

POSCO and its subsidiaries

**Interim condensed consolidated financial statements
for each of the six-month periods ended June 30, 2025 and 2024
with the independent auditor's review report**

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Report on review of interim condensed consolidated financial statements

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Report on review of interim condensed consolidated 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 consolidated financial statements of POSCO (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as of June 30, 2025, and the related interim condensed consolidated statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2025 and 2024, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for each of the six-month periods ended June 30, 2025 and 2024, respectively, and a summary of material accounting policy information and other explanatory information.

Management’s responsibility for the interim condensed consolidated financial statements

Management is responsible for the preparation and presentation of these interim condensed consolidated 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 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 consolidated 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 consolidated financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Other matters

We have audited the consolidated statement of financial position of the Group as of December 31, 2024, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended (not presented herein), in accordance with KSA, and our report dated March 12, 2025 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2024, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.

August 14, 2025

This review report is effective as of August 14, 2025, 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 consolidated financial statements and may result in modification to this review report.

POSCO and its subsidiaries

Interim condensed consolidated financial statements
for each of the six-month periods ended June 30, 2025 and 2024

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

Hee-Geun Lee
Chief Executive Officer
POSCO

POSCO and its subsidiaries
Interim condensed consolidated statements of financial position
as of June 30, 2025 (unaudited) and December 31, 2024

(in millions of Won)

	Notes	June 30, 2025	December 31, 2024
Assets			
Cash and cash equivalents	19	₩ 2,756,160	2,435,951
Trade accounts and notes receivable, net	4,19,22	4,873,974	4,868,534
Other receivables, net	5,19	739,022	863,292
Other short-term financial assets	6,19	4,938,714	4,092,620
Inventories	7	8,230,423	9,447,667
Current income tax assets		28,207	44,881
Assets held for sale	8	5,468	-
Other current assets	13	137,459	145,693
Total current assets		21,709,427	21,898,638
Long-term trade accounts and notes receivable, net	4,19,22	15,000	10,634
Other receivables, net	5,19	333,273	333,589
Other long-term financial assets	6,19	707,031	935,714
Investments in subsidiaries, associates and joint ventures	9	121,830	70,599
Investment property, net	10	43,701	55,062
Property, plant and equipment, net	11	24,411,074	25,195,316
Intangible assets, net	12	507,690	466,992
Defined benefit assets, net	17	207,685	242,940
Deferred tax assets		2,269,390	2,168,515
Other non-current assets	13	10,450	34,847
Total non-current assets		28,627,124	29,514,208
Total assets		₩ 50,336,551	51,412,846

(continued)

POSCO and its subsidiaries

Interim condensed consolidated statements of financial position, continued as of June 30, 2025 (unaudited) and December 31, 2024

(in millions of Won)

	Notes	June 30, 2025	December 31, 2024
Liabilities			
Trade accounts and notes payable	19	₩ 3,272,662	4,186,525
Short-term borrowings and current portion of long-term borrowings	14,19	4,557,168	3,522,204
Other payables	15,19	1,577,454	1,764,862
Current income tax liabilities		249,653	205,096
Provisions	16	56,902	51,289
Other current liabilities	18,22	146,300	214,008
Total current liabilities		9,860,139	9,943,984
Long-term borrowings, excluding current portion	14,19	6,292,220	7,312,602
Other payables	15,19	550,135	636,863
Defined benefit liabilities, net	17	32,706	24,932
Deferred tax liabilities		35,281	37,664
Long-term provisions	16	87,966	87,930
Other non-current liabilities	18,22	1,063	1,472
Total non-current liabilities		6,999,371	8,101,463
Total liabilities		16,859,510	18,045,447
Equity			
Share capital	20	482,403	482,403
Capital surplus	20	22,697,277	22,705,568
Accumulated other comprehensive income	21	178,298	242,066
Retained earnings		9,225,388	8,955,007
Equity attributed to owners of the controlling company		32,583,366	32,385,044
Non-controlling interests		893,675	982,355
Total equity		33,477,041	33,367,399
Total liabilities and equity	₩	50,336,551	51,412,846

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

POSCO and its subsidiaries

Interim condensed consolidated statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2025 and 2024 (Unaudited)

			For the three-month periods ended June 30		For the six-month periods ended June 30	
(in millions of Won, except per share informations)	Notes		2025	2024	2025	2024
Revenue	22	₩	11,094,578	11,020,516	22,346,953	22,280,621
Cost of sales	26		(10,073,938)	(10,193,245)	(20,472,385)	(20,725,961)
Gross profit			1,020,640	827,271	1,874,568	1,554,660
Selling and administrative expenses						
Other administrative expenses	23,26		(288,774)	(272,752)	(596,846)	(559,812)
Selling expenses	23,26		(78,705)	(68,368)	(157,350)	(141,722)
Operating profit			653,161	486,151	1,120,372	853,126
Share of profit of equity-accounted investees, net	9		(269)	(561)	(4,120)	(778)
Finance income and costs						
Finance income	19,24		526,897	468,058	855,692	1,055,415
Finance costs	19,24		(672,447)	(536,600)	(1,052,335)	(1,135,544)
Other non-operating income and expenses						
Other non-operating income	25		24,595	29,526	38,646	43,973
Other non-operating expenses	25,26		(65,541)	(79,301)	(152,013)	(186,468)
Profit before income tax			466,396	367,273	806,242	629,724
Income tax expense	27		(124,374)	(104,786)	(225,132)	(141,725)
Profit			342,022	262,487	581,110	487,999
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit plans	17		(1,217)	2,311	(310)	5,102
Net changes in fair value of equity investments at fair value through other comprehensive income	19,21		91,420	4,036	108,215	33,326
Foreign currency translation differences			(44,989)	20,766	(46,023)	33,260
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences			(164,840)	51,158	(165,745)	94,623
Capital adjustment arising from investments in equity-accounted investees	9		(7,276)	1,451	(6,175)	3,024
Other comprehensive income, net of tax			(126,902)	79,722	(110,038)	169,335
Total comprehensive income		₩	215,120	342,209	471,072	657,334
Profit attribute to:						
Owners of the controlling company		₩	343,748	286,105	601,985	528,026
Non-controlling interests			(1,726)	(23,618)	(20,875)	(40,027)
Profit		₩	342,022	262,487	581,110	487,999
Total comprehensive income attribute to:						
Owners of the controlling company		₩	263,103	345,227	539,292	664,183
Non-controlling interests			(47,983)	(3,018)	(68,220)	(6,849)
Total comprehensive income		₩	215,120	342,209	471,072	657,334
Earnings per share (in Won)	28					
Basic earnings per share (in Won)		₩	3,563	2,965	6,239	5,473
Diluted earnings per share (in Won)		₩	3,563	2,965	6,239	5,473

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

POSCO and its subsidiaries

Interim condensed consolidated statements of changes in equity for each of the six-month periods ended June 30, 2025 and 2024 (unaudited)

(in millions of Won)

	Attributable to owners of the controlling company					Non- cotrolling interests	Total
	Share capital	Capital surplus	Accumulated other comprehensive income	Retained earnings	Subtotal		
Balance as of January 1, 2024	₩ 482,403	22,659,008	(22,112)	8,753,924	31,873,223	977,746	32,850,969
Comprehensive income:							
Profit	-	-	-	528,026	528,026	(40,027)	487,999
Other comprehensive income (loss)							
Remeasurements of defined benefit plans, net of tax	-	-	-	5,185	5,185	(83)	5,102
Capital adjustment arising from investments in equity-accounted investees, net of tax	-	-	3,022	-	3,022	2	3,024
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	33,326	-	33,326	-	33,326
Foreign currency translation differences, net of tax	-	-	94,623	-	94,623	33,260	127,883
Transactions with owners of the controlling company, recognized directly in equity:							
Year-end dividends	-	-	-	(589,786)	(589,786)	(5,828)	(595,614)
Shared based payments	-	14,623	-	-	14,623	-	14,623
Others	-	150	-	4	154	(3,632)	(3,478)
Balance as of June 30, 2024	₩ 482,403	22,673,781	108,859	8,697,353	31,962,396	961,438	32,923,834

(continued)

POSCO and its subsidiaries

Interim condensed consolidated statements of changes in equity, continued for each of the six-month periods ended June 30, 2025 and 2024 (unaudited)

(in millions of Won)

	Attributable to owners of the controlling company					Non- cotrolling interests	Total
	Share capital	Capital surplus	Accumulated other comprehensive income	Retained earnings	Subtotal		
Balance as of January 1, 2025	₩ 482,403	22,705,568	242,066	8,955,007	32,385,044	982,355	33,367,399
Comprehensive income:							
Profit	-	-	-	601,985	601,985	(20,875)	581,110
Other comprehensive income (loss)							
Remeasurements of defined benefit plans, net of tax	-	-	-	986	986	(1,296)	(310)
Capital adjustment arising from investments in equity-accounted investees, net of tax	-	-	(6,149)	-	(6,149)	(26)	(6,175)
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	108,127	88	108,215	-	108,215
Foreign currency translation differences, net of tax	-	-	(165,746)	-	(165,746)	(46,022)	(211,768)
Transactions with owners of the controlling company, recognized directly in equity:							
Year-end dividends	-	-	-	(332,858)	(332,858)	(8,866)	(341,724)
Changes in ownership interest in subsidiaries	-	(1,111)	-	-	(1,111)	(16,289)	(17,400)
Business combination	-	(7,409)	-	-	(7,409)	4,431	(2,978)
Others	-	229	-	180	409	263	672
Balance as of June 30, 2025	₩ 482,403	22,697,277	178,298	9,225,388	32,583,366	893,675	33,477,041

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

POSCO and its subsidiaries
Interim condensed consolidated statements of cash flows
for each of the six-month periods ended June 30, 2025 and 2024 (unaudited)

(in millions of Won)

	<u>Notes</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Cash flows from operating activities			
Profit	₩	581,110	487,999
Adjustments for :			
Depreciation		1,420,509	1,344,421
Amortization		27,150	49,646
Finance income		(634,309)	(831,361)
Finance costs		785,723	905,049
Income tax expense		225,132	141,725
Impairment loss on property, plant and equipment		66,180	59,430
Gain on disposal of property, plant and equipment		(17,441)	(7,464)
Loss on disposal of property, plant and equipment		50,522	77,585
Impairment loss on intangible assets		11	11
Loss on disposal of intangible assets		10	-
Share of loss of equity accounted investees		4,120	778
Gain on disposal of subsidiaries, associates and joint ventures		(118)	-
Expenses related to post-employment benefit		65,622	59,843
Impairment loss on trade and other receivables		1,179	8,101
Loss on valuation of inventories		69,441	54,886
Increase to provisions		18,669	13,364
Gain on disposal of emission rights		-	(13,343)
Gain on insurance claim		(1,481)	-
Others, net		594	1,594
Changes in operating assets and liabilities	31	100,291	(170,198)
Interest received		80,276	70,862
Interest paid		(304,261)	(309,646)
Dividends received		21,862	19,917
Income taxes paid		(308,137)	(89,814)
Net cash provided by operating activities	₩	<u>2,252,654</u>	<u>1,873,385</u>

