

# **POSCO**

**Interim condensed separate 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 separate financial statements**

(English translation of a report originally issued in Korean)

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

We have reviewed the accompanying interim condensed separate financial statements of POSCO (the "Company"), which comprise the interim condensed separate statement of financial position as of June 30, 2025, and the related interim condensed separate statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2025, interim condensed separate statements of changes in equity and interim condensed separate statements of cash flows for each of the six-month periods ended June 30, 2025 and 2024, and a summary of material accounting policy information and other explanatory information.

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

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

### **Auditor's responsibility**

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

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

### **Conclusion**

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



## Other matters

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

# **POSCO**

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

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

Hee-Geun Lee  
Chief Executive Officer  
POSCO

# POSCO

## Interim condensed separate 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
<b>Liabilities</b>			
Trade accounts and notes payable	20	₩ 1,782,401	2,210,454
Short-term borrowings			
and current installments of long-term borrowings	14,20	3,288,100	2,429,405
Other payables	15,20	1,444,904	1,715,354
Other short-term financial liabilities	16,20	937	1,840
Current income tax liabilities		233,463	190,051
Provisions	17	41,270	34,385
Other current liabilities	19	98,504	141,461
<b>Total current liabilities</b>		<b>6,889,579</b>	<b>6,722,950</b>
Long-term borrowings,			
excluding current installments	14,20	4,743,963	5,452,879
Other payables	15,20	262,594	312,832
Long-term provisions	17	83,832	83,406
Other non-current liabilities	19	2,362	2,806
<b>Total non-current liabilities</b>		<b>5,092,751</b>	<b>5,851,923</b>
<b>Total liabilities</b>		<b>11,982,330</b>	<b>12,574,873</b>
<b>Equity</b>			
Share capital	21	482,403	482,403
Capital surplus	21	24,219,679	24,227,088
Accumulated other comprehensive income	22	146,568	38,441
Retained earnings		8,521,315	8,358,596
<b>Total equity</b>		<b>33,369,965</b>	<b>33,106,528</b>
<b>Total liabilities and equity</b>	₩	<b>45,352,295</b>	<b>45,681,401</b>

(continued)

# POSCO

## Interim condensed separate 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
<b>Liabilities</b>			
Trade accounts and notes payable	20	₩ 1,782,401	2,210,454
Short-term borrowings and current portion of long-term borrowings	14,20	3,288,100	2,429,405
Other payables	15,20	1,444,904	1,715,354
Other short-term financial liabilities	16,20	937	1,840
Current income tax liabilities		233,463	190,051
Provisions	17	41,270	34,385
Other current liabilities	19	98,504	141,461
<b>Total current liabilities</b>		<b>6,889,579</b>	<b>6,722,950</b>
Long-term borrowings, excluding current portion	14,20	4,743,963	5,452,879
Other payables	15,20	262,594	312,832
Long-term provisions	17	83,832	83,406
Other non-current liabilities	19	2,362	2,806
<b>Total non-current liabilities</b>		<b>5,092,751</b>	<b>5,851,923</b>
<b>Total liabilities</b>		<b>11,982,330</b>	<b>12,574,873</b>
<b>Equity</b>			
Share capital	21	482,403	482,403
Capital surplus	21	24,219,679	24,227,088
Accumulated other comprehensive income	22	146,568	38,441
Retained earnings		8,521,315	8,358,596
<b>Total equity</b>		<b>33,369,965</b>	<b>33,106,528</b>
<b>Total liabilities and equity</b>		<b>₩ 45,352,295</b>	<b>45,681,401</b>

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

# POSCO

## Interim condensed separate statements of comprehensive income for each of the three-month and 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	23	₩ 8,947,145	9,276,619	17,915,160	18,796,419
Cost of sales	27	(8,150,695)	(8,589,074)	(16,475,328)	(17,526,409)
Gross profit		796,450	687,545	1,439,832	1,270,010
Selling and administrative expenses					
Other administrative expenses	24,27	(210,830)	(205,606)	(435,564)	(423,561)
Selling expenses	24,27	(72,256)	(63,528)	(144,959)	(132,892)
Operating profit		513,364	418,411	859,309	713,557
Finance income and costs					
Finance income	20,25	542,723	363,245	784,989	868,447
Finance costs	20,25	(636,120)	(378,923)	(859,898)	(835,440)
Other non-operating income and expenses					
Other non-operating income	26	18,664	24,304	27,473	36,769
Other non-operating expenses	26,27	(65,941)	(75,612)	(153,558)	(184,630)
Profit before income tax		372,690	351,425	658,315	598,703
Income tax expense	28	(99,545)	(84,300)	(165,223)	(100,148)
Profit		273,145	267,125	493,092	498,555
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	18	1,091	2,748	2,396	5,404
Net changes in fair value of equity investments at fair value through other comprehensive income	20,22	91,420	4,036	108,215	33,326
Total comprehensive income	₩	365,656	273,909	603,703	537,285
Earnings per share (in Won)	29				
Basic earnings per share (in Won)		2,831	2,769	5,111	5,167
Diluted earnings per share (in Won)	₩	2,831	2,769	5,111	5,167

