023

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Impairment(*1)</u>	<u>Depreciation</u>	<u>Others(*2)</u>	<u>Ending</u>
Land	₩	1,265,810	9,359	(1,607)	-	-	10,629	1,284,191
Buildings		1,996,826	1,701	(1,328)	(26,748)	(194,621)	127,083	1,902,913
Structures		2,048,075	1,402	(7,646)	(28,581)	(188,046)	147,185	1,972,389
Machinery and equipment		11,945,072	55,080	(47,303)	(155,207)	(1,755,003)	1,792,368	11,835,007
Vehicles		18,578	213	(13)	-	(11,193)	12,654	20,239
Tools		31,416	6,807	(110)	(11)	(13,908)	7,172	31,366
Furniture and fixtures		74,497	2,823	(30)	(147)	(28,791)	34,062	82,414
Right-of-use assets		332,077	134,835	-	-	(35,111)	(83,302)	348,499
Construction-in-progress		1,951,552	3,335,246	-	-	-	(2,192,524)	3,094,274
	₩	<u>19,663,903</u>	<u>3,547,466</u>	<u>(58,037)</u>	<u>(210,694)</u>	<u>(2,226,673)</u>	<u>(144,673)</u>	<u>20,571,292</u>

(\*1) The Company terminated operations of certain portion of the lithium production facilities and others located in Gwangyang and Argentina due to changes in operation plans. The Company estimated the recoverable amount of these assets at the net fair value, and recognized an impairment loss of ₩210,399 million since recoverable amounts are less than their carrying amounts.

(\*2) Others represent assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, right-of-use assets transferred to investment properties, and others.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

(b) Information on lease agreements for which the Company is a lessee is as follows:

### 1) Right-of-use assets

- ① Changes in the carrying amount of right-of-use assets presented as property, plant and equipment and investment property for the nine-month period ended September 30, 2024 are as follows:

		<i>(in millions of Won)</i>				
		<u>Beginning</u>	<u>Acquisitions</u>	<u>Depreciation</u>	<u>Others</u>	<u>Ending</u>
Land	₩	7,353	-	(214)	-	7,139
Buildings		174,712	4,014	(35,870)	2,370	145,226
Structures		43,585	-	(3,909)	-	39,676
Machinery and equipment		1,183	-	(296)	-	887
Vehicles		10,499	-	(1,736)	-	8,763
Ships		176,688	-	(12,514)	-	164,174
Furniture and fixtures		12,586	-	(2,445)	(1,501)	8,640
	₩	<u>426,606</u>	<u>4,014</u>	<u>(56,984)</u>	<u>869</u>	<u>374,505</u>

- ② Changes in the carrying amount of right-of-use assets presented as property, plant and equipment and investment property for the year ended December 31, 2023 are as follows:

		<i>(in millions of Won)</i>				
		<u>Beginning</u>	<u>Acquisitions</u>	<u>Depreciation</u>	<u>Others</u>	<u>Ending</u>
Land	₩	7,638	-	(285)	-	7,353
Buildings		59,209	124,104	(7,197)	(1,404)	174,712
Structures		48,797	-	(5,212)	-	43,585
Machinery and equipment		1,578	-	(395)	-	1,183
Vehicles		5,254	5,745	(500)	-	10,499
Ships		193,373	-	(16,685)	-	176,688
Others		16,228	4,986	(4,837)	(3,791)	12,586
	₩	<u>332,077</u>	<u>134,835</u>	<u>(35,111)</u>	<u>(5,195)</u>	<u>426,606</u>

### 2) Amount recognized in profit or loss

The amounts recognized in profit or loss related to leases for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>		For the three-month periods		For the nine-month periods	
		ended September 30		ended September 30	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	₩	2,917	1,987	9,261	6,459
Expenses relating to short-term leases		2,236	6,287	6,659	18,657
Expenses relating to leases of low-value assets		1,221	1,710	3,727	4,901
	₩	<u>6,374</u>	<u>9,984</u>	<u>19,647</u>	<u>30,017</u>



# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 11. Intangible Assets, Net

Changes in the carrying amount of intangible assets for the nine-month period ended September 30, 2024 and the year ended December 31, 2023 are as follows:

(a) For the nine-month period ended September 30, 2024

<i>(in millions of Won)</i>		Beginning	Acquisitions	Disposals	Amortization	Impairment	Transfer(*2)	Ending
Intellectual property rights	₩	14,457	75	-	(6,477)	-	11,664	19,719
Membership(*1)		79,334	-	-	-	-	-	79,334
Development expense		121,194	348	-	(58,943)	-	13,859	76,458
Port facilities usage rights		183,092	-	-	(11,144)	-	-	171,948
Construction-in-progress		44,358	30,295	-	-	-	(23,382)	51,271
Other intangible assets		5,563	-	-	(1,724)	-	-	3,839
	₩	<u>447,998</u>	<u>30,718</u>	<u>-</u>	<u>(78,288)</u>	<u>-</u>	<u>2,141</u>	<u>402,569</u>

(\*1) Economic useful life of membership is indefinite.

(\*2) Others represent assets transferred from construction-in-progress to intangible assets and assets transferred from property, plant and equipment, and others.

(b) For the year ended December 31, 2023

<i>(in millions of Won)</i>		Beginning	Acquisitions	Disposals	Amortization	Impairment	Transfer(*2)	Ending
Intellectual property rights	₩	20,548	-	-	(6,091)	-	-	14,457
Membership(*1)		79,320	14	-	-	-	-	79,334
Development expense		134,463	5,762	(97)	(75,857)	-	56,923	121,194
Port facilities usage rights		197,950	-	-	(14,858)	-	-	183,092
Construction-in-progress		50,210	36,779	-	-	-	(42,631)	44,358
Other intangible assets		8,147	886	-	(2,035)	(4,035)	2,600	5,563
	₩	<u>490,638</u>	<u>43,441</u>	<u>(97)</u>	<u>(98,841)</u>	<u>(4,035)</u>	<u>16,892</u>	<u>447,998</u>

(\*1) Economic useful life of membership is indefinite.

(\*2) Others represent assets transferred from construction-in-progress to intangible assets and assets transferred from property, plant and equipment, and others.

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

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#### 12. Other Assets

Other assets as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>		
Advance payments	₩ 5,049	3,857
Prepaid expenses	140,580	100,831
	₩ <u>145,629</u>	<u>104,688</u>
<b>Non-current</b>		
Long-term prepaid expenses	₩ 2,667	2,994
Others	27,860	50,791
	₩ <u>30,527</u>	<u>53,785</u>

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 13. Borrowings

(a) Borrowings as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Short-term borrowings</b>			
Short-term borrowings	₩	460,587	34,238
Current portion of debentures		2,394,344	1,977,995
Less: Current portion of discount on debentures issued		(3,575)	(1,355)
	₩	<u>2,851,356</u>	<u>2,010,878</u>
<b>Long-term borrowings</b>			
Debentures	₩	5,064,880	6,505,536
Less: Discount on debentures issued		(32,845)	(39,716)
	₩	<u>5,032,035</u>	<u>6,465,820</u>

(b) Short-term borrowings as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>Lenders</u>	<u>Maturity date</u>	<u>Annual interest rate (%)</u>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
Transfers of account receivables that do not qualify for derecognition(*1)	Shinhan Card	-	-	₩	277,905	34,238
Borrowings in foreign trade	Bank-of-China and others	2024.10.22 ~ 2024.12.24	1.94~3.34		182,682	-
				₩	<u>460,587</u>	<u>34,238</u>

(\*1) The account receivables have been discounted according to the factoring agreement and have been recognized as short-term borrowings (see Note 4).