(continued)

POSCO and its subsidiaries

Interim condensed consolidated statements of cash flows, continued for each of the six-month periods ended June 30, 2025 and 2024 (unaudited)

(in millions of Won)

	Notes	June 30, 2025	June 30, 2024
Cash flows from investing activities			
Acquisition of short-term financial instruments	₩	(5,904,033)	(3,564,668)
Proceeds from disposal of short-term financial instruments		5,176,827	4,564,230
Increase in loans		(2,114)	(11,922)
Collection of loans		5,710	6,798
Acquisition of securities		(554,492)	(914,553)
Proceeds from disposal of securities		300,423	293,611
Acquisition of investments in associates and joint ventures		(75,761)	-
Proceeds from disposal of investments in associates and joint ventures		118	-
Acquisition of property, plant and equipment		(1,072,965)	(1,924,911)
Proceeds from disposal of property, plant and equipment		(21,468)	(56,885)
Acquisition of intangible assets		(72,973)	(28,416)
Proceeds from disposal of intangible assets		151	13,404
Collection of lease receivables		6,063	5,746
Cash outflows due to business combinations, net of cash acquired		(24,365)	-
Cash inflow from insurance claim		1,481	-
Acquisition of deposits		(6,860)	(5,169)
Collection of deposits		2,323	1,384
Net cash used in investing activities	₩	(2,241,935)	(1,621,351)
Cash flows from financing activities			
Proceeds from borrowings		2,701,173	2,569,173
Repayment of borrowings		(2,091,523)	(1,989,874)
Payment of cash dividends		(341,723)	(595,614)
Repayment of lease liabilities		(55,103)	(55,324)
Decrease in derivatives		133,628	76,360
Acquisition of non-controlling interests		(17,400)	-
Others, net		2,541	(5,800)
Net cash provided by(used in) financing activities	₩	331,593	(1,079)
Effect of exchange rate fluctuation on cash held		(22,103)	11,961
Net increase in cash and cash equivalents		320,209	262,916
Cash and cash equivalents at beginning of the period		2,435,951	2,426,344
Cash and cash equivalents at end of the period	₩	2,756,160	2,689,260

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

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements

June 30, 2025 and 2024 (unaudited)

1. General Information

General information about POSCO (the “Company”), the controlling company in accordance with KIFRS 1110, its 12 domestic subsidiaries including POSCO STEELEON CO., Ltd, 26 foreign subsidiaries including POSCO YAMATO VINA STEEL JOINT STOCK COMPANY and its 15 associates (collectively referred to as the “Group”) is as follows:

(a) The controlling company

POSCO, the controlling 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 June 30, 2025, POSCO is wholly owned by POSCO HOLDINGS INC. (100% ownership).

(b) Consolidated subsidiaries

Details of the Group’s consolidated subsidiaries as of June 30, 2025 and December 31, 2024 are as follows:

		Ownership (%)						Region
		June 30, 2025			December 31, 2024			
		POSCO	Subsidiaries	Total	POSCO	Subsidiaries	Total	
Principal operations								
[Domestic]								
POSCO STEELEON Co., Ltd.(*)1	Coated steel manufacturing	56.87	-	56.87	56.87	-	56.87	Pohang
eNtoB Corporation	Electronic commerce	69.32	-	69.32	69.32	-	69.32	Seoul
POSCO M-TECH(*3, 4)	Packing materials manufacturing and sales	48.85	-	48.85	48.85	-	48.85	Pohang
PNR	Steel by product processing and sales	70.00	-	70.00	70.00	-	70.00	Pohang
POSCO Humans	Business assistance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PS Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PR Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PH Solution	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO GYS Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
POSCO GYR Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
POSCO GY Solution	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
Pohang Scrap Recycling Distribution Center Co., Ltd.(*)2	Steel processing and sales	51.00	-	51.00	-	-	-	Pohang
[Foreign]								
POSCO (Thailand) Company.Ltd	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Thailand
POSCO-MKPC SDN BHD	Steel processing and sales	70.00	-	70.00	70.00	-	70.00	Malaysia
POSCO-India Private Limited	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	India
POSCO-VIETNAM Co., Ltd.	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	Vietnam
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	Steel processing and sales	60.00	-	60.00	60.00	-	60.00	Poland
POSCO Thainox Public Company Limited	STS cold-rolled steel manufacturing and sales	74.56	-	74.56	74.56	-	74.56	Thailand
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	Steel processing and sales	90.00	-	90.00	90.00	-	90.00	China
POSCO-Malaysia SDN. BHD.	Steel processing and sales	81.79	-	81.79	81.79	-	81.79	Malaysia
Myanmar POSCO C&C Company.Limited.	Steel processing and sales	-	70.00	70.00	-	70.00	70.00	Myanmar
POSCO COATED STEEL (THAILAND) CO., LTD.	Automotive steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	Thailand
POSCO ChengDu Processing Center(*3)	Steel processing and sales	33.00	-	33.00	33.00	-	33.00	China
POSCO Philippine Manila Processing Center, Inc.	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Philippines
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Turkiye
POSCO BRAZIL LTDA	Office Administration, Management Consulting	100.00	-	100.00	100.00	-	100.00	Brazil
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	Steel manufacturing and sales	51.00	-	51.00	51.00	-	51.00	Vietnam
Port Hedland Green Steel Pty Ltd	Other iron and steel manufacturing	100.00	-	100.00	100.00	-	100.00	Australia
POSCO MEXICO S.A. DE C.V.	Automotive steel manufacturing and sales	83.28	-	83.28	83.28	-	83.28	Mexico
PT. POSCO INDONESIA JAKARTA PROCESSING CENTER	Steel processing and sales	70.51	-	70.51	70.51	-	70.51	Indonesia
PT. KRAKATAU POSCO(*3)	Steel manufacturing and sales	50.00	-	50.00	50.00	-	50.00	Indonesia
POSCO-Mexico Villagran Wire-rod Processing Center	Steel processing and sales	56.75	-	56.75	56.75	-	56.75	Mexico
PT.KRAKATAU POSCO SOCIAL ENTERPRISE SERVICES INDONESIA	Social enterprise	-	99.91	99.91	-	99.91	99.91	Indonesia
POSCO Maharashtra Steel Private Limited	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	India
POSCO-India Pune Processing Center Private Limited	Steel processing and sales	65.00	35.00	100.00	65.00	-	65.00	India
POSCO ASSAN TST STEEL INDUSTRY Inc.	Steel processing and sales	60.00	-	60.00	60.00	-	60.00	Turkiye
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	Steel processing and sales	93.34	1.98	95.32	93.34	1.98	95.32	India
POSCO-INDIA STEEL DISTRIBUTION CENTER PRIVATE LIMITED	Steel logistics	-	100.00	100.00	-	100.00	100.00	India

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

1. General Information (cont'd)

- (*1) Excluding the treasury shares held as of June 30, 2025, the controlling company's voting rights ownership amounts to 56.96%.
- (*2) Acquired from POSCO INTERNATIONAL Corporation for the six-month period ended June 30, 2025.
- (*3) As of June 30, 2025, the Group classified the entities as subsidiaries, considering additional facts and circumstances, such as the relative size of the voting rights held by the Group, structure of their Board of Directors and the degree of diversification of other voting rights holders, although the Group holds less than half of the voting rights of the entities.
- (*4) Excluding the treasury shares held as of June 30, 2025, the controlling company's voting rights ownership amounts to 48.85%

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

1. General Information (cont'd)

(c) Details of associates

Details of the Group's associates as of June 30, 2025 and December 31, 2024 are as follows:

Investee	Category of business	Ownership (%)		Region
		June 30, 2025	December 31, 2024	
[Domestic]				
DAEHO GLOBAL MANAGEMENT CO., LTD.	Investment advisory service	35.82	35.82	Pohang
Pohang Special Welding Co., Ltd.	Welding material and tools manufacturing and sales	50.00	50.00	Pohang
[Foreign]				
POSK(Pinghu) Steel Processing Center Co., Ltd.	Steel processing and sales	20.00	20.00	China
LLP POSUK TITANIUM	Titanium raw material manufacturing and sales	33.90	33.90	Kazakhstan
POSCO (SUZHOU) STEEL PROCESSING CENTER CO.,LTD.	Steel processing and sales	30.00	30.00	China
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.(*1)	Steel processing and sales	-	23.82	China
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	Steel processing and sales	30.00	30.00	Slovakia
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(*2)	Steel processing and sales	17.50	17.50	China
POSCO Vietnam Processing Center. Co.,Ltd(*2)	Steel processing and sales	9.17	9.17	Vietnam
NS-Thainox Auto Co., Ltd.	STS cold-rolled steel sales and Distribution	49.00	49.00	Thailand
POS-SeAH Steel Wire (Thailand) Co., Ltd.	Steel manufacturing and sales	25.00	25.00	Thailand
SAMHWAN VINA CO., LTD(*2)	Steel manufacturing and sales	17.26	17.26	Vietnam
Brazil Sao Paulo Steel Processing Center	Steel processing and sales	25.00	25.00	Brazil
POSCO-POGGENAMP ELECTRICAL STEEL PRIVATE LIMITED(*3)	Steel processing and sales	-	26.00	India
POSCO INTERNATIONAL INDIA E-MOBILITY	Steel processing and sales	26.00	26.00	India
M RES NSW HCC II Pty Ltd(*4, 5)	Overseas mining investment	80.00	-	Australia

- (*1) Classified as assets held for sale due to the execution of a sales agreement during the six-month period ended June 30, 2025.
- (*2) The Company has determined that it has significant influence over the entities marked above even though the Company's percentage of ownership over such entities is less than 20% considering the composition of board of directors.
- (*3) Excluded from associates due to a disposal during the six-month period ended June 30, 2025.
- (*4) Newly established during the six-month period ended June 30, 2025.
- (*5) The Company has determined that it has significant influence over the entity even though the Company's percentage of ownership is more than 50% considering the composition of the entity's board of directors.

(d) New subsidiaries

Details of the consolidated subsidiary newly included for the six-month period ended June 30, 2025 are as follows:

Company	Date of inclusion	Ownership(%)	Reason
Pohang Scrap Recycling Distribution Center Co., Ltd.	May 2025	51.00%	Acquired from POSCO INTERNATIONAL Corporation

(e) Loss of controls

There are no subsidiaries over which the Group has lost control for the six-month period ended June 30, 2025.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

2. Basis of Preparation

Statement of compliance

POSCO and its subsidiaries (collectively referred to as the “Group”) prepares its statutory interim condensed consolidated 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 consolidated 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 consolidated 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 Group since the last annual consolidated financial statements as of and for the year ended December 31, 2024.

Use of estimates and judgments

(a) Judgments, assumptions and estimation uncertainties

The preparation of the interim condensed consolidated 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.

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

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

2. Basis of Preparation (cont'd)

(b) Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group 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 Group's Audit Committee.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

2. Basis of Preparation (cont'd)

When measuring the fair value of an asset or a liability, the Group 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset 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 Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

3. Summary of Material Accounting Policies

Except as described in KIFRS 1034 *Interim Financial Reporting* and below, the accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended December 31, 2024. The changes in accounting policies described below are expected to be applied to the consolidated financial statements as of and for the year ending December 31, 2025.