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

# POSCO

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

(in millions of Won)		Share capital	Capital surplus	Accumulated other comprehensive income	Retained earnings	Total
Balance as of January 1, 2024	₩	482,403	24,212,465	2,666	8,411,395	33,108,929
Comprehensive income:						
Profit		-	-	-	498,554	498,554
Other comprehensive income						
Remeasurements of defined benefit plans, net of tax		-	-	-	5,403	5,403
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	-	33,326	-	33,326
Transactions with owners of the Company, recognized directly in equity:						
Year-end dividends		-	-	-	(589,786)	(589,786)
Shared based payments		-	14,623	-	-	14,623
Balance as of June 30, 2024	₩	482,403	24,227,088	35,992	8,325,566	33,071,049
Balance as of January 1, 2025	₩	482,403	24,227,088	38,441	8,358,596	33,106,528
Comprehensive income:						
Profit		-	-	-	493,093	493,093
Other comprehensive income						
Remeasurements of defined benefit plans, net of tax		-	-	-	2,396	2,396
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	-	108,127	88	108,215
Transactions with owners of the Company, recognized directly in equity:						
Year-end dividends		-	-	-	(332,858)	(332,858)
Business combination		-	(7,409)	-	-	(7,409)
Balance as of June 30, 2025	₩	482,403	24,219,679	146,568	8,521,315	33,369,965

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

# POSCO

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

<i>(in millions of Won)</i>	<u>Notes</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<b>Cash flows from operating activities</b>			
Profit	₩	493,093	498,554
Adjustments for :			
Expenses related to post-employment benefit		43,869	41,579
Depreciation		1,206,768	1,170,113
Amortization		29,833	52,603
Impairment loss on trade and other receivables		-	1,274
Finance income		(602,853)	(676,645)
Finance costs		626,046	640,523
Loss on valuation of inventories		21,770	27,985
Gain on disposal of property, plant and equipment		(17,247)	(7,113)
Loss on disposal of property, plant and equipment		52,511	81,167
Impairment loss on property, plant and equipment		70,002	59,707
Gain on disposal of emission rights		-	(13,343)
Increase to provisions		17,625	12,707
Gain on insurance claim		(1,481)	-
Income tax expense		165,223	100,148
Others		-	(2,364)
Changes in operating assets and liabilities	32	494,358	(41,152)
Interest received		68,800	56,752
Interest paid		(187,792)	(192,927)
Dividends received		37,163	27,512
Income taxes paid		<u>(280,195)</u>	<u>(69,856)</u>
Net cash provided by operating activities	₩	<u>2,237,493</u>	<u>1,767,224</u>

(continued)

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

<i>(in millions of Won)</i>	<b>Notes</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>Cash flows from investing activities</b>			
Decrease in deposits	₩	1,765,700	871,955
Proceeds from disposal of short-term financial instruments		3,382,691	3,666,430
Proceeds from disposal of equity securities		408	-
Proceeds from disposal of current debt securities		300,000	289,510
Collection of loans		4,312	5,900
Collection of lease receivables		6,063	5,746
Proceeds from disposal of emission rights		-	13,343
Cash inflow from insurance claim		1,481	-
Acquisition of deposits		389	292
Increase in deposit instruments		(2,265,700)	(1,495,700)
Acquisition of short-term financial instruments		(3,538,057)	(2,058,377)
Increase in loans		-	(2,496)
Acquisition of debt securities		(554,000)	(910,074)
Acquisition of investments in subsidiaries, associates and joint ventures		(75,858)	(3,675)
Acquisition of property, plant and equipment		(1,034,997)	(1,896,603)
Payment for disposal of property, plant and equipment		(22,993)	(63,678)
Acquisition of intangible assets		(70,585)	(25,247)
Payment for deposits		(3,299)	(3,148)
Payment for Business Combination		(25,915)	-
Net cash used in investing activities	₩	(2,130,360)	(1,605,822)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,318,277	1,243,899
Increase in long-term financial liabilities		4,166	3,508
Proceeds from disposals of derivatives		133,628	76,360
Repayment of borrowings		(780,416)	(713,295)
Decrease in long-term financial liabilities		(2,279)	(110)
Repayment of lease liabilities		(41,081)	(39,513)
Payment of cash dividends		(332,858)	(589,786)
Net cash provided by (used in) financing activities	₩	299,437	(18,937)
<b>Effect of exchange rate fluctuation on cash held</b>		(2,520)	89
<b>Net increase in cash and cash equivalents</b>		404,050	142,554
<b>Cash and cash equivalents at beginning of the period</b>		1,943,148	2,032,952
<b>Cash and cash equivalents at end of the period</b>	₩	2,347,198	2,175,506

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

# POSCO

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

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### 1. General Information

POSCO("The Company") was newly established with the purpose of production and sales of steel rolled products and plates, upon a vertical spin-off of steel business of POSCO HOLDINGS INC. ("Pre-spin off Company", known as POSCO before spin-off, the surviving company) on March 1, 2022 (the date of spin-off). As of June 30, 2025, POSCO is wholly owned by POSCO HOLDINGS INC. (100% ownership).