(c) Current portion of debentures as of September 30, 2024 and December 31, 2023 is as follows:

<i>(in millions of Won)</i>	<u>Lenders</u>	<u>Maturity date</u>	<u>Annual interest rate (%)</u>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
Debentures	310-2nd Non-guaranteed bonds and others	2024.10.16 ~ 2025.7.7	1.64~4.04	₩	889,489	619,653
Foreign debentures	Global debentures 7-2 and others	2025.1.17 ~ 2025.8.4	2.50~4.38		1,501,280	1,356,987
				₩	<u>2,390,769</u>	<u>1,976,640</u>

(d) Long-term borrowings, excluding current portion, as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>Lenders</u>	<u>Maturity date</u>	<u>Annual interest rate (%)</u>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
Debentures	309-3rd Non-guaranteed bonds and others	2026.1.12 ~ 2029.10.16	1.72~4.11	₩	1,368,122	2,066,441
Foreign debentures	Global debentures 8-2nd and others	2026.1.17 ~ 2033.1.17	4.50~5.88		3,663,913	4,399,379
				₩	<u>5,032,035</u>	<u>6,465,820</u>

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

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#### 14. Other Payables

Other payables as of September 30, 2024 and December 31, 2023 are as follows:

*(in millions of Won)*

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>		
Accounts payable	₩ 586,208	862,707
Accrued expenses	597,935	621,287
Lease liabilities	78,997	78,756
Withholdings	17,730	14,270
	₩ <u>1,280,870</u>	<u>1,577,020</u>
<b>Non-current</b>		
Long-term accrued expenses	₩ 14	11
Lease liabilities	300,168	350,594
Long-term withholdings	202	280
	₩ <u>300,384</u>	<u>350,885</u>

#### 15. Other Financial Liabilities

Other financial liabilities as of September 30, 2024 and December 31, 2023 are as follows:

*(in millions of Won)*

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>		
Financial guarantee liabilities	₩ <u>1,123</u>	<u>6,336</u>
<b>Non-current</b>		
Derivative liabilities	₩ 9,500	54,956
Financial guarantee liabilities	1,051	4,949
	₩ <u>10,551</u>	<u>59,905</u>

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 16. Provisions

(a) Provisions as of September 30, 2024 and December 31, 2023 are as follows:

(in millions of Won)

		September 30, 2024		December 31, 2023	
		Current	Non-current	Current	Non-current
Provision for bonus payments(*1,2)	W	10,293	26,512	13,684	26,511
Provision for restoration(*3)		3,376	-	5,442	-
Provision for sales incentives payable to customers(*4)		7,760	-	-	-
Provision for product warranties(*5)		18,746	4,565	18,224	3,627
	W	<u>40,175</u>	<u>31,077</u>	<u>37,350</u>	<u>30,138</u>

(\*1) Represents the provision for bonuses limited to 100% of annual salaries for executives.

(\*2) During the nine-month period ended September 30, 2024, the Company measured the present value of the estimated future payments based on actuarial evaluations of the long-service benefits, and provisions were recognized at ₩29,590 million.

(\*3) As of September 30, 2024, due to contamination of certain factory sites in the Company's Pohang works, the Company recognized present value of the estimated cost for recovery as provisions for restoration. In order to determine the estimated costs, the Company has assumed that it would use all of technologies and materials which are currently available to recover the land. In addition, the Company has applied the discount rate of 2.92% to calculate the present value of costs.

(\*4) As of September 30, 2024, the Company recognized the expected sales incentives payable to customers as a provision.

(\*5) As of September 30, 2024, the Company recognized the expected claim cost to be charged as a provision.

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

(b) Changes in provisions for the nine-month period ended September 30, 2024 and the year ended December 31, 2023 are as follows:

1) For the nine-month period ended September 30, 2024

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Increase</u>	<u>Reversal</u>	<u>Utilization</u>	<u>Ending</u>
Provision for bonus payments	₩	40,195	11,290	-	(14,680)	36,805
Provision for restoration		5,442	116	(1,640)	(542)	3,376
Provision for sales incentives payable to customers		-	7,760	-	-	7,760
Provision for product warranties		21,851	8,817	-	(7,357)	23,311
	₩	<u>67,488</u>	<u>27,983</u>	<u>(1,640)</u>	<u>(22,579)</u>	<u>71,252</u>

2) For the year ended December 31, 2023

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Increase</u>	<u>Reversal</u>	<u>Utilization</u>	<u>Ending</u>
Provision for bonus payments	₩	36,149	24,288	-	(20,242)	40,195
Provision for restoration		6,176	348	-	(1,082)	5,442
Provision for sales incentives payable to customers		21,202	2,257	(380)	(23,079)	-
Provision for product warranties		37,805	32,619	(13,885)	(34,688)	21,851
	₩	<u>101,332</u>	<u>59,512</u>	<u>(14,265)</u>	<u>(79,091)</u>	<u>67,488</u>

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 17. Employee Benefits

#### (a) Defined contribution plans

The expenses related to post-employment benefit plans under defined contribution plans for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
Expense related to post-employment benefit plans under defined contribution plans	₩ 11,471	10,734	35,159	34,762

#### (b) Defined benefit plans

- 1) The amounts recognized in relation to net defined benefit assets in the statements of financial position as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	September 30, 2024	December 31, 2023
Present value of funded obligations	₩ 1,232,805	1,259,340
Fair value of plan assets	(1,551,693)	(1,557,782)
Net defined benefit liabilities	₩ (318,888)	(298,442)

- 2) Changes in present value of defined benefit obligations for each of the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	September 30, 2024	September 30, 2023
Defined benefit obligation at the beginning of period	₩ 1,259,340	1,193,500
Current service costs	73,561	69,988
Interest costs	35,892	36,848
Amount transferred from associate	3,323	2,872
Amount transferred to associate	(3,368)	(12,259)
Benefits paid	(135,943)	(80,912)
Defined benefit obligation at the end of period	₩ 1,232,805	1,210,037

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

- 3) Changes in the fair value of plan assets for each of the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>September 30, 2023</u>
Fair value of plan assets at the beginning of period	₩	1,557,782	1,475,606
Interest on plan assets		47,102	49,398
Remeasurement of plan assets		9,917	9,465
Contributions to plan assets		50,000	-
Amount transferred from associate		3,323	2,872
Amount transferred to associate		(3,368)	(12,259)
Benefits paid		(113,063)	(53,139)
Fair value of plan assets at the end of period	₩	<u>1,551,693</u>	<u>1,471,943</u>

- 4) The amounts related to net defined benefit plans recognized in the statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	<u>For the three-month periods ended September 30</u>		<u>For the nine-month periods ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current service costs	₩ 24,509	21,293	73,561	69,988
Net interest costs	(3,737)	(4,183)	(11,210)	(12,550)
	₩ <u>20,772</u>	<u>17,110</u>	<u>62,351</u>	<u>57,438</u>