Changes in accounting policies

- 1) Amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require the disclosure of information that enables users of the financial statements to understand how the currency that is not exchangeable into another currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. When applying the amendments, the Group is not required to restate comparative information. The amendments are not expected to have any material impact on the Group's interim condensed consolidated financial statements.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

4. Trade Accounts and Notes Receivable

Details of trade accounts and notes receivable as of June 30, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>		June 30, 2025	December 31, 2024
Current			
Trade accounts and notes receivable	₩	4,889,172	4,884,992
Less: Allowance for doubtful accounts		(15,198)	(16,458)
	₩	<u>4,873,974</u>	<u>4,868,534</u>
Non-current			
Trade accounts and notes receivable	₩	35,620	30,078
Less: Present value discount		(1,653)	(316)
Less: Allowance for doubtful accounts		(18,967)	(19,128)
	₩	<u>15,000</u>	<u>10,634</u>

The Group discounted its trade receivables in accordance with factoring agreement entered into with financial institutions for the reporting period. These trade accounts and notes receivable have not been derecognized from the statement of financial position because the Group 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 June 30, 2025 and December 31, 2024, the carrying amount of such secured borrowings before elimination of intercompany transactions are ₩174,816 million and ₩56,079 million, respectively, which are presented in the statements of financial position as short-term borrowings (see Note 14).

POSCO and its subsidiaries**Notes to the interim condensed consolidated financial statements, continued****June 30, 2025 and 2024 (unaudited)****5. Other Receivables**

Details of other receivables as of June 30, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>		June 30, 2025	December 31, 2024
Current			
Loans	₩	23,966	25,683
Other accounts receivable		546,614	647,592
Lease receivables		12,576	12,121
Accured income		155,883	177,763
Others		3,859	3,947
Less: Allowance for doubtful accounts		(3,876)	(3,814)
	₩	<u>739,022</u>	<u>863,292</u>
Non-current			
Loans	₩	49,859	56,452
Other accounts receivable		7,763	9,156
Accured income		195,760	188,089
Deposits		63,320	59,034
Lease receivables		40,308	46,568
Less: Allowance for doubtful accounts		(23,737)	(25,710)
	₩	<u>333,273</u>	<u>333,589</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

6. Other Financial Assets

(a) Details of other financial assets as of June 30, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>		June 30, 2025	December 31, 2024
Current			
Derivative assets	₩	157,238	301,242
Debt securities		656,892	400,000
Deposit instruments(*1)		3,538,817	2,977,402
Short-term financial instruments(*1)		585,767	413,976
	₩	<u>4,938,714</u>	<u>4,092,620</u>
Non-current			
Derivative assets	₩	81,437	453,652
Equity securities		614,796	468,418
Debt securities		-	3,217
Other securities(*2)		10,491	10,091
Deposit instruments(*1)		121	123
Long-term financial instruments(*1)		186	213
	₩	<u>707,031</u>	<u>935,714</u>

(*1) As of June 30, 2025 and December 31, 2024, financial instruments amounting to ₩307 million and ₩369 million, respectively, are restricted in use for financial arrangements, pledge and others.

(*2) As of June 30, 2025 and December 31, 2024, ₩1,323 million and ₩213 million of other securities have been provided as collateral for business of automation of packaging facilities.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

6. Other Financial Assets (cont'd)

(b) Details of equity securities as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)

	June 30, 2025					December 31, 2024	
	Number of shares	Ownership (%)	Acquisition cost	Fair value	Net changes in fair value of equity securities	Book value	Book value
Marketable equity securities							
SAMWONSTEEL Co., Ltd.	5,700,000	14.25	W 14,878	14,592	(286)	14,592	13,367
YODOGAWA STEEL WORKS, LTD.	3,000,000	1.72	13,842	32,282	18,440	32,282	31,522
DONGKUK INDUSTRIES CO., LTD.	2,611,989	4.82	12,852	9,926	(2,926)	9,926	11,571
PT.Krakatau Steel	236,625,000	1.22	6,876	4,872	(2,004)	4,872	2,177
AJUSTEEL Co., Ltd.	510,000	1.93	4,600	2,071	(2,529)	2,071	1,981
dhSteel	1,564,296	7.21	4,224	2,059	(2,165)	2,059	698
Woori Financial Group Inc.	20,280,000	2.73	261,638	455,286	193,648	455,286	311,704
Others (5 companies)			14,616	11,574	(3,042)	11,574	12,731
			333,526	532,662	199,136	532,662	385,751
Non-marketable equity securities							
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 (19 companies)			29,328	26,623	(2,705)	26,623	27,156
			84,839	82,134	(2,705)	82,134	82,667
W			418,365	614,796	196,431	614,796	468,418

POSCO and its subsidiaries**Notes to the interim condensed consolidated financial statements, continued****June 30, 2025 and 2024 (unaudited)**

7. Inventories

Details of inventories as of June 30, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>		June 30, 2025	December 31, 2024
Finished goods	₩	1,886,663	2,178,803
Merchandise		38,222	39,832
Semi-finished goods		1,977,211	2,162,964
Raw materials		2,152,827	2,515,302
Fuel and materials		842,972	790,243
Materials-in-transit		1,376,842	1,791,284
Others		25,127	28,374
		8,299,864	9,506,802
Less: Allowance for inventories valuation(*1)		(69,441)	(59,135)
	₩	8,230,423	9,447,667

(*1) The amounts of loss on valuation of inventories recognized in cost of sales during the six-month period ended June 30, 2025 and the year ended December 31, 2024 are ₩69,441 million and ₩59,135 million, respectively.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

8. Assets held for sales

Details of assets held for sales as of June 30, 2025 are as follows:

(in millions of Won)

		June 30, 2025
Investments in associates(*1)	₩	5,468

(*1) The investment in the associate, SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., was reclassified as an asset held for sale for the six-month period ended June 30, 2025, following a decision to dispose of it.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

9. Investments in Associates and Joint ventures

(a) Details of investments in associates as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)	June 30, 2025				December 31, 2024	
Company	Number of shares	Ownership (%)	Acquisition cost	Book value	Book value	
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	71,648	35.82	₩ 4,108	5,490	4,502	
Pohang Special Welding Co.,Ltd.	400,000	50.00	3,111	4,042	4,121	
			7,219	9,532	8,623	
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.	-	20.00	2,313	879	410	
LLP POSUK TITANIUM	-	33.90	10,068	9,683	11,428	
POSCO SUZHOU PROCESSING CENTER CO.,LTD	-	30.00	2,763	4,583	4,752	
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.(*1)	-	-	-	-	9,932	
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	-	30.00	6,206	3,967	4,151	
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(*2)	-	17.50	2,885	2,711	2,919	
POSCO Vietnam Processing Center. Co.,Ltd(*2)	6,544,366	9.17	12,101	13,389	14,177	
SAMHWAN VINA CO., LTD(*2)	1,890,000	17.26	2,039	5,055	6,838	
M RES NSW HCC II Pty Ltd(*4)	48,000,000	80.00	68,861	64,920	-	
Others (5 companies)			10,429	7,111	7,369	
			117,665	112,298	61,976	
			₩ 124,884	121,830	70,599	

(*1) For the six-month period ended June 30, 2025, it was classified as an asset held for sales due to the execution of a sales agreement.

(*2) As of June 30, 2025, it was classified as an associate even though the Group's ownership percentage is less than 20%, considering the Group's significant influence over the investee when it comes to the composition of its Board of Directors and others.

(*3) As of June 30, 2025, it was classified as an associate even though the Group's ownership percentage is more than 50%, considering the Group's significant influence over the investee when it comes to the composition of its Board of Directors and others.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

9. Investments in Associates and Joint ventures (cont'd)

(b) Changes in investments in associates for the six-month period ended June 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the six-month period ended June 30, 2025

(in millions of Won)

Company		December 31, 2024 Book value	Acquisitions	Dividend received	Share of profits (losses)	Reclassification to assets held for sales	Other increase (decrease)(*1)	June 30, 2025 Book value
[Domestic]								
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	4,502	-	-	61	-	927	5,490
Pohang Special Welding Co., Ltd.		4,121	-	-	(79)	-	-	4,042
		<u>8,623</u>	<u>-</u>	<u>-</u>	<u>(18)</u>	<u>-</u>	<u>927</u>	<u>9,532</u>
[Foreign]								
POSK(Pinghu) Steel Processing Center Co., Ltd.		410	-	-	525	-	(56)	879
LLP POSUK TITANIUM		11,428	-	-	(1,335)	-	(410)	9,683
POSCO (SUZHOU) STEEL PROCESSING CENTER CO., LTD.		4,752	-	-	83	-	(252)	4,583
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD. (*2)		9,932	-	-	(3,737)	(5,468)	(727)	-
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		4,151	-	-	(360)	-	176	3,967
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO., LTD		2,919	-	-	5	-	(213)	2,711
POSCO Vietnam Processing Center. Co., Ltd		14,177	-	(163)	314	-	(939)	13,389
SAMHWAN VINA CO., LTD		6,838	-	(1,001)	186	-	(968)	5,055
M RES NSW HCC II Pty Ltd		-	68,861	-	-	-	(3,941)	64,920
Others (5 companies)		<u>7,369</u>	<u>-</u>	<u>-</u>	<u>217</u>	<u>-</u>	<u>(475)</u>	<u>7,111</u>
		<u>61,976</u>	<u>68,861</u>	<u>(1,164)</u>	<u>(4,102)</u>	<u>(5,468)</u>	<u>(7,805)</u>	<u>112,298</u>
₩		<u>70,599</u>	<u>68,861</u>	<u>(1,164)</u>	<u>(4,120)</u>	<u>(5,468)</u>	<u>(6,878)</u>	<u>121,830</u>

(*1) Other increase (decrease) represents the changes in investments in associates and joint ventures due to its share of changes in other comprehensive income of the investees for the six-month period ended June 30, 2025.

(*2) For the six-month period ended June 30, 2025, it was classified as an asset held for sales due to the execution of a sales agreement.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

9. Investments in Associates and Joint ventures (cont'd)

2) For the year ended December 31, 2024

(in millions of Won)

Company		December 31, 2023 Book value	Acquisitions	Dividend received	Share of profits (losses)	Other increase (decrease)(*1)	December 31, 2024 Book value
[Domestic]							
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	3,943	-	-	460	99	4,502
Pohang Special Welding Co.,Ltd.		4,221	-	-	(93)	(7)	4,121
		8,164	-	-	367	92	8,623
[Foreign]							
POSK(Pinghu) Steel Processing Center Co., Ltd.		1,041	-	-	(725)	94	410
LLP POSUK TITANIUM		10,420	-	-	270	738	11,428
POSCO SUZHOU PROCESSING CENTER CO.,LTD		2,382	-	-	2,039	331	4,752
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.(*2)		21,998	-	-	(13,857)	1,791	9,932
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		2,760	-	-	(43)	202	2,919
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD		4,719	-	-	(896)	328	4,151
POSCO Vietnam Processing Center. Co.,Ltd		12,255	-	-	452	1,470	14,177
SAMHWAN VINA CO., LTD		5,816	-	-	502	520	6,838
Others (5 companies)		5,419	540	-	(21)	1,431	7,369
		66,810	540	-	(12,279)	6,905	61,976
₩		74,974	540	-	(11,912)	6,997	70,599

(*1) Other increase (decrease) represents the changes in investments in associates and joint ventures due to its share of changes in other comprehensive income of the investees for the year ended December 31, 2024.

(*2) As a result of the impairment test, the Group recognized ₩6,358 million of impairment loss.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

9. Investments in Associates and Joint ventures (cont'd)

(c) The summarized financial information on associates as of and for the six-month period ended June 30, 2025 and the year ended December 31, 2024 is as follows:

1) For the six-month period ended June 30, 2025

(in millions of Won)

Company		Assets	Liabilities	Equity	Sales	Net income (loss)
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	21,158	269	20,889	-	170
Pohang Special Welding Co., Ltd.		10,318	2,749	7,569	2,868	(158)
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.		6,543	1,159	5,384	4,393	2,623
LLP POSUK TITANIUM		70,478	57,635	12,843	201	(3,939)
POSCO (SUZHOU) STEEL PROCESSING CENTER CO., LTD.		13,286	34	13,252	-	278
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO., LTD		29,958	10,954	19,004	25,943	30
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		47,159	32,875	14,284	37,215	(962)
POSCO Vietnam Processing Center. Co., Ltd		258,257	133,274	124,983	289,437	3,998
SAMHWAN VINA CO., LTD		25,507	1,786	23,721	14,016	997

2) For the year ended December 31, 2024

(in millions of Won)

Company		Assets	Liabilities	Equity	Sales	Net income (loss)
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	18,400	269	18,131	-	1,284
Pohang Special Welding Co., Ltd.		10,073	2,346	7,727	6,021	(187)
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.		4,478	1,435	3,043	782	(3,623)
LLP POSUK TITANIUM		71,619	53,748	17,871	36,385	796
POSCO (SUZHOU) STEEL PROCESSING CENTER CO., L		15,095	1,280	13,815	11,565	6,797
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.		98,195	37,710	60,485	104,495	(31,480)
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO., LTD		29,090	8,911	20,179	59,552	(248)
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		41,208	26,533	14,675	74,377	(3,415)
POSCO Vietnam Processing Center. Co., Ltd		267,778	134,759	133,019	637,594	5,307
SAMHWAN VINA CO., LTD		33,551	2,413	31,138	39,324	3,636

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

10. Investment Property, Net

Changes in the carrying amounts of investment property for the six-month period ended June 30, 2025 and the year ended December 31, 2024 are as follows:

(a) For the six-month period ended June 30, 2025

<i>(in millions of Won)</i>		Beginning	Depreciation(*1)	Others(*2)	Ending
Land	₩	81	-	-	81
Buildings		3,977	(175)	-	3,802
Structures		978	(44)	-	934
Right-of-use assets		50,026	(14,464)	3,322	38,884
	₩	55,062	(14,683)	3,322	43,701

(*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 assets provided under sublease by the consolidated entity.

(b) For the year ended December 31, 2024

<i>(in millions of Won)</i>		Beginning	Depreciation(*1)	Others(*2)	Ending
Land	₩	81	-	-	81
Buildings		4,328	(351)	-	3,977
Structures		1,065	(87)	-	978
Right-of-use assets		75,072	(27,018)	1,972	50,026
	₩	80,546	(27,456)	1,972	55,062

(*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 assets provided under sublease by the consolidated entity.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

11. Property, Plant and Equipment, Net

(a) Changes in the carrying amounts of property, plant and equipment for the six-month period ended June 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the six-month period ended June 30, 2025

<i>(in millions of Won)</i>		Beginning	Acquisitions	Business Combination	Disposals	Depreciation	Impairment(*1)	Others(*2)	Ending
Land	₩	1,900,497	-	7,418	(14)	-	-	(25,620)	1,882,281
Buildings		2,704,191	1,018	1,270	(1,773)	(129,346)	(280)	481,084	3,056,164
Structures		2,803,879	586	1,499	(95)	(126,758)	(5,439)	106,750	2,780,422
Machinery and equipment		14,343,738	16,333	5,445	(8,505)	(1,052,952)	(52,377)	983,463	14,235,145
Vehicles		49,868	1,329	-	(285)	(13,728)	-	3,746	40,930
Tools		57,638	3,182	24	(44)	(11,377)	-	902	50,325
Furniture and fixtures		89,083	3,055	19	(63)	(23,097)	(3)	49,244	118,238
Right-of-use assets		635,656	8,876	-	(3,994)	(48,568)	-	(18,897)	573,073
Construction-in-progress		2,610,766	964,637	-	(7)	-	(8,081)	(1,892,819)	1,674,496
	₩	25,195,316	999,016	15,675	(14,780)	(1,405,826)	(66,180)	(312,147)	24,411,074

(*1) For the six-month period ended June 30, 2025, the Group recognized an impairment loss of ₩66,180 million on individual assets, including the 3FINEX factory in Pohang, which was shut down due to renovation, based on the estimated recoverable amount at net fair value.

(*2) Others represent assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, reclassifications resulting from changes in the purpose of use, adjustments of foreign currency translation differences and others.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

11. Property, Plant and Equipment, Net (cont'd)

2) For the year ended December 31, 2024

(in millions of Won)		Beginning	Acquisitions	Business Combination	Disposals	Depreciation	Impairment(*1)	Others(*2)	Ending
Land	₩	1,780,406	-	36,363	(130)	-	-	83,858	1,900,497
Buildings		2,454,512	1,375	210,065	(528)	(234,934)	(10,390)	284,091	2,704,191
Structures		2,330,140	4,597	50,627	(3,777)	(237,531)	(16,701)	676,524	2,803,879
Machinery and equipment		13,132,289	57,852	361,614	(21,889)	(2,037,558)	(178,800)	3,030,230	14,343,738
Vehicles		40,918	4,611	3,554	(347)	(27,384)	-	28,516	49,868
Tools		52,893	7,477	4,481	(210)	(21,164)	(24)	14,185	57,638
Furniture and fixtures		95,364	7,573	4,986	(889)	(36,982)	(216)	19,247	89,083
Right-of-use assets		637,589	30,675	27,493	(4,144)	(88,210)	-	32,253	635,656
Construction-in-progress		3,077,468	3,261,280	2,226	(1,587)	-	(17,718)	(3,710,903)	2,610,766
	₩	23,601,579	3,375,440	701,409	(33,501)	(2,683,763)	(223,849)	458,001	25,195,316

(*1) The Group estimated the recoverable amount after calculating the net fair value of individual assets whose operation was suspended due to operation plan changes, such as steelmaking plant no. 1 and blast furnace no. 4 in Pohang, and recognized an impairment loss of ₩223,849 million for property, plant and equipment for the year ended December 31, 2024.

(*2) Others represent assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, reclassifications resulting from changes in the purpose of use, adjustments of foreign currency translation differences and others.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

11. Property, Plant and Equipment, Net (cont'd)

- (b) Changes in the carrying amounts of right-of-use assets presented as property, plant and equipment and investment property for the six-month period ended June 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the six-month period ended June 30, 2025

(in millions of Won)		Beginning	Acquisitions	Depreciation	Others	Ending
Land	₩	61,959	7	(850)	(4,825)	56,291
Buildings and structures		196,076	10,654	(35,834)	(1,328)	169,568
Machinery and equipment		242,908	89	(13,777)	(15,730)	213,490
Vehicles		9,205	1,210	(2,186)	(175)	8,054
Ships		160,002	-	(8,025)	-	151,977
Others		15,532	239	(2,360)	(834)	12,577
	₩	<u>685,682</u>	<u>12,199</u>	<u>(63,032)</u>	<u>(22,892)</u>	<u>611,957</u>

2) For the year ended December 31, 2024

(in millions of Won)		Beginning	Acquisitions	Business Combination	Depreciation	Others	Ending
Land	₩	52,186	-	6,157	(1,124)	4,740	61,959
Buildings		236,687	16,465	525	(62,475)	4,874	196,076
Machinery and equipment		224,120	2,171	19,801	(25,042)	21,858	242,908
Vehicles		10,361	3,115	185	(4,977)	521	9,205
Ships		176,687	-	-	(16,685)	-	160,002
Others		12,620	8,924	825	(4,926)	(1,911)	15,532
	₩	<u>712,661</u>	<u>30,675</u>	<u>27,493</u>	<u>(115,229)</u>	<u>30,082</u>	<u>685,682</u>

- (c) The amounts recognized in profit or loss related to leases for each of the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

(in millions of Won)		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2025	2024	2025	2024
Interest on lease liabilities	₩	11,605	12,770	25,030	25,753
Expenses relating to short-term leases		2,854	4,689	5,866	9,241
Expenses relating to leases of low-value assets		1,452	2,209	2,925	4,253
	₩	<u>15,911</u>	<u>19,668</u>	<u>33,821</u>	<u>39,247</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

12. Intangible Assets, Net

Changes in the carrying amounts of intangible assets for the six-month period ended June 30, 2025 and the year ended December 31, 2024 are as follows:

(a) For the six-month period ended June 30, 2025

<i>(in millions of Won)</i>		Beginning	Acquisitions	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩	20,663	4	-	(3,170)	-	2,148	19,645
Membership(*1)		85,902	-	(98)	-	(11)	99	85,892
Development expense		69,340	538	-	(13,169)	-	6,917	63,626
Port facilities usage rights		167,373	-	-	(7,400)	-	-	159,973
Construction-in-progress		106,029	66,218	(1)	-	-	(9,941)	162,305
Other intangible assets		17,685	1,324	(3)	(3,411)	-	654	16,249
	₩	466,992	68,084	(102)	(27,150)	(11)	(123)	507,690

(*1) The useful economic life of membership is indefinite.

(*2) Others represent assets transferred from construction-in-progress to intangible assets and adjustments of foreign currency translation difference and others.

(b) For the year ended December 31, 2024

<i>(in millions of Won)</i>		Beginning	Acquisitions	Business Combination	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩	15,782	197	-	(235)	(8,581)	-	13,500	20,663
Membership(*1)		85,803	68	-	(64)	-	(11)	106	85,902
Development expense		100,261	5,073	-	(22)	(58,089)	(597)	22,714	69,340
Port facilities usage rights		182,173	-	-	-	(14,800)	-	-	167,373
Construction-in-progress		47,954	95,388	-	(36)	-	-	(37,277)	106,029
Other intangible assets		15,647	926	589	(24)	(6,202)	-	6,749	17,685
	₩	447,620	101,652	589	(381)	(87,672)	(608)	5,792	466,992

(*1) The useful economic life of membership is indefinite.

(*2) Others represents assets transferred from construction-in-progress to intangible assets and adjustments of foreign currency translation difference and others.