## 18. Other Liabilities

Other liabilities as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>			
Advances received	₩	49,351	16,059
Withholdings		30,958	29,829
Unearned revenue		62,171	49,223
	₩	<u>142,480</u>	<u>95,111</u>
<b>Non-current</b>			
Unearned revenue	₩	2,856	3,261



# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 19. Financial Instruments

#### (a) Classification and fair value of financial instruments

- 1) The carrying amount and the fair values of financial assets and financial liabilities by fair value hierarchy as of September 30, 2024 and December 31, 2023 are as follows:

#### ① September 30, 2024

(in millions of Won)

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Fair value through profit or loss					
Derivative assets	₩ 197,052	-	197,052	-	197,052
Short term financial instruments	1,188,351	-	1,188,351	-	1,188,351
Other securities	11,213	-	-	11,213	11,213
Equity securities	1,376	-	-	1,376	1,376
Fair value through other comprehensive income					
Equity securities	478,114	395,707	-	82,407	478,114
Financial assets measured at amortized cost(*1)					
Cash and cash equivalents	2,429,796	-	-	-	-
Trade accounts and notes receivable	4,831,237	-	-	-	-
Debt securities	930,000	-	-	-	-
Other receivables	377,544	-	-	-	-
Deposit instruments	1,433,722	-	-	-	-
	₩ 11,878,405	395,707	1,385,403	94,996	1,876,106
<b>Financial liabilities</b>					
Fair value through profit or loss					
Derivative liabilities	₩ 9,500	-	9,500	-	9,500
Financial liabilities measured at amortized cost(*1)					
Trade accounts and notes payable	1,906,093	-	-	-	-
Borrowings	7,883,391	-	8,058,295	-	8,058,295
Financial guarantee liabilities	2,174	-	-	-	-
Others	1,413,364	-	-	-	-
	₩ 11,214,522	-	8,067,795	-	8,067,795

(\*1) Fair value of financial assets and liabilities measured at amortized cost except borrowings approximates their carrying amounts.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### ② December 31, 2023

(in millions of Won)

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Fair value through profit or loss					
Derivative assets	₩ 213,392	-	213,392	-	213,392
Short term financial instruments	3,590,686	-	3,590,686	-	3,590,686
Other securities	11,708	-	-	11,708	11,708
Equity securities	1,376	-	-	1,376	1,376
Fair value through other comprehensive income					
Equity securities	419,549	337,142	-	82,407	419,549
Financial assets measured at amortized cost(*1)					
Cash and cash equivalents	2,032,952	-	-	-	-
Trade accounts and notes receivable	5,042,943	-	-	-	-
Debt securities	289,437	-	-	-	-
Other receivables	282,577	-	-	-	-
Deposit instruments	1,097,491	-	-	-	-
	₩ 12,982,111	337,142	3,804,078	95,491	4,236,711
<b>Financial liabilities</b>					
Fair value through profit or loss					
Derivative liabilities	₩ 54,955	-	54,955	-	54,955
Financial liabilities measured at amortized cost(*1)					
Trade accounts and notes payable	2,031,173	-	-	-	-
Borrowings	8,476,698	-	8,616,285	-	8,616,285
Financial guarantee liabilities	11,286	-	-	-	-
Others	1,824,728	-	-	-	-
	₩ 12,398,840	-	8,671,240	-	8,671,240

(\*1) Fair value of financial assets and liabilities measured at amortized cost except borrowings approximates their carrying amounts.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

- 2) Financial guarantee contracts recognized as financial liabilities as of September 30, 2024 are as follows:

(in millions of Won)

Guarantee beneficiary	Financial institution	Guarantee limit		Guarantee amount		
		Foreign currency	Won equivalent	Foreign currency	Won equivalent	
<b>[Subsidiaries]</b>						
POSCO MEXICO S.A. DE C.V.	Citi BANAMEX	USD	20,000,000	26,392	20,000,000	26,392
	BNP Paribas	USD	20,000,000	26,392	20,000,000	26,392
POSCO-VIETNAM Co., Ltd.	Shinhan Bank	USD	45,000,000	59,382	20,454,545	26,992
	HSBC	USD	40,000,000	52,784	18,181,818	23,993
POSCO COATED STEEL (THAILAND) CO., LTD.	Citi	USD	25,000,000	32,990	11,363,637	14,995
	Citi	THB	800,000,000	32,600	456,000,000	18,582
	Mizuho	THB	800,000,000	32,600	456,000,000	18,582
	SMBC	THB	800,000,000	32,600	456,000,000	18,582
	SC	THB	800,000,000	32,600	456,000,000	18,582
	HSBC	THB	800,000,000	32,600	456,000,000	18,582
MUFG	THB	800,000,000	32,600	456,000,000	18,582	
<b>[Associates]</b>						
LLP POSUK Titanium	Shinhan Bank	USD	12,750,000	16,825	12,750,000	16,825
<b>[Others]</b>						
POSCO ASSAN TST STEEL INDUSTRY	Citi	USD	42,145,620	55,615	42,145,620	55,615
	Shinhan Bank	USD	40,352,190	53,249	40,352,190	53,249
	Woori Bank	USD	40,352,190	53,249	40,352,190	53,249
		USD	285,600,000	376,878	225,600,000	297,702
	THB	4,800,000,000	195,600	2,736,000,000	111,492	

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

- 3) Finance income and costs by category of financial instrument for each of the nine-month periods ended September 30, 2024 and 2023 are as follows:

① For the nine-month period ended September 30, 2024

(in millions of Won)

	Finance income and costs						Other comprehensive income	
	Interest income (expense)	Dividend income(*1)	Gain and loss on foreign currency	Gain on disposal	Gain valuation	Others		Total
Financial assets at fair value through profit or loss	₩ -	-	-	138,565	186,468	3,503	328,536	-
Financial assets at fair value through other comprehensive income	-	22,690	-	-	-	-	22,690	43,103
Financial assets measured at amortized cost	101,932	-	63,109	-	-	-	165,041	-
Financial liabilities at fair value through profit or loss	-	-	-	373	45,455	-	45,828	-
Financial liabilities measured at amortized cost	(256,291)	-	(203,839)	-	-	(1,275)	(461,405)	-
	₩ (154,359)	22,690	(140,730)	138,938	231,923	2,228	100,690	43,103

- (\*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩8,473 million for the nine-month period ended September 30, 2024.

② For the nine-month period ended September 30, 2023

(in millions of Won)

	Finance income and costs						Other comprehensive income	
	Interest income (expense)	Dividend income(*1)	Gain and loss on foreign currency	Gain and loss on disposal	Gain on valuation	Others		Total
Financial assets at fair value through profit or loss	₩ -	-	(371)	91,283	404,461	(635)	494,738	-
Financial assets at fair value through other comprehensive income	-	2,198	-	-	-	-	2,198	3,178
Financial assets measured at amortized cost	130,172	-	120,200	-	-	-	250,372	-
Financial liabilities at fair value through profit or loss	-	-	60	(4,394)	60,480	-	56,146	-
Financial liabilities measured at amortized cost	(290,404)	-	(527,058)	-	-	1,131	(816,331)	-
	₩ (160,232)	2,198	(407,169)	86,889	464,941	496	(12,877)	3,178

- (\*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩14,371 million for the nine-month period ended September 30, 2023.