POSCO and its subsidiaries**Notes to the interim condensed consolidated financial statements, continued****June 30, 2025 and 2024 (unaudited)**

13. Other Assets

Details of other assets as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)

		<u>June 30, 2025</u>	<u>December 31, 2024</u>
Current			
Advance payments	₩	46,114	22,273
Prepaid expenses		90,325	122,878
Others		1,020	542
	₩	<u>137,459</u>	<u>145,693</u>
Non-current			
Long-term advance payments	₩	128	380
Long-term prepaid expenses		4,061	5,421
Others		6,261	29,046
	₩	<u>10,450</u>	<u>34,847</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

14. Borrowings

- (a) Details of short-term borrowings and current portion of long-term borrowings and others as of June 30, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>	Lenders	Maturity date	Interest rate (%)		June 30, 2025	December 31, 2024
Short-term borrowings						
Bank overdrafts	JP Morgan	July, 2025~ May, 2026	3.65 ~ 6.6	₩	44,902	67,328
Short-term borrowings(*1)	HSBC and others	July, 2025~ June, 2026	1.66 ~ 7.05		1,436,831	1,076,198
					<u>1,481,733</u>	<u>1,143,526</u>
Current portion of long-term liabilities						
Current portion of long-term borrowings	POSCO-ASIA	April, 2026~ May, 2026	2.79~3.6		79,350	5,351
Current portion of debentures	Global debentures 8-1st and others	July, 2025~ January, 2026	4.04~5.63		2,998,960	2,375,800
Less: Current portion of discount on debentures issued					(2,875)	(2,473)
					<u>3,075,435</u>	<u>2,378,678</u>
				₩	<u>4,557,168</u>	<u>3,522,204</u>

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

- (b) Details of long-term borrowings, excluding current portion and others, as of June 30, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>	Lenders	Maturity date	Interest rate (%)		June 30, 2025	December 31, 2024
Long-term borrowings	Korea Development Bank and others	July, 2026~ December, 2032	3.25 ~ 6.36	₩	606,883	840,994
Less: Present value discount Bonds Debentures	Global debentures 8-2nd and others	July, 2026~ January, 2033	1.72 ~ 6.38		(5,972)	(7,599)
					5,717,920	6,515,000
Less: Discount on debentures issued					(26,611)	(35,793)
				₩	<u>6,292,220</u>	<u>7,312,602</u>

- (c) Details of assets pledged as collateral with regards to the borrowings as of June 30, 2025 are as follows:

<i>(in millions of Won)</i>	Lenders	Book value	Pledged amount
Property, plant and equipment	Korea Development Bank and others	₩ 598,532	715,085
Trade accounts and notes receivable	Shinhan Card and others	174,816	174,816
		<u>₩ 773,348</u>	<u>889,901</u>

POSCO and its subsidiaries**Notes to the interim condensed consolidated financial statements, continued****June 30, 2025 and 2024 (unaudited)**

15. Other Payables

Details of other payables as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)

		June 30, 2025	December 31, 2024
Current			
Accounts payable	₩	590,206	830,852
Accrued expenses		850,952	800,276
Lease liabilities		112,569	113,023
Withholdings		23,727	20,711
	₩	<u>1,577,454</u>	<u>1,764,862</u>
Non-current			
Accounts payable	₩	836	1,109
Accrued expenses		1,833	1,848
Lease liabilities		546,494	632,592
Long-term withholdings		972	1,314
	₩	<u>550,135</u>	<u>636,863</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

16. Provisions

(a) Details of provisions as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		June 30, 2025		December 31, 2024	
		Current	Non-current	Current	Non-current
Provision for bonus payments	₩	28,073	50,683	29,274	51,143
Provision for restoration(*1)		3,004	1,006	2,977	977
Emission liabilities(*2)		797	-	542	-
Provision for product warranties(*3)		19,298	4,025	17,844	3,599
Provision for legal contingencies and claims(*4)		1,229	32,211	652	32,211
Others(*5)		4,501	41	-	-
	₩	<u>56,902</u>	<u>87,966</u>	<u>51,289</u>	<u>87,930</u>

(*1) As of June 30, 2025, due to contamination of certain factory sites in the Group's Pohang works, the Group recognized the estimated cost for recovery as provisions for restoration. In order to determine the estimated costs, the Group has assumed that it would use all of technologies and materials which are currently available to recover the land.

(*2) The Group has recognized liabilities for the amount of greenhouse gas emissions expected to exceed its greenhouse gas allowances allocated free of charge.

(*3) As of June 30, 2025, the Group recognized the claim cost expected to be charged as a provision.

(*4) As of June 30, 2025, the Group recognized a provision for lawsuits.

(*5) As of June 30, 2025, the Group recognized the expected sales incentives payable to customers as a provision.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

16. Provisions (cont'd)

(b) Changes in provisions for the six-month period ended June 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the six-month period ended June 30, 2025

(in millions of Won)

		Beginning	Increase	Utilization	Reversal	Others	Ending
Provision for bonus payments	₩	80,417	15,913	(10,649)	(6,185)	(740)	78,756
Provision for restoration		3,954	43	-	-	13	4,010
Emission liabilities		542	265	(10)	-	-	797
Provision for product warranties		21,443	13,185	(11,305)	-	-	23,323
Provision for legal contingencies and claims		32,863	677	(18)	-	(82)	33,440
Others		-	4,501	-	-	41	4,542
	₩	<u>139,219</u>	<u>34,584</u>	<u>(21,982)</u>	<u>(6,185)</u>	<u>(768)</u>	<u>144,868</u>

2) For the year ended December 31, 2024

(in millions of Won)

		Beginning	Increase	Utilization	Reversal	Business Combination	Others	Ending
Provision for bonus payments	₩	55,629	88,626	(37,560)	(27,024)	105	641	80,417
Provision for restoration		6,362	244	(1,012)	(1,640)	-	-	3,954
Emission liabilities		370	531	(359)	-	-	-	542
Provision for product warranties		23,780	10,572	(12,909)	-	-	-	21,443
Provision for legal contingencies and claims		516	32,211	(47)	-	135	48	32,863
Others		-	9,237	(9,237)	-	-	-	-
	₩	<u>86,657</u>	<u>141,421</u>	<u>(61,124)</u>	<u>(28,664)</u>	<u>240</u>	<u>689</u>	<u>139,219</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (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 six-month periods ended June 30, 2025 and 2024 are as follows:

(in millions of Won)	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2025	2024	2025	2024
Expense related to post-employment benefit plans under defined contribution plans	₩ 17,021	11,809	28,391	26,121

(b) Defined benefit plans

- 1) The amounts recognized in relation to net defined benefit assets in the consolidated statements of financial position as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		June 30, 2025	December 31, 2024
Present value of funded obligations	₩	1,434,512	1,473,467
Fair value of plan assets(*1)		(1,635,203)	(1,717,646)
Present value of non-funded obligations		25,712	26,171
Net defined benefit assets	₩	(174,979)	(218,008)

(*1) As of June 30, 2025 and December 31, 2024, the Company recognized net defined benefit assets amounting to ₩207,685 million and ₩242,940 million, respectively, since there are consolidated entities whose fair value of plan assets exceeded the present value of defined benefit obligations.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

17. Employee Benefits (cont'd)

- 2) Changes in present value of defined benefit obligations for each of the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		June 30, 2025	June 30, 2024
Defined benefit obligation at the beginning of period	₩	1,499,638	1,383,973
Current service costs		70,601	67,534
Interest costs		25,369	26,418
Remeasurement		2,951	265
Benefits paid		(136,946)	(122,102)
Business combination		656	-
Others		(2,045)	(65)
Defined benefit obligation at the end of period	₩	1,460,224	1,356,023

- 3) Changes in fair value of plan assets for each of the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		June 30, 2025	June 30, 2024
Fair value of plan assets at the beginning of period	₩	1,717,646	1,681,398
Interest on plan assets		30,348	34,109
Remeasurement of plan assets		3,196	7,183
Contributions to plan assets		4,000	58,360
Benefits paid		(120,274)	(101,766)
Business combination		720	-
Others		(433)	(612)
Fair value of plan assets at the end of period	₩	1,635,203	1,678,672

- 4) The amounts related to net defined benefit plans recognized in the consolidated statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2025	2024	2025	2024
Current service costs	₩	35,965	32,491	70,601	67,534
Net interest costs		(2,309)	(3,280)	(4,979)	(7,691)
	₩	33,656	29,211	65,622	59,843

POSCO and its subsidiaries**Notes to the interim condensed consolidated financial statements, continued****June 30, 2025 and 2024 (unaudited)****18. Other Liabilities**

Details of other liabilities as of June 30, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>		June 30, 2025	December 31, 2024
Current			
Advances received	₩	33,744	60,132
Unearned revenue		62,549	81,086
Withholdings		49,968	72,745
Others		39	45
	₩	<u>146,300</u>	<u>214,008</u>
Non-current			
Unearned revenue	₩	1,034	1,380
Others		29	92
	₩	<u>1,063</u>	<u>1,472</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

19. Financial Instruments

(a) Classification and fair value of financial instruments

- 1) The carrying amounts and the fair values of financial assets and financial liabilities by fair value hierarchy as of June 30, 2025 and December 31, 2024 are as follows:

① June 30, 2025

(in millions of Won)

(in millions of Won)

		Book value	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets						
Fair value through profit or loss						
Derivative assets	₩	238,675	-	238,675	-	238,675
Short term financial instruments		585,767	-	585,767	-	585,767
Long term financial instruments		186	-	186	-	186
Equity securities		35,540	-	-	35,540	35,540
Other securities		10,491	-	-	10,491	10,491
Fair value through other comprehensive income						
Equity securities		579,255	532,662	-	46,593	579,255
Financial assets measured at amortized cost(*1)						
Cash and cash equivalents		2,756,160	-	-	-	-
Trade accounts and notes receivable		4,886,304	-	-	-	-
Other receivables		767,399	-	-	-	-
Debt securities		656,892	-	-	-	-
Deposit instruments		3,538,938	-	-	-	-
	₩	14,055,607	532,662	824,628	92,624	1,449,914
Financial liabilities						
Financial liabilities measured at amortized cost(*1)						
Trade accounts and notes payable	₩	3,272,662	-	-	-	-
Borrowings		10,849,388	-	11,079,071	-	11,079,071
Others		1,676,179	-	-	-	-
	₩	15,798,229	-	11,079,071	-	11,079,071

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

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

19. Financial Instruments (cont'd)

② December 31, 2024

(in millions of Won)

(in millions of Won)		Fair value				
		Book value	Level 1	Level 2	Level 3	Total
Financial assets						
Fair value through profit or loss						
Derivative assets	₩	754,894	-	754,894	-	754,894
Short term financial instruments		413,976	-	413,976	-	413,976
Long term financial instruments		213	-	213	-	213
Debt securities		3,217	-	-	3,217	3,217
Equity securities		35,541	-	-	35,541	35,541
Other securities		10,091	-	-	10,091	10,091
Fair value through other comprehensive income						
Equity securities		432,877	385,750	-	47,127	432,877
Financial assets measured at amortized cost(*1)						
Cash and cash equivalents		2,435,951	-	-	-	-
Trade accounts and notes receivable		4,867,571	-	-	-	-
Other receivables		753,880	-	-	-	-
Debt securities		400,000	-	-	-	-
Deposit instruments		2,977,524	-	-	-	-
	₩	13,085,735	385,750	1,169,083	95,976	1,650,809
Financial liabilities						
Financial liabilities measured at amortized cost(*1)						
Trade accounts and notes payable	₩	4,186,525	-	-	-	-
Borrowings		10,834,806	-	11,032,896	-	11,032,896
Others		2,178,243	-	-	-	-
	₩	17,199,574	-	11,032,896	-	11,032,896