- 4) Finance income and costs by category of financial instrument for each of three-month periods ended September 30, 2024 and 2023 are as follows:

① For the three-month period ended September 30, 2024

(in millions of Won)

	Finance income and costs						Other comprehensive income	
	Interest income (expense)	Dividend income	Gain and loss on foreign currency	Gain on disposal	Gain and loss on valuation	Others		Total
Financial assets at fair value through profit or loss	₩ -	-	-	82,577	(241,780)	4,165	(155,038)	-
Financial assets at fair value through other comprehensive income	-	3,650	-	-	-	-	3,650	9,777
Financial assets measured at amortized cost	39,555	-	(89,330)	-	-	-	(49,775)	-
Financial liabilities at fair value through profit or loss	-	-	-	-	(9,500)	-	(9,500)	-
Financial liabilities measured at amortized cost	(78,120)	-	367,994	-	-	(3,054)	286,820	-
	₩ (38,565)	3,650	278,664	82,577	(251,280)	1,111	76,157	9,777

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### ② For the three-month period ended September 30, 2023

(in millions of Won)

		Finance income and costs					Other comprehensive income	
		Interest income (expense)	Gain and loss on foreign currency	Gain on disposal	Gain and loss on valuation	Others		Total
Financial assets at fair value through profit or loss	₩	-	-	33,327	75,019	(185)	108,161	-
Financial assets at fair value through other comprehensive income		-	-	-	-	-	-	(6,974)
Financial assets measured at amortized cost		45,305	40,642	-	-	-	85,947	-
Financial liabilities at fair value through profit or loss		-	-	-	26,686	-	26,686	-
Financial liabilities measured at amortized cost		(88,054)	(152,533)	-	-	383	(240,204)	-
	₩	<u>(42,749)</u>	<u>(111,891)</u>	<u>33,327</u>	<u>101,705</u>	<u>198</u>	<u>(19,410)</u>	<u>(6,974)</u>

### (b) Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk arising from financial assets and liabilities. The Company's financial risk management objectives and policies are consistent with those disclosed in the separate financial statements as of and for the year ended December 31, 2023.

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

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#### 20. Share Capital and Capital Surplus

(a) Details of share capital as of September 30, 2024 and December 31, 2023 are as follows:

<i>(share, in Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
Authorized shares		200,000,000	200,000,000
Par value	₩	5,000	5,000
Issued shares		96,480,625	96,480,625
Shared capital	₩	482,403,125,000	482,403,125,000

(b) Details of capital surplus as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
Share premium	₩	24,222,056	24,222,056
Other capital surplus		5,032	(9,592)
	₩	<u>24,227,088</u>	<u>24,212,464</u>

#### 21. Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
Changes in fair value of equity investments at fair value through other comprehensive income	₩	45,769	2,666

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

#### 22. Revenue

- (a) Details of revenues disaggregated by types of revenue and timing of revenue recognition for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods ended June 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
<b>Types of revenue</b>				
Revenue from sales of goods	₩ 9,096,861	9,335,005	27,162,993	28,538,688
Revenue from services	295,590	263,041	854,058	806,913
Others	86,219	77,389	258,038	250,016
	₩ 9,478,670	9,675,435	28,275,089	29,595,617
<b>Timing of revenue recognition</b>				
Revenue recognized at a point in time	₩ 9,164,043	9,395,731	27,355,477	28,740,596
Revenue recognized over time	314,627	279,704	919,612	855,021
	₩ 9,478,670	9,675,435	28,275,089	29,595,617

- (b) Details of contract assets and liabilities from contracts with customers as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	September 30, 2024	December 31, 2023
<b>Receivables</b>		
Account receivables	₩ 4,832,215	5,042,943
<b>Contract assets</b>		
Account receivables	7,546	4,826
<b>Contract liabilities</b>		
Advance received	49,351	16,059
Unearned income	65,027	52,484

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 23. Selling and Administrative Expenses

#### (a) Other administrative expenses

Other administrative expenses for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods		For the nine-month periods	
	ended September 30		ended September 30	
	2024	2023	2024	2023
Wages and salaries	₩ 62,659	65,928	177,949	192,820
Expenses related to post-employment benefits	5,371	5,473	17,118	25,861
Other employee benefits	21,438	13,462	49,755	41,235
Travel	2,073	2,394	6,516	7,219
Depreciation	8,601	5,072	26,116	15,656
Amortization	6,458	7,062	20,662	19,034
Rental	13,145	17,875	44,949	58,309
Repairs	2,311	2,619	6,484	6,657
Advertising	12,902	12,750	38,275	36,093
Research & development	7,388	6,919	21,120	20,007
Service fees	65,288	74,963	190,209	227,549
Supplies	(64)	118	194	423
Vehicles maintenance	1,123	1,156	3,622	3,984
Industry association fee	1,460	729	3,493	3,817
Training	7,212	6,652	18,911	18,491
Conference	1,049	1,000	3,143	3,263
Others	6,045	7,943	19,504	20,820
	₩ <u>224,459</u>	<u>232,115</u>	<u>648,020</u>	<u>701,238</u>

#### (b) Selling expenses

Selling expenses for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods		For the nine-month periods	
	ended September 30		ended September 30	
	2024	2023	2024	2023
Freight and custody expenses	₩ 43,503	41,925	120,003	112,804
Operating expenses for distribution center	1,673	1,472	4,121	5,623
Sales commissions	19,826	11,326	67,861	59,800
Sales advertising	1,433	1,584	1,683	2,503
Sales promotion	856	826	2,486	2,173
Sample	239	145	617	537
Sales insurance premium	1,964	2,098	5,617	4,855
	₩ <u>69,494</u>	<u>59,376</u>	<u>202,388</u>	<u>188,295</u>



# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 24. Finance Income and Costs

Details of finance income and costs for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
<b>Finance income</b>				
Interest income(*1)	₩ 39,555	45,305	101,932	130,172
Dividend income	3,650	-	31,163	16,569
Gain on foreign currency transactions	104,282	93,506	293,930	415,437
Gain on foreign currency translations	459,457	13,720	504,014	62,248
Gain on valuation of derivatives	(252,507)	78,976	173,357	324,056
Gain on transactions of derivatives	64,915	20,754	79,988	20,754
Gain on disposal of financial assets at fair value through profit or loss	17,662	(8,205)	61,922	142,414
Gain on valuation of short-term financial assets	7,017	12,573	64,356	86,020
Others	1,235	400	3,051	1,188
	₩ <u>445,266</u>	<u>257,029</u>	<u>1,313,713</u>	<u>1,198,858</u>
<b>Finance costs</b>				
Interest expenses	₩ 78,120	88,054	256,291	290,404
Loss on foreign currency transactions	121,791	127,583	313,038	419,367
Loss on foreign currency translations	163,282	91,534	625,634	465,487
Loss on valuation of derivatives	5,790	-	5,790	1,529
Loss on transactions of derivatives	-	-	2,971	19,885
Loss on valuation of financial assets at fair value through profit or loss	-	(30,934)	-	-
Others	125	202	824	692
	₩ <u>369,108</u>	<u>276,439</u>	<u>1,204,548</u>	<u>1,197,364</u>

(\*1) Interest income calculated using the effective interest method for each of the nine-month periods ended September 30, 2024 and 2023 is ₩88,967 million and ₩118,735 million, respectively.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 25. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
<b>Other non-operating income</b>				
Gain on disposals of property, plant and equipment	₩ 958	1,522	8,071	5,903
Premium income	175	746	566	2,057
Gain on disposals of emission rights	(13,343)	1,795	-	25,847
Others	1,277	2,657	17,200	8,728
	₩ <u>(10,933)</u>	<u>6,720</u>	<u>25,837</u>	<u>42,535</u>
<b>Other non-operating expenses</b>				
Loss on disposals of property, plant and equipment	₩ 27,752	27,010	108,920	104,924
Impairment loss on property, plant and equipment	124,391	4,265	184,099	152,144
Loss on disposals of intangible assets	-	-	-	34
Impairment loss on intangible assets	-	-	-	3,536
Other amortization expense	(889)	(344)	386	(989)
Donations	5,114	8,980	33,655	37,276
Idle tangible asset expenses	(419)	3,628	1,839	15,703
Others	1,870	5,252	13,551	18,551
	₩ <u>157,819</u>	<u>48,791</u>	<u>342,450</u>	<u>331,179</u>

## POSCO

### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

#### 26. Expenses by Nature

Expenses that are recorded by nature as cost of sales, selling and administrative expenses and other non-operating expenses in the statements of comprehensive income for each of the three-month and six-month periods ended September 30, 2024 and 2023 are as follows (excluding finance costs and income tax expense):

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
<i>(in millions of Won)</i>				
Changes in inventories(*1)	₩ (120,112)	(115,106)	409,026	319,459
Raw materials and consumables used	6,519,895	6,489,173	18,804,254	19,767,396
Employee benefits expenses	499,704	484,384	1,432,772	1,423,520
Outsourced processing cost	696,409	686,300	2,090,328	2,053,619
Depreciation(*2)	592,878	560,779	1,762,991	1,671,300
Amortization	25,685	25,642	78,288	73,917
Electricity and water expenses	117,779	114,814	410,989	409,990
Service fees	88,837	96,409	260,740	292,780
Rental	24,984	29,963	79,074	92,176
Advertising	12,902	12,750	38,275	36,093
Freight and custody expenses	330,745	311,536	968,009	895,974
Sales commissions	19,826	11,326	67,861	59,800
Loss on disposal of property, plant and equipment	27,752	27,010	108,920	104,924
Impairment loss on property, plant and equipment	124,391	4,265	184,099	152,144
Other expenses	236,807	257,630	770,348	754,003
	₩ <u>9,198,482</u>	<u>8,996,875</u>	<u>27,465,974</u>	<u>28,107,095</u>

(\*1) Changes in inventories are the changes in products, semi-finished products and by-products.

(\*2) Includes depreciation of investment property.

#### 27. Income Taxes

Income tax expenses were calculated by adjusting deferred tax expenses (income) due to the accrual and reversal of temporary differences in current tax expenses and income tax expenses (income) related to items not recognized in profit or loss. The effective tax rates of the Company for each of the nine-month periods ended September 30, 2024 and 2023 are 20.0% and 24.1%, respectively.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 28. Earnings Per Share

Basic earnings per share for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
	<i>(in Won, except share information)</i>			
Profit for the period	₩ 256,596,179,632	499,467,440,088	755,149,995,995	1,162,707,630,409
Interests of hybrid bonds, net of tax	-	-	-	(3,023,850,958)
Weighted-average number of common shares outstanding(*1)	96,480,625	96,480,625	96,480,625	96,480,625
Basic earnings per share	₩ 2,660	5,177	7,827	12,020

(\*1) The weighted-average number of common shares used to calculate basic earnings per share is as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
	<i>(shares)</i>			
Total number of common shares issued	96,480,625	96,480,625	96,480,625	96,480,625
Weighted-average number of common shares outstanding	96,480,625	96,480,625	96,480,625	96,480,625

The Company does not have any dilutive potential common shares as of September 30, 2024 and 2023, so diluted earnings per share are the same as basic earnings per share.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 29. Related Party Transactions

(a) The Company's related parties as of September 30, 2024 are as follows:

	<u>Company</u>
<b>The parent company</b>	POSCO HOLDINGS INC.
<b>Subsidiaries</b>	POSCO STEELEON Co., Ltd, POSCO M-TECH, PNR, POSCO Humans Co.,Ltd., eNtoB Corporation, PT.KRAKATAU POSCO, POSCO (Thailand) Company.Ltd, POSCO-MKPC SDN BHD, POSCO-VIETNAM Co., Ltd., POSCO Thainox Public Company Limited, POSCO COATED STEEL (THAILAND) CO.,LTD., POSCO Philippine Manila Processing Center, Inc., POSCO MEXICO S.A. DE C.V. and others
<b>Associates and joint ventures</b>	DAEHO GLOBAL MANAGEMENT CO., LTD., Pohang Special Welding Co., Ltd., POSK(Pinghu) Steel Processing Center Co., Ltd., LLP POSUK TITANIUM, POSCO SUZHOU PROCESSING CENTER CO.,LTD, SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD, POSCO Vietnam Processing Center. Co.,Ltd, POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER
<b>Other related parties(*1)</b>	POSCO Eco & Challenge Co., Ltd., POSCO DX, POSCO WIDE Co., Ltd., POSCO FUTURE MCO., LTD., POSCO FLOW CO., LTD., SNNC, POSCO Mobility Solution Corporation, eSteel4U, POSCO INTERNATIONAL Corporation, POSCO Canada Ltd., POSCO Maharashtra Steel Private Limited, POSCO(Guangdong) Automotive Steel Co., Ltd., POSCO VST CO., LTD., POSCO INTERNATIONAL SINGAPORE PTE LTD., POSCO ASSAN TST STEEL INDUSTRY, Roy Hill Holdings Pty Ltd, POSCO Asia CO.,LTD., POSCO-China Holding Corp., POSCO-India Pune Processing Center. Pvt. Ltd., POSCO INDIA PROCESSING CENTER PRIVATE and others

(\*1) Other related parties are the subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Company.

# POSCO

## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

(b) Significant transactions with the Company's related parties for each of the nine-month periods ended September 30, 2024 and 2023 are as follows:

### 1) For the nine-month period ended September 30, 2024

(in millions of Won)