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

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

19. Financial Instruments (cont'd)

- 2) Details of contingent liabilities on outstanding guarantees provided by the Group as of June 30, 2025 are as follows:

(in millions of Won)			Guarantee limit		Guarantee amount		
Guarantor	Guarantee beneficiary	Financial institution	Foreign currency	Won equivalent	Foreign currency	Won equivalent	
[The company]							
POSCO	POSCO-VIETNAM Co., Ltd.	Shinhan Bank	USD	45,000,000	61,038	12,272,727	16,647
		HSBC	USD	40,000,000	54,256	10,909,091	14,797
		Citi	USD	25,000,000	33,910	6,818,182	9,248
	POSCO COATED STEEL (THAILAND) CO., LTD.	Citi	THB	800,000,000	33,248	296,000,000	12,302
		HSBC	THB	800,000,000	33,248	296,000,000	12,302
		Mizuho	THB	800,000,000	33,248	296,000,000	12,302
		MUFG	THB	800,000,000	33,248	296,000,000	12,302
		SC	THB	800,000,000	33,248	296,000,000	12,302
		SUMITOMO	THB	800,000,000	33,248	296,000,000	12,302
	POSCO ASSAN TST STEEL INDUSTRY	Citi	USD	46,900,000	63,615	42,145,620	57,166
		Shinhan Bank	USD	44,800,000	60,767	40,352,190	54,734
		Woori Bank	USD	44,800,000	60,767	40,352,190	54,734
	POSCO STEELEON CO.,LTD.	Myanmar POSCO C&C Company, Limited.	POSCO Asia Co., Ltd.	USD	16,784,336	22,766	13,986,947
[Associates]							
POSCO	LLP POSUK TITANIUM	Shinhan Bank	USD	12,750,000	17,294	12,750,000	17,294
[Others]							
POSCO Maharashtra Steel Private Limited	REGIONAL OFFICER MAHARASHTRA(MPCB)	HSBC	INR	5,000,000	80	5,000,000	80
	Gail India	DB	INR	571,403,162	9,068	571,403,162	9,068
	MAHARASHTRA POLLUTION CONTROL BOARD	DB	INR	500,000	8	500,000	8
POSCO COATED STEEL (THAILAND) CO., LTD.		HSBC	INR	2,500,000	40	2,500,000	40
	MAHARASHTRA STATE ELECTRICITY	HSBC	INR	685,333,619	10,876	685,333,619	10,876
	AMATA B.GRIMM POWER (RAYONG) 5 LIMITED	SC	THB	16,114,000	670	16,114,000	670
	AMATA NATURAL GAS DISTRIBUTION COMPANY LIMITED	SC	THB	38,500,000	1,600	38,500,000	1,600
	BUREAU OF INDIAN STANDARDS (BIS)	SC	USD	20,000	28	20,000	28
			USD	276,054,336	374,441	179,606,947	243,620
			THB	4,854,614,000	201,758	1,830,614,000	76,082
		INR	1,264,736,781	20,072	1,264,736,781	20,072	

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

19. Financial Instruments (cont'd)

- 3) Details of finance income and costs by category of financial instrument for each of the six-month periods ended June 30, 2025 and 2024 are as follows:

- ① For the six-month period ended June 30, 2025

(in millions of Won)

		Finance income and costs						Other comprehensive income
		Interest income (expense)	Gain on valuation	Gain and loss on foreign currency	Gain and loss on disposal	Dividend income	Others	
Financial assets at fair value through profit or loss	₩	75	(1,333)	-	17,756	-	(39)	16,459
Derivative assets		-	(350,689)	-	(3,043)	-	-	(353,732)
Financial assets at fair value through other comprehensive income		-	-	-	-	20,698	-	20,698
Financial assets measured at amortized cost		102,219	-	(170,751)	-	-	(3,908)	(72,440)
Derivative liabilities		-	-	-	534	-	-	534
Financial liabilities measured at amortized cost		(307,865)	-	501,313	-	-	(1,611)	191,837
	₩	(205,571)	(352,022)	330,562	15,247	20,698	(5,558)	(196,644)
								108,127

- ② For the six-month period ended June 30, 2024

(in millions of Won)

		Finance income and costs						Other comprehensive income
		Interest income (expense)	Gain on valuation	Gain and loss on foreign currency	Gain and loss on disposal	Dividend income	Others	
Financial assets at fair value through profit or loss	₩	75	57,339	-	44,277	-	(662)	101,029
Derivative assets		-	370,909	-	11,728	-	-	382,637
Financial assets at fair value through other comprehensive income		-	-	-	-	19,032	-	19,032
Financial assets measured at amortized cost		76,370	-	257,859	(30)	-	-	334,199
Derivative liabilities		-	54,955	-	373	-	-	55,328
Financial liabilities measured at amortized cost		(289,829)	-	(680,446)	-	-	(2,074)	(972,349)
	₩	(213,384)	483,203	(422,587)	56,348	19,032	(2,736)	(80,124)
								33,326

(b) Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk arising from financial assets and liabilities. The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as of December 31, 2024.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

20. Share Capital and Capital Surplus

(a) Details of share capital as of June 30, 2025 and December 31, 2024 are as follows:

<i>(share, in Won)</i>		June 30, 2025	December 31, 2024
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 June 30, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>		June 30, 2025	December 31, 2024
Share premium	₩	24,222,056	24,222,056
Other capital surplus		(1,524,779)	(1,516,488)
	₩	<u>22,697,277</u>	<u>22,705,568</u>

21. Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of June 30, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>		June 30, 2025	December 31, 2024
Accumulated comprehensive income of investments in associates	₩	828	6,977
Changes in fair value of equity investments at fair value through other comprehensive income		143,869	35,743
Foreign currency translation differences		33,601	199,346
	₩	<u>178,298</u>	<u>242,066</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

22. Revenue

- (a) Details of revenues disaggregated by types of revenue and timing of revenue recognition for each of the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

		For the three-month periods ended June 30		For the six-month periods ended June 30	
(in millions of Won)		2025	2024	2025	2024
Types of revenue					
Revenue from sales of goods	₩	10,674,071	10,594,665	21,504,906	21,484,563
Revenue from services		373,323	358,544	753,743	682,156
Others		47,184	67,307	88,304	113,902
	₩	11,094,578	11,020,516	22,346,953	22,280,621
Timing of revenue recognition					
Revenue recognized at a point in time	₩	10,719,054	10,659,083	21,588,639	21,593,405
Revenue recognized over time		375,524	361,433	758,314	687,216
	₩	11,094,578	11,020,516	22,346,953	22,280,621

- (b) Details of contract assets and liabilities from contracts with customers as of June 30, 2025 and December 31, 2024 are as follows:

		June 30, 2025	December 31, 2024
<i>(in millions of Won)</i>			
Receivables			
Account receivables	₩	4,884,402	4,868,903
Contract assets			
Account receivables		4,572	10,265
Contract liabilities			
Advance received		33,744	60,192
Unearned income		63,583	82,467

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

23. Selling and Administrative Expenses

(a) Other administrative expenses

Details of other administrative expenses for each of the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

(in millions of Won)		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2025	2024	2025	2024
Wages and salaries	₩	96,805	84,217	206,033	178,570
Expenses related to post-employment benefits		7,471	7,313	14,235	15,809
Other employee benefits		26,094	23,509	49,548	45,997
Travel		3,718	3,244	7,282	6,443
Depreciation		15,330	13,278	31,489	26,552
Amortization		6,628	8,786	13,397	15,705
Communication		2,562	2,670	5,199	5,281
Electricity		1,043	1,004	2,153	2,001
Taxes and public dues		5,116	4,052	11,698	7,383
Rental		14,975	15,237	39,783	36,589
Repairs		2,745	3,216	4,643	5,723
Entertainment		625	616	1,419	1,573
Advertising		14,008	14,783	24,959	25,813
Research & development		5,832	7,123	11,636	13,993
Service fees		68,403	67,524	143,453	139,629
Vehicles maintenance		1,056	530	2,114	1,332
Industry associaton fee		2,003	1,651	3,207	2,408
Conference		1,759	1,734	3,640	3,302
Increase to provisions		(63)	-	-	-
Impairment loss on trade and other receivables		699	1,016	370	3,700
Others		11,965	11,249	20,588	22,009
	₩	<u>288,774</u>	<u>272,752</u>	<u>596,846</u>	<u>559,812</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

23. Selling and Administrative Expenses (cont'd)

(b) Selling expenses

Details of selling expenses for each of the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

(in millions of Won)		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2025	2024	2025	2024
Freight and custody expenses	₩	42,478	38,863	86,870	79,878
Operating expenses for distribution center		1,376	1,397	2,692	2,448
Sales commissions		25,615	22,472	50,099	48,025
Sales advertising		318	200	408	358
Sales promotion		1,772	1,135	3,547	2,071
Sample		411	366	625	787
Sales insurance premium		3,043	1,745	5,631	3,790
Sales Order Acquisition Expenses		432	218	763	218
Others		3,260	1,972	6,715	4,147
	₩	<u>78,705</u>	<u>68,368</u>	<u>157,350</u>	<u>141,722</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

24. Finance Income and Costs

Details of finance income and costs for each of the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

(in millions of Won)	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2025	2024	2025	2024
Finance income				
Interest income(*1)	₩ 47,965	39,025	102,329	76,444
Gain on foreign currency transactions	127,830	113,560	221,383	221,900
Gain on foreign currency translations	380,825	85,683	490,114	195,193
Gain on transactions of derivatives	534	-	534	15,072
Gain on valuation of derivatives	(48,457)	177,791	54	425,864
Gain on disposal of financial assets at fair value through profit or loss	12,356	32,975	17,757	44,277
Gain on valuation of financial assets at fair value through profit or loss	322	14,233	2,822	57,339
Others	5,522	4,791	20,699	19,326
	₩ 526,897	468,058	855,692	1,055,415
Finance costs				
Interest expenses	₩ 147,297	144,281	307,901	289,829
Loss on foreign currency transactions	146,336	113,012	260,480	224,465
Loss on foreign currency translations	23,330	277,232	120,454	615,216
Loss on transactions of derivatives	-	-	3,043	2,971
Loss on valuation of derivatives	350,709	-	350,743	-
Loss on valuation of financial assets at fair value through profit or loss	4,155	-	4,155	-
Others	620	2,075	5,559	3,063
	₩ 672,447	536,600	1,052,335	1,135,544

(*1) Interest income calculated using the effective interest method for each of the six-month periods ended June 30, 2025 and 2024 is ₩99,532 million and ₩67,755 million, respectively.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

25. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for each of the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2025	2024	2025	2024
<i>(in millions of Won)</i>					
Other non-operating income					
Gain on disposals of investment in subsidiaries, associates and joint ventuere	₩	-	-	118	-
Gain on disposals of property, plant and equipment		16,677	2,686	17,441	7,464
Gain on disposals of emission rights		-	10,373	-	13,343
Reversal of other provisions		-	-	-	1,640
Premium income		1,077	311	1,506	394
Others		6,841	16,156	19,581	21,132
	₩	<u>24,595</u>	<u>29,526</u>	<u>38,646</u>	<u>43,973</u>
Other non-operating expenses					
Loss on disposals of property, plant and equipment	₩	39,438	38,239	50,522	77,585
Impairment loss on property, plant and equipment		16,706	18,660	66,180	59,430
Impairment loss on intangible assets		-	-	11	11
Expenses of assets not in use		1,068	746	2,363	2,180
Donations		2,959	10,160	22,570	28,923
Other amortization expense		432	3,665	809	4,402
Others		4,938	7,831	9,558	13,937
	₩	<u>65,541</u>	<u>79,301</u>	<u>152,013</u>	<u>186,468</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (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 consolidated statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2025 and 2024 are as follows (excluding finance costs and income tax expense):

(in millions of Won)	ended June 30		ended June 30	
	2025	2024	2025	2024
Raw material used, changes in inventories and others ₩	6,771,469	7,080,282	14,170,529	14,691,094
Employee benefits expenses	675,190	631,117	1,366,942	1,282,196
Outsourced processing cost	807,354	815,417	1,579,150	1,599,829
Electricity and water expenses	240,278	156,541	502,877	371,039
Service fees	100,754	97,527	207,936	195,367
Depreciation(*1)	711,141	686,628	1,420,509	1,344,421
Amortization	13,334	25,763	27,150	49,646
Freight and custody expenses	364,940	386,181	739,358	744,753
Sales commissions	25,615	22,472	50,099	48,025
Loss on disposal of property, plant and equipment	39,438	38,238	50,522	77,585
Impairment loss on property, plant and equipment	16,706	18,660	66,180	59,430
Impairment loss on intangible assets	-	-	11	11
Donations	2,959	10,160	22,570	28,923
Other expenses	737,781	644,680	1,174,761	1,121,644
₩	10,506,959	10,613,666	21,378,594	21,613,963

(*1) Including 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 Group for each of the six-month periods ended June 30, 2025 and 2024 are 27.92% and 22.51%, respectively.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

28. Earnings Per Share

Details of basic earnings per share for each of the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2025	2024	2025	2024
(in Won, except share information)					
Profit attributable to controlling interest	₩	343,748,353,790	286,105,128,795	601,984,989,559	528,026,228,859
Weighted-average number of common shares outstanding(*1)		96,480,625	96,480,625	96,480,625	96,480,625
Basic earnings per share	₩	3,563	2,965	6,239	5,473

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

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2025	2024	2025	2024
(shares)				
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 Group does not have any dilutive potential common shares as of June 30, 2025 and 2024, so diluted earnings per share are the same as basic earnings per share.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

29. Related Party Transactions

(a) Details of the Group's related parties as of June 30, 2025 are as follows:

	Company
The parent company	POSCO HOLDINGS INC.
Associates(*1)	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., POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER, ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD, POSCO Vietnam Processing Center. Co.,Ltd, M RES NSW HCC II Pty Ltd, POS-SeAH Steel Wire (Thailand) Co., Ltd. and others
Other related parties(*2)	POSCO Eco & Challenge Co., Ltd., POSCO DX, POSCO WIDE Co., Ltd., POSCO FUTURE M CO., LTD., POSCO FLOW CO., LTD., SNNC, POSCO Mobility Solution Corporation, eSteel4U, POSCO INTERNATIONAL Corporation, POSCO Canada Ltd., POSCO(Guangdong) Automotive Steel Co., Ltd., POSCO VST CO., LTD., POSCO INTERNATIONAL SINGAPORE PTE LTD., Roy Hill Holdings Pty Ltd, POSCO Asia CO., LTD., POSCO-China Holding Corp., and others

(*1) Classified the investment in SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., a related party, as assets held for sale as the Group decided to dispose of the entity during the six-month period ended June 30, 2025.

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

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

29. Related Party Transactions (cont'd)

(b) Details of significant transactions with the Group's related parties for each of the six-month periods ended June 30, 2025 and 2024 are as follows:

1) For the six-month period ended June 30, 2025

(in millions of Won)

(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
The parent company							
POSCO HOLDINGS INC.(‘3)	₩	13,756	472	-	89	-	412,557
Associates and joint ventures							
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		23,763	-	3	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd		101,947	163	545	-	-	207
POSCO INTERNATIONAL INDIA E-MOBILITY		25,661	-	-	-	-	-
POS-SeAH Steel Wire (Thailand) Co., Ltd.		11,735	-	133	-	-	-
Others		1,005	-	265	-	-	-
		164,111	163	946	-	-	207
Other related party(*3)							
POSCO Eco & Challenge Co., Ltd.		74,489	24	-	213,876	67	2,204
POSCO DX (*4)		9,116	17	1,074	129,237	32,246	107,025
POSCO WIDE Co., Ltd.		7,877	35	314	812	13,445	24,654
POSCO FUTURE M CO., LTD.		284,523	105	300,413	2,932	117,540	1,099
POSCO FLOW CO., LTD.(*5)		6,489	-	276,838	38	4,976	589,353
SNNC		8,962	4	154,402	701	701	-
POSCO Mobility Solution Corporation		409,395	-	5,132	449	7,991	670
eSteel4U		296,541	-	-	-	-	49
POSCO INTERNATIONAL Corporation(*6)		5,613,566	4	1,775,523	-	991	12,664
POSCO(Guangdong) Automotive Steel Co.,Ltd		90,777	-	2,368	-	-	-
POSCO VST CO., LTD.		131,450	-	5,133	-	-	20
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	7	789,452	-	-	-
Roy Hill Holdings Pty Ltd		-	-	756,675	-	-	-
Others		551,784	1,199	416,021	24,013	6,168	97,084
		7,484,969	1,395	4,483,345	372,058	184,125	834,822
₩		7,662,836	2,030	4,484,291	372,147	184,125	1,247,586

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

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

(*5) Others (purchase) mainly consist of freight expenses.

(*6) Purchase of material consists of swap agreements for LNG purchases in cooperation with POSCO INTERNATIONAL Corporation.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

29. Related Party Transactions (cont'd)

2) For the six-month period ended June 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
The parent company						
POSCO HOLDINGS INC. (*3)	₩ 12,700	251	-	-	-	665,093
Associates and joint ventures						
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	21,350	13	782	-	-	-
POSCO Vietnam Processing Center. Co., Ltd	76,597	-	660	-	-	182
POS-SeAH Steel Wire (Thailand) Co., Ltd.	12,028	-	121	-	-	-
Others	1,196	-	250	-	-	-
	111,171	13	1,813	-	-	182
Other related party(*3)						
POSCO Eco & Challenge Co., Ltd.	80,123	3	-	650,278	63	33,946
POSCO DX (formerly, POSCO ICT)(*4)	24,554	63	549	244,068	32,889	100,319
POSCO WIDE Co., Ltd. (formerly, POSCO O&M Co., Ltd.)	7,795	23	385	17	10,429	24,477
POSCO FUTURE M CO., LTD.	256,652	96	271,662	33,338	114,380	9,354
POSCO FLOW CO., LTD.(*5)	8,030	20	355,673	2	8,062	620,912
SNNC	10,346	3	164,827	-	-	-
POSCO Mobility Solution Corporation	413,468	-	2,682	2,230	26,299	239
eSteel4U	305,228	-	116	-	-	-
POSCO INTERNATIONAL Corporation	5,605,200	5	1,722,934	-	-	14,131
POSCO Canada Ltd.	-	-	26,700	-	-	1,320
POSCO Maharashtra Steel Private Limited(*6)	463,021	60	-	-	-	728
POSCO(Guangdong) Automotive Steel Co.,Ltd	127,289	-	1,326	-	-	-
POSCO VST CO., LTD.	83,780	-	1,956	-	-	31
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	3	1,009,483	-	-	-
POSCO ASSAN TST STEEL INDUSTRY(*6)	186,150	1,969	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	958,544	-	-	-
Others	741,704	2,170	374,660	42,097	6,980	69,257
	8,313,340	4,415	4,891,497	972,030	199,102	874,714
	8,437,211	4,679	4,893,310	972,030	199,102	1,539,989

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

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

(*5) Others (purchase) mainly consist of freight expenses.

(*6) Transactions occurred prior to the acquisition from POSCO HOLDINGS INC. during the six-month period ended June 30, 2024.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

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29. Related Party Transactions (cont'd)

(c) Details of the related account balances of significant transactions with the Group's related parties as of June 30, 2025 and December 31, 2024 are as follows:

1) June 30, 2025

(in millions of Won)

		Receivables				Payables			
		Trade accounts and notes receivable	Loans	Others	Total	Trade accounts and notes receivable	Accounts payable	Others	Total
The parent company									
POSCO HOLDINGS INC.	₩	1,782	-	40,645	42,427	-	52,803	297,136	349,939
Associates and joint ventures									
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		350	-	-	350	1	-	-	1
POSCO Vietnam Processing Center. Co., Ltd		23,275	-	4	23,279	6	-	194	200
POSCO INTERNATIONAL INDIA E-MOBILITY		13,158	-	-	13,158	-	-	-	-
POS-SeAH Steel Wire (Thailand) Co., Ltd.		7,077	-	-	7,077	2	-	-	2
Others		600	-	39	639	43	-	-	43
		44,460	-	43	44,503	52	-	194	246
Other related party									
POSCO Eco & Challenge Co., Ltd.		26,913	-	5	26,918	-	24,296	183	24,479
POSCO DX		4,401	-	66	4,467	683	61,557	22,758	84,998
POSCO WIDE Co., Ltd.		1,063	-	1,424	2,487	-	3,476	6,596	10,072
POSCO FUTURE M CO., LTD.		53,321	-	82,429	135,750	62,746	16,463	24,750	103,959
POSCO FLOW CO., LTD.		720	-	1,116	1,836	110,751	10,094	44,690	165,535
SNNC		1,960	-	65	2,025	6,049	257	77	6,383
POSCO Mobility Solution Corporation		137,064	-	-	137,064	852	764	1,872	3,488
eSteel4U		178,131	-	-	178,131	-	-	-	-
POSCO INTERNATIONAL Corporation		907,073	-	2,460	909,533	883,308	7,453	3,383	894,144
POSCO(Guangdong) Automotive Steel Co., Ltd.		24,966	-	-	24,966	105	-	-	105
POSCO VST CO., LTD.		55,994	-	221	56,215	551	-	-	551
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	-	-	139,979	14	-	139,993
Roy Hill Holdings Pty Ltd		-	-	-	-	377,099	-	-	377,099
Others		61,550	14,125	25,238	100,913	26,267	7,463	316,654	350,384
		1,453,156	14,125	113,024	1,580,305	1,608,390	131,837	420,963	2,161,190
₩		1,499,398	14,125	153,712	1,667,235	1,608,442	184,640	718,293	2,511,375

2) December 31, 2024

(in millions of Won)