	Sales and others(*1)		Purchase and others(*2)			
	Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
<b>The parent company</b>						
POSCO HOLDINGS INC. (*4)	₩ 9,335	325	-	75	-	1,001,738
<b>Subsidiaries(*9)</b>						
POSCO STEELEON Co., Ltd	459,401	5,513	96	54	31,106	73
eNtoB Corporation	12	1,176	268,443	48,562	2,291	12,663
POSCO M-TECH	48	726	63,481	-	159,079	-
PNR	486	-	-	-	37,130	-
POSCO Humans Co.,Ltd.	814	-	-	-	4,885	19,539
POSCO (Thailand) Company,Ltd	68,464	-	-	-	-	32
POSCO-MKPC SDN BHD	6,620	909	-	-	-	309
POSCO VIETNAM Co., Ltd.	193,265	242	-	-	-	50
POSCO MEXICO S.A. DE C.V. (*5)	474,383	168	-	-	-	1,408
POSCO-Poland Wroclaw Processing Center Sp. z o. o. (*5)	5,463	-	-	-	-	-
POSCO Thainox Public Company Limited	171,803	-	-	-	-	226
POSCO COATED STEEL (THAILAND) CO., LTD.	220,930	122	-	-	-	1,073
POSCO Chengdu Processing Center Co.,LTD	36	-	-	-	-	-
POSCO TNPC Otomotiv Celik San. Ve Tic. AS	53,932	-	-	-	-	384
POSCO-INDONESIA JAKARTA PROCESSING CENTER(*5)	2,569	-	-	-	-	2,631
POSCO PS Tech(*6)	52	-	-	10,677	90,369	1,253
POSCO PR Tech(*6)	-	24	5	18,990	69,643	1,658
POSCO PH Solution(*6)	-	39	33	8,064	34,264	3,891
POSCO GYS Tech(*6)	84	12	8	8,722	84,577	1,163
POSCO GYR Tech(*6)	77	-	3	8,649	78,168	494
POSCO GY Solution(*6)	63	15	-	4,510	38,769	9
PT. KRAKATAU POSCO(*5)	4,893	2,184	-	-	-	-
Others	10,286	-	-	-	-	745
	<u>1,673,681</u>	<u>11,130</u>	<u>332,069</u>	<u>108,228</u>	<u>630,281</u>	<u>47,601</u>
<b>Associates and joint ventures(*9)</b>						
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	34,330	-	-	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd	48,928	-	-	-	-	291
Others	151	-	-	-	-	-
	<u>83,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291</u>
<b>Other related parties(*3,9)</b>						
POSCO Eco & Challenge Co., Ltd.	226	-	-	807,046	101	35,373
POSCO DX (*7)	1,433	17	-	325,832	49,750	137,186
POSCO WIDE Co., Ltd.	7,088	59	575	245	17,894	34,979
POSCO FUTURE M CO., LTD.	322,522	161	411,118	38,926	171,388	11,718
POSCO FLOW CO., LTD. (*8)	9,072	93	532,060	2	9,920	923,941
SNINC	6,390	12	215,278	-	-	19
POSCO Mobility Solution Corporation	597,238	1	-	2,594	39,456	501
eSteel4U	442,016	-	-	-	-	236
POSCO INTERNATIONAL Corporation	7,989,680	-	836,993	-	753	20,066
POSCO Canada Ltd.	-	1,020	26,700	-	-	-
POSCO Maharashtra Steel Private Limited	708,573	60	-	-	-	854
POSCO(Guangdong) Automotive Steel Co.,Ltd	201,427	-	-	-	-	-
POSCO VST CO., LTD.	136,681	-	-	-	-	31
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	2,124	1,306,692	-	-	-
POSCO ASSAN TST STEEL INDUSTRY	288,183	2,591	-	-	-	-
Roy Hill Holdings Pty Ltd	-	9,680	1,336,984	-	-	-
Others	461,851	581	151,397	207,412	4,844	68,472
	<u>11,172,380</u>	<u>16,399</u>	<u>4,817,797</u>	<u>1,382,057</u>	<u>294,106</u>	<u>1,233,376</u>
₩	<u>12,938,805</u>	<u>27,854</u>	<u>5,149,866</u>	<u>1,490,360</u>	<u>924,387</u>	<u>2,283,006</u>

(\*1) Sales and others mainly consist of sales of steel products to the parent company, associates and other related parties and joint ventures.

(\*2) Purchases and others mainly consist of related party's purchases of construction services and purchases of raw materials to manufacture steel products.

(\*3) Other related parties are subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Company.

(\*4) Others (purchase) mainly consist of service fees for brand usage and rentals.

(\*5) During the year ended December 31, 2023, the entities were newly included in subsidiaries due to acquisition from POSCO HOLDINGS INC.

(\*6) Newly established during the year ended December 31, 2023.

(\*7) Others (purchase) mainly consist of maintenance expenses for the ERP System.

(\*8) Others (purchase) mainly consist of freight expenses.

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## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

(\*9) As of September 30, 2024, the Company has provided financial guarantees to related parties (Note 19-(a)-2)).

### 2) For the nine-month period ended September 30, 2023

(in millions of Won)

	Sales and others(*1)		Purchase and others(*2)			
	Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
<b>The parent company</b>						
POSCO HOLDINGS INC. (*5)	₩ 9,841	39	-	-	-	440,166
<b>Subsidiaries(*4)</b>						
POSCO STEELEON Co., Ltd	438,475	2,986	-	-	30,385	699
eNtoB Corporation	11	3,660	304,759	58,061	23	13,162
POSCO M-TECH	47	767	52,300	16,006	161,770	185
PNR	520	3	-	39	36,713	17
POSCO Humans Co.,Ltd.	268	-	-	-	4,831	18,035
POSCO (Thailand) Company.Ltd	65,195	-	-	-	-	99
POSCO-MKPC SDN BHD	11,306	1,509	-	-	-	332
POSCO-VIETNAM Co., Ltd.	229,820	258	-	-	-	43
POSCO MEXICO S.A. DE C.V.(*6)	407,084	356	-	-	-	1,526
POSCO-Poland Wroclaw Processing Center Sp. z o. o.(*6)	2,749	-	-	-	-	-
POSCO Thainox Public Company Limited	178,314	5,463	-	-	-	25
POSCO COATED STEEL (THAILAND) CO., LTD.	204,269	401	-	-	-	794
POSCO ChengDu Processing Center	6,370	-	-	-	-	-
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	46,243	-	-	-	-	-
PT. POSCO-INDONESIA JAKARTA PROCESSING CENTER(*6)	1,937	-	-	-	-	2,192
POSCO PS Tech(*7)	-	39	-	940	32,699	284
POSCO PR Tech(*7)	-	14	-	715	28,380	3
POSCO PH Solution(*7)	-	23	-	11	15,800	441
POSCO GYS Tech(*7)	21	16	-	72	31,735	3
POSCO GYR Tech(*7)	28	2	-	1,090	29,728	168
POSCO GY Solution(*7)	24	5	-	594	15,682	46
PT. KRAKATAU POSCO(*6)	3,300	100	17,407	-	-	21
Others	8,889	-	-	-	-	300
	<u>1,604,870</u>	<u>15,602</u>	<u>374,466</u>	<u>77,528</u>	<u>387,746</u>	<u>38,375</u>
<b>Associates and joint ventures</b>						
SUZHOU POSCO-CORE TECHNOLOGY CO.,LTD.	282	-	-	-	-	-
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	38,331	-	-	-	-	-
POSCO Vietnam Processing Center.Co.,Ltd(*10)	48,145	-	-	-	-	350
Others	-	24	-	-	-	5
	<u>86,758</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>355</u>
<b>Other related parties(*3)</b>						
POSCO Eco & Challenge Co., Ltd.	153	46	4	630,833	-	10,582
POSCO DX(*8)	18	18	1,375	309,922	49,223	136,641
POSCO WIDE Co., Ltd.	4,185	28	100	1,377	19,542	24,075
POSCO FUTURE M CO., LTD.	325,810	129	424,335	52,378	179,211	7,884
POSCO FLOW CO., LTD.(*9)	11,765	35	424,207	-	15,219	874,519
SNNC	7,133	4	351,357	-	-	50
POSCO Mobility Solution Corporation	751,278	-	-	483	28,298	2,061
eSteel4U	425,651	-	-	-	-	259
POSCO INTERNATIONAL Corporation	8,373,996	2	1,122,432	-	5,007	18,102
POSCO Canada Ltd.	-	-	348,130	-	-	-
POSCO Maharashtra Steel Private Limited	708,544	-	-	-	-	1,229
POSCO(Guangdong) Automotive Steel Co.,Ltd	145,139	-	-	-	-	-
POSCO VST CO., LTD.	122,859	3	-	-	-	21
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	1	1,276,280	-	-	-
POSCO ASSAN TST STEEL INDUSTRY	139,275	466	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	1,238,864	-	-	-
Others	460,513	264	119,435	43,549	59	73,556
	<u>11,476,319</u>	<u>996</u>	<u>5,306,519</u>	<u>1,038,542</u>	<u>296,559</u>	<u>1,148,979</u>
₩	<u>13,177,788</u>	<u>16,661</u>	<u>5,680,985</u>	<u>1,116,070</u>	<u>684,305</u>	<u>1,627,875</u>