		Receivables				Payables			
		Trade accounts and notes receivable	Loans	Others	Total	Trade accounts and notes payable	Accounts payable	Others	Total
The parent company									
POSCO HOLDINGS INC.	₩	810	-	41,992	42,802	-	102,621	85,734	188,355
Associates and joint ventures									
POSCO Vietnam Processing Center. Co., Ltd		16,962	-	1	16,963	33	-	-	33
POS-SeAH Steel Wire (Thailand) Co., Ltd.		5,097	-	-	5,097	-	-	-	-
Others		760	-	33	793	47	-	-	47
		22,819	-	34	22,853	80	-	-	80
Other related party									
POSCO Eco & Challenge Co., Ltd.		38,130	-	9	38,139	-	70,431	1,806	72,237
POSCO DX		7,889	-	49	7,938	286	181,638	26,172	208,096
POSCO WIDE Co., Ltd.		1,342	-	1,450	2,792	-	6,724	4,664	11,388
POSCO FUTURE M CO., LTD.		53,227	-	4,770	57,997	43,889	17,221	20,835	81,945
POSCO FLOW CO., LTD.		806	-	546	1,352	120,986	4,595	43,533	169,114
SNNC		2,318	-	70	2,388	8,426	1,285	13	9,724
POSCO Mobility Solution Corporation		112,987	-	-	112,987	693	1,746	5,055	7,494
eSteel4U		107,464	-	-	107,464	-	-	-	-
POSCO INTERNATIONAL Corporation		959,125	-	2,647	961,772	1,192,472	6,138	4,330	1,202,940
POSCO(Guangdong) Automotive Steel Co., Ltd.		48,546	-	-	48,546	378	-	-	378
POSCO VST CO., LTD.		91,390	-	519	91,909	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	-	-	209,202	188	-	209,390
Roy Hill Holdings Pty Ltd		-	-	2,440	2,440	356,234	25	-	356,259
Others		67,646	14,700	32,501	114,847	48,483	44,120	332,072	424,675
		1,490,870	14,700	45,001	1,550,571	1,981,049	334,111	438,480	2,753,640
₩		1,514,499	14,700	87,027	1,616,226	1,981,129	436,732	524,214	2,942,075

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

29. Related Party Transactions (cont'd)

(d) Details of significant borrowing transactions with the Group's related parties for the six-month period ended June 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the six-month period ended June 30, 2025

(in millions of Won)		Transaction	Beginning	Increase	Decrease	Others(*1)	Ending
Other related party							
	POSCO Asia CO., LTD.	Short-term borrowings	₩ 318,511	96,236	(167,866)	(14,589)	232,292
	POSCO-China Holding Corp.	Short-term borrowings	23,197	22,345	(23,197)	-	22,345
			₩ 341,708	118,581	(191,063)	(14,589)	254,637

(*1) Others include adjustments of foreign currency translation differences.

2) For the year ended December 31, 2024

(in millions of Won)		Transaction	Beginning	Increase	Decrease	Others(*1)	Ending
Other related party							
	POSCO Asia CO., LTD.	Short-term borrowings	₩ 203,886	268,379	(226,152)	72,398	318,511
	POSCO-China Holding Corp.	Short-term borrowings	17,798	93,852	(88,780)	327	23,197
	POSCO MPPC S.A. de C.V.	Short-term borrowings	6,785	38,132	(45,216)	299	-
			₩ 228,469	400,363	(360,148)	73,024	341,708

(*1) Others include adjustments of foreign currency translation differences.

(e) Details of significant loan transactions with the Group's related parties for the six-month period ended June 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the six-month period ended June 30, 2025

(in millions of Won)		Transaction	Beginning	Increase	Decrease	Others(*1)	Ending
Other related party							
	POSCO-China Holding Corp.	Short-term loans	₩ -	4,947	(3,879)	(1,068)	-
	POSCO Asia CO., LTD.	Short-term loans	14,700	-	-	(1,136)	13,564
	POSCO E&C India	Short-term loans	608	-	-	(47)	561
			₩ 15,308	4,947	(3,879)	(2,251)	14,125

(*1) Others include adjustments of foreign currency translation differences.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued June 30, 2025 and 2024 (unaudited)

29. Related Party Transactions (cont'd)

2) For the year ended December 31, 2024

<i>(in millions of Won)</i>	Transaction		Beginning	Increase	Decrease	Others(*1)	Ending
Other related party							
POSCO-India Pune Processing Center. Pvt. Ltd.	Short -term loans	₩	31,069	71,934	(102,926)	(77)	-
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	Short -term loans		171	41,327	(41,425)	(73)	-
POSCO-China Holding Corp.	Short -term loans		308	34,602	(31,088)	(3,822)	-
POSCO Asia CO., LTD.	Short -term loans		-	27,767	(14,073)	1,006	14,700
POSCO E&C India	Short -term loans		-	586	-	22	608
		₩	31,548	176,216	(189,512)	(2,944)	15,308

(*1) Others include adjustments of foreign currency translation differences.

(f) Guarantees provided to the related parties

As of June 30, 2025, the Group has entered into a financial guarantee contract for the related parties, and the relevant guarantee obligations are accounted for as financial guarantee liabilities (see Note 19-(a)-2).

(g) For each of the six-month periods ended June 30, 2025 and 2024, details of compensation to key management officers are as follows:

<i>(in millions of Won)</i>		June 30, 2025	June 30, 2024
Short-term benefits	₩	32,476	30,251
Long-term benefits		530	299
Retirement benefits		4,397	7,177
	₩	37,403	37,727

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

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Notes to the interim condensed consolidated financial statements, continued
June 30, 2025 and 2024 (unaudited)

30. Commitments and Contingencies

(a) Other commitments

Details of other commitments of the Group as of June 30, 2025 are as follows:

Company	Description
POSCO	<p>The Company entered into long-term contracts to purchase iron ore, coal, nickel and others. The long-term purchase contract period is more than two years for iron ore, three years for coal, and one year for nickel. These contracts provide for periodic price adjustments based on the market price. As of June 30, 2025, 64 million tons of iron ore and 17 million tons of coal remain to be purchased under such long-term contracts.</p> <p>The Company entered into an agreement with Tangguh Liquefied Natural Gas (LNG) Consortium in Indonesia to purchase 550 thousand tons of LNG annually for 20 years commencing in August 2005. The purchase contract period and volume are 550,000 tons per year for 20 years from August 2005, and 120,000 tons from September 2025 to March 2026. The purchase price is subject to change, based on changes of the monthly standard oil price (JCC) and with a price ceiling.</p> <p>The Company has a long-term service contract for the transportation of raw material. As of June 30, 2025, there are 33 vessels under contract and the average remaining contract period is about 6 years.</p> <p>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.</p> <p>As of June 30, 2025, the Company entered into supplier financings which have a limit of USD 1,270 million with SMBC and four other financial institutions.</p>

(b) Commitments for acquisition of assets

As of June 30, 2025, the commitments for the acquisition of property, plant and equipment and intangible assets that have not yet occurred are as follows.

<i>(in millions of Won)</i>	Amount
Property, plant and equipment	₩ 3,620,928
Intangible assets	159,851
	₩ 3,780,779

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

30. Commitments and Contingencies (cont'd)

(c) Supplier finance arrangements

As of June 30, 2025 and December 31, 2024, the carrying amounts of financial liabilities related to the supplier finance arrangements entered into by the Group are as follows. There were no significant non-cash changes in the carrying amount of trade payables and other payables that are part of the supplier finance arrangements.

<i>(in millions of Won)</i>		<u>June 30, 2025</u>	<u>June 30, 2024</u>
Trade payables	₩	753,419	875,915
Other payables		<u>108,881</u>	<u>210,996</u>
	₩	<u>862,300</u>	<u>1,086,911</u>

(d) Litigation in progress

The Group is involved in 208 lawsuits collectively amounting to ₩489.7 billion as defendant as of June 30, 2025. The Group has recognized provisions for certain lawsuits and claims considering that there is a present obligation arising from past events, the settlement of which is expected to result in an outflow resources as of June 30, 2025.

- (e) 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. before the spin-off under Article 530(9)(1) of the Commercial Act of the Republic of Korea.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

31. Statements of Cash Flows

Changes in operating assets and liabilities for each of the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		June 30 2025	June 30, 2024
Trade accounts and notes receivable	₩	(165,206)	43,106
Other receivables		100,987	(138,008)
Inventories		955,406	506,180
Other current assets		9,274	8,338
Other non-current assets		53,915	33,871
Trade accounts and notes payable		(660,711)	(478,461)
Other payables		(87,651)	(33,101)
Other current liabilities		(64,142)	(13,694)
Provisions		(13,020)	(9,964)
Payments of severance benefits		(136,946)	(122,102)
Plan assets		116,274	43,406
Other non-current liabilities		(7,889)	(9,769)
	₩	<u>100,291</u>	<u>(170,198)</u>

32. Operating Segments

Information on each operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker. Operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Group consists of a single segment, the steel segment.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

June 30, 2025 and 2024 (unaudited)

33. Business Combination

(a) Overview of Business Combination

During the six-month period ended June 30, 2025, the Company acquired the domestic scrap metal business's property, plant and equipment and intangible assets of POSCO International, as well as its equity interest in Pohang Scrap Recycling Distribution Center Co., Ltd. The purpose of this business combination is to strengthen purchasing competitiveness through the acquisition of the domestic scrap metal business operations.

	Acquisition date of control
Scrap metal business of POSCO International	May 16, 2025

(b) Accounting for Business Combinations

This business combination is a business combination under common control. Accordingly, the assets acquired and liabilities assumed from POSCO International have been recognized at their carrying amounts in the consolidated financial statements of the ultimate parent company. The difference between the consideration transferred and the share of net assets acquired has been adjusted to capital surplus.

POSCO and its subsidiaries**Notes to the interim condensed consolidated financial statements, continued
June 30, 2025 and 2024 (unaudited)****33. Business Combination(cont'd)***(in millions of Won)*

		Amount
Consideration transferred		
Cash	₩	25,915
	₩	25,915
Identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	₩	1,550
Inventories		9,491
Property, plant and equipment		15,675
Other assets		293
Borrowings		(3,500)
Other liabilities		(572)
	₩	22,937
Equity arising from the business combination		
Capital surplus	₩	(7,409)
Non-controlling interests		4,431

(c) Effects of the Business Combination on Profit or Loss

The profit or loss of Pohang Scrap Recycling Distribution Center Co., Ltd. has been included in the consolidated financial performance only for the period after the acquisition date. The revenue and net loss of Pohang Scrap Recycling Distribution Center Co., Ltd. during the six-month period ended June 30, 2025, after the acquisition date, amounted to ₩185 million and ₩ 87 million, respectively. If Pohang Scrap Recycling Distribution Center Co., Ltd. had been consolidated from January 1, 2025, the consolidated statement of comprehensive income would have included revenue of ₩ 2,449 million and net income of ₩ 129 million.

34. Uncertainty in Estimates Due to Imposition of Tariffs by the United States

In June 2025, the U.S. government announced an executive order imposing a 50% tariff on all steel and aluminum products, effective from June 4, 2025. This tariff imposition introduces uncertainty in the estimation of financial statements.