(\*1) Sales and others mainly consist of sales of steel products to the parent company, associates and other related parties and joint ventures.

(\*2) Purchases and others mainly consist of related party's purchases of construction services and purchases of raw materials to manufacture steel products.

(\*3) Other related parties are subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Company.

(\*4) As of September 30, 2023, the Company has provided financial guarantees to related parties.

(\*5) Others (purchase) include dividends paid to POSCO HOLDINGS INC. during the nine-month period ended September 30, 2023, amounting to ₩ 325,043 million, as well as service fees for brand usage and rentals.

(\*6) During the nine-month period ended September 30, 2023, the entity was newly included in subsidiaries due to acquisition from POSCO HOLDINGS INC., and the transactions occurred

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## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

prior to the inclusion are included.

(\*7) Newly established during the nine-month period ended September 30, 2023.

(\*8) Others (purchase) mainly consist of maintenance expenses for the ERP System.

(\*9) Others (purchase) mainly consist of freight expenses.

(\*10) Includes transactions that occurred before the entity was included in associates.

(c) The related account balances of significant transactions with the Company's related parties as of September 30, 2024 and December 31, 2023 are as follows:

### 1) September 30, 2024

(in millions of Won)

	Receivables			Payables			
	Trade accounts and notes receivable	Others	Total	Trade accounts and notes payable	Accounts payable	Others	Total
<b>The parent company</b>							
POSCO HOLDINGS INC.	₩ 331	39,702	40,033	-	79,095	94,875	173,970
<b>Subsidiaries</b>							
POSCO STEELEON Co., Ltd	66,482	10	66,492	-	5	6,392	6,397
eNtoB Corporation	-	-	-	1,357	13,106	339	14,802
POSCO M-TECH	-	1	1	-	16,661	19,114	35,775
PNR	-	29	29	-	2,554	4,649	7,203
POSCO Humans Co., Ltd.	16	-	16	-	1,427	2,668	4,095
POSCO (Thailand) Company.Ltd	22,091	-	22,091	-	1	-	1
POSCO-MKPC SDN BHD	-	-	-	-	-	61	61
POSCO-VIETNAM Co., Ltd.	76,621	1,523	78,144	-	-	7	7
POSCO MEXICO S.A. DE C.V.	250,892	865	251,757	-	3	258	261
POSCO Thainox Public Company Limited	80,387	294	80,681	-	-	-	-
POSCO COATED STEEL (THAILAND) CO., LTD.	97,429	1,140	98,569	-	-	200	200
POSCO-INDONESIA JAKARTA PROCESSING CENTER	-	148	148	-	-	60	60
POSCO PS Tech	-	2	2	-	5,200	9,278	14,478
POSCO PR Tech	-	2	2	-	4,843	6,099	10,942
POSCO PH Solution	-	1	1	-	3,007	2,872	5,879
POSCO GYS Tech	-	2	2	-	5,998	9,356	15,354
POSCO GYR Tech	-	2	2	-	6,453	8,776	15,229
POSCO GY Solution	-	2	2	-	1,893	4,003	5,896
PT. KRAKATAU POSCO	3,778	4,687	8,465	-	-	-	-
Others	49	138	187	-	-	6	6
	<u>597,745</u>	<u>8,846</u>	<u>606,591</u>	<u>1,357</u>	<u>61,151</u>	<u>74,138</u>	<u>136,646</u>
<b>Associates and joint ventures</b>							
Pohang Special Welding Co., Ltd.	-	30	30	-	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd	5,989	-	5,989	-	16	54	70
	<u>5,989</u>	<u>30</u>	<u>6,019</u>	<u>-</u>	<u>16</u>	<u>54</u>	<u>70</u>
<b>Other related parties</b>							
POSCO Eco & Challenge Co., Ltd.	-	14	14	-	47,050	106	47,156
POSCO DX	40	-	40	-	49,069	20,318	69,387
POSCO WIDE Co., Ltd.	392	532	924	-	3,813	6,360	10,173
POSCO FUTURE M CO., LTD.	36,635	4,241	40,876	41,288	14,160	22,870	78,318
POSCO FLOW CO., LTD.	601	234	835	104,902	6,248	45,082	156,232
SNNC	493	57	550	8,501	-	7	8,508
POSCO Mobility Solution Corporation	126,508	-	126,508	21	2,055	4,874	6,950
eSteel4U	150,742	-	150,742	-	-	-	-
POSCO INTERNATIONAL Corporation	870,806	167	870,973	3,709	3,435	4,875	12,019
POSCO Maharashtra Steel Private Limited	461,925	1,231	463,156	-	-	8	8
POSCO(Guangdong) Automotive Steel Co., Ltd.	51,786	-	51,786	-	-	-	-
POSCO VST CO., LTD.	59,522	454	59,976	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	8	8	142,993	-	-	142,993
POSCO ASSAN TST STEEL INDUSTRY	288,892	173	289,065	-	-	-	-
Roy Hill Holdings Pty Ltd	-	858	858	204,841	-	-	204,841
Others	31,449	22,141	53,590	3,555	10,929	17,477	31,961
	<u>2,079,791</u>	<u>30,110</u>	<u>2,109,901</u>	<u>509,810</u>	<u>136,759</u>	<u>121,977</u>	<u>768,546</u>
₩	<u>2,683,856</u>	<u>78,688</u>	<u>2,762,544</u>	<u>511,167</u>	<u>277,021</u>	<u>291,044</u>	<u>1,079,232</u>



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## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 2) December 31, 2023

(in millions of Won)

	Receivables			Payables			
	Trade accounts and notes receivable	Others	Total	Trade accounts and notes payable	Accounts payable	Others	Total
<b>The parent company</b>							
POSCO HOLDINGS INC.	₩ 315	36,523	36,838	-	111,034	136,813	247,847
<b>Subsidiaries</b>							
POSCO STEELEON Co., Ltd	56,447	2	56,449	-	49	5,542	5,591
eNtoB Corporation	-	-	-	926	7,929	21	8,876
POSCO M-TECH	-	1	1	-	17,532	20,358	37,890
PNR	-	22	22	-	2,589	5,091	7,680
POSCO Humans Co.,Ltd.	16	1	17	-	767	3,271	4,038
POSCO (Thailand) Company.Ltd	19,284	-	19,284	-	-	-	-
POSCO-VIETNAM Co., Ltd.	66,599	1,760	68,359	-	-	-	-
POSCO MEXICO S.A. DE C.V.	208,369	1,118	209,487	-	156	-	156
POSCO Thainox Public Company Limited	67,969	543	68,512	-	-	-	-
POSCO COATED STEEL (THAILAND) CO., LTD.	64,659	1,461	66,120	-	-	-	-
POSCO PS Tech	-	3	3	-	6,641	10,048	16,689
POSCO PR Tech	-	6	6	-	5,281	6,874	12,155
POSCO PH Solution	-	3	3	-	2,132	3,296	5,428
POSCO GYS Tech	-	3	3	-	5,290	11,000	16,290
POSCO GYR Tech	-	2	2	-	4,896	9,085	13,981
POSCO GY Solution	-	2	2	-	2,043	5,519	7,562
PT. KRAKATAU POSCO	1,299	12,661	13,960	-	-	-	-
Others	17	94	111	-	-	-	-
	484,659	17,682	502,341	926	55,305	80,105	136,336
<b>Associates and joint ventures</b>							
Pohang Special Welding Co., Ltd.	-	41	41	-	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd	6,096	-	6,096	-	-	-	-
	6,096	41	6,137	-	-	-	-
<b>Other related parties</b>							
POSCO Eco & Challenge Co., Ltd.	-	22	22	512	111,956	215	112,683
POSCO DX	38	4	42	59	191,911	23,686	215,656
POSCO WIDE Co., Ltd.	380	699	1,079	-	2,832	5,823	8,655
POSCO FUTURE M CO., LTD.	72,348	63,930	136,278	56,535	21,983	18,652	97,170
POSCO FLOW CO., LTD.	3,020	446	3,466	156,240	2,562	47,014	205,816
SNNC	427	60	487	25,480	-	16	25,496
POSCO Mobility Solution Corporation	167,203	-	167,203	-	2,090	4,843	6,933
eSteel4U	120,010	-	120,010	-	-	-	-
POSCO INTERNATIONAL Corporation	1,014,938	132	1,015,070	38,119	5,278	6,561	49,958
POSCO Maharashtra Steel Private Limited	486,828	2,060	488,888	-	21	-	21
POSCO (Guangdong) Automotive Steel Co., Ltd.	59,646	-	59,646	-	-	-	-
POSCO VST CO., LTD.	61,422	611	62,033	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	-	-	147,273	-	-	147,273
POSCO ASSAN TST STEEL INDUSTRY	177,085	3,807	180,892	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	-	260,830	-	-	260,830
Others	18,577	19,640	38,217	49,661	12,461	3,816	65,938
	2,181,922	91,411	2,273,333	734,709	351,094	110,626	1,196,429
₩	2,672,992	145,657	2,818,649	735,635	517,433	327,544	1,580,612

(d) For each of the nine-month periods ended September 30, 2024 and 2023, details of compensation to the Company's key management officers are as follows:

(in millions of Won)		<u>September 30, 2024</u>	<u>September 30, 2023</u>
Short-term benefits	₩	28,190	41,958
Retirement benefits		8,518	13,206
	₩	<u>36,708</u>	<u>55,164</u>

Key management officers include directors (including non-standing directors), executive officials and fellow officials who have significant influences and responsibilities in the Company's business and operations.

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### Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

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#### 30. Commitments and Contingencies

##### (a) Commitments

- 1) The Company entered into long-term contracts to purchase iron ore, coal, nickel and others. The contracts of iron ore and coal generally have terms of more than two years and three years, respectively, and the contracts of nickel have terms of more than one year. These contracts provide for periodic price adjustments based on the market price. As of September 30, 2024, 30 million tons of iron ore and 9 million tons of coal remained to be purchased under such long-term contracts.
- 2) The Company entered into an agreement with Tangguh Liquefied Natural Gas (LNG) Consortium in Indonesia. The purchase contract period and volume are 550 thousand tons of LNG annually for 20 years commencing in August 2005 and 190 thousand tons from September 2025 to December 2026. The purchase price is subject to change, based on changes of the monthly standard oil price (JCC) and with a price ceiling.
- 3) The Company entered into a consecutive voyage charter (CVC) contract for the transportation of raw materials. As of September 30, 2024, there are 36 vessels under contract and the average remaining contract period is about 6 years.
- 4) The Company entered into an agreement (LNG SPA) with POSCO INTERNATIONAL SINGAPORE PTE LTD. to purchase 370 thousand tons of LNG annually for 15 years commencing in November 2026. The purchase price is subject to change based on changes of U.S. Henry Hub Natural Gas Spot Price. The Company has extension option of extending the purchase contract by five years.
- 5) As of September 30, 2024, the Company has entered into supplier finance agreements which have a limit of USD 1,110 million with SMBC and four other financial institutions.

##### (b) Litigation in progress

The Company is involved in 170 lawsuits collectively amounting to ₩ 437.5 billion as defendant as of September 30, 2024, which arise in the ordinary course of business such as claim for confirmation of employee status. However, the Company has not recognized any provisions for the other lawsuits and claim since the Company believes that it does not have a present obligation as of September 30, 2024.

- (c) The Company was spun off from POSCO HOLDINGS INC. and newly incorporated with March 1, 2022 as the date of spin-off, and the Company is jointly liable for the liabilities of POSCO HOLDINGS INC. under Article 530(9)(1) of the *Commercial Act* of the Republic of Korea.

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## Notes to interim condensed separate financial statements, continued September 30, 2024 and 2023 (Unaudited)

### 31. Statements of Cash Flows

Changes in operating assets and liabilities for each of the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>September 30, 2023</u>
Trade accounts and notes receivable, net	₩	173,833	(598,084)
Other accounts receivable		(165,878)	104,627
Accrued revenue		(1,748)	(10,615)
Inventories		425,126	992,877
Prepaid expenses		(39,785)	(50,937)
Other current assets		(1,188)	(23)
Long-term guarantee deposits		(541)	765
Derivative assets		22,703	23,414
Other non-current assets		23,296	(10,778)
Trade accounts and notes payable		(104,844)	(497,857)
Other accounts payable		(133,713)	(387,341)
Accrued expenses		54,325	104,455
Advances received		33,294	5,271
Withholdings		1,128	(7,405)
Unearned revenue		12,543	(2,083)
Other current liabilities		(11,296)	(28,196)
Derivative liabilities			(17,085)
Payments of severance benefits		(135,942)	(80,912)
Plan assets		63,062	53,139
	₩	<u>214,375</u>	<u>(406,768)</u>

### 32. Events after the Reporting Period

(a) The Company decided to acquire the shares of POSCO Maharashtra Steel Private Limited, POSCO INDIA PROCESSING CENTER PRIVATE LIMITED, POSCO-India Pune Processing Center Pvt. Ltd., and POSCO ASSAN TST STEEL INDUSTRY INC. from POSCO HOLDINGS INC. to improve management efficiency of the steel business, as a follow-up to the vertical spin-off in March 2022. The acquisition was approved by the Board of Directors on November 8, 2024.

(b) On November 10, 2024, a fire broke out at No.3 FINEX plant. The Company is investigating the amount of damage and the insurance coverage by the insurance policy.