### 2. Basis of Preparation

#### Statement of compliance

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

The interim condensed separate financial statements do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual separate financial statements as of and for year ended December 31, 2024.

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

# **POSCO**

## **Notes to interim condensed separate financial statements, continued June 30, 2025 and 2024 (unaudited)**

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### **2. Basis of Preparation (cont'd)**

#### **Use of estimates and judgments**

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

The preparation of the interim condensed separate financial statements in conformity with KIFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. If estimates and assumptions that are based on management's best judgment at the end of the interim reporting period differ from the actual environment, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

##### **(b) Measurement of fair value**

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

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

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

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the 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 Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

# POSCO

## Notes to interim condensed separate financial statements, continued

June 30, 2025 and 2024 (unaudited)

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### 3. Summary of Material Accounting Policies

Except as described in KIFRS 1034 *Interim Financial Reporting* and below, the accounting policies applied by the Company in these interim condensed separate financial statements are the same as those applied by the Company in its separate financial statements as of and for year ended December 31, 2024. The changes in accounting policies described below are expected to be applied to the separate financial statements as of and for the year ending December 31, 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 Company is not required to restate comparative information. The amendments are not expected to have any material impact on the Company’s interim condensed separate financial statements.

# POSCO

## Notes to interim condensed separate 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>		<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Current</b>			
Trade accounts and notes receivable	₩	4,549,405	4,715,733
Less: Allowance for doubtful accounts		(460)	(501)
	₩	<u>4,548,945</u>	<u>4,715,232</u>
<b>Non-current</b>			
Trade accounts and notes receivable	₩	6,129	537
Less: Present value discount		(1,352)	-
Less: Allowance for doubtful accounts		(403)	(403)
	₩	<u>4,374</u>	<u>134</u>

The Company discounted its trade receivables in accordance with a 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 Company retains substantially all of the risks and rewards associated with the transferred assets. The amounts received on transfer have been recognized as secured borrowings. As of June 30, 2025 and December 31, 2024, the carrying amount of such secured borrowings 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).

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## Notes to interim condensed separate 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:

(in millions of Won)

		<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Current</b>			
Loans	₩	9,295	9,787
Other accounts receivable		402,656	494,139
Lease receivables		12,576	12,121
Accured income		64,363	44,349
Others		10	1
Less: Allowance for doubtful accounts		(275)	(280)
	₩	<u>488,625</u>	<u>560,117</u>
<b>Non-current</b>			
Loans	₩	46,239	52,848
Other accounts receivable		6,891	7,203
Lease receivables		40,308	46,568
Deposits		43,380	39,720
Less: Allowance for doubtful accounts		(22,824)	(24,274)
	₩	<u>113,994</u>	<u>122,065</u>

# POSCO

## Notes to interim condensed separate 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:

(in millions of Won)		June 30, 2025	December 31, 2024
<b>Current</b>			
Derivative assets	₩	157,229	301,234
Debt securities		654,000	400,000
Deposit instruments		3,333,700	2,833,700
Short-term financial instruments		585,768	413,976
	₩	<u>4,730,697</u>	<u>3,948,910</u>
<b>Non-current</b>			
Derivative assets	₩	81,437	453,652
Equity securities		611,912	465,320
Other securities		7,511	7,511
Deposit instruments(*1)		22	22
	₩	<u>700,882</u>	<u>926,505</u>

(\*1) Deposit instruments are restricted in use in relation to the Company's checking account.

(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
<b>Marketable equity securities</b>							
SAMWONSTEEL Co., Ltd.	5,700,000	14.25	₩	14,878	14,592	(286)	14,592
YODOGAWA STEEL WORKS, LTD.	3,000,000	1.72		13,842	32,282	18,440	32,282
DONGKUK INDUSTRIES CO., LTD.	2,611,989	4.82		12,852	9,926	(2,926)	9,926
PT. Krakatau Steel	236,625,000	1.22		6,876	4,872	(2,004)	4,872
AJUSTEEL Co., Ltd.	510,000	1.93		4,600	2,071	(2,530)	2,070
dhSteel	1,564,296	7.21		4,224	2,059	(2,165)	2,059
Woori Financial Group Inc.	20,280,000	2.73		261,638	455,286	193,648	455,286
Others (5 companies)				14,616	11,573	(3,042)	11,574
				<u>333,526</u>	<u>532,661</u>	<u>199,135</u>	<u>532,661</u>
<b>Non-marketable equity securities</b>							
TAECHANG STEEL	99,999	10.99		8,845	8,845	-	8,845
Pinetree PosMagnesium Co., Ltd.	11,144,000	19.90		8,794	8,794	-	8,794
WINSTEEL CO.	342,577	10.00		8,060	8,060	-	8,060
KOH-A JUNG GONG CO., LTD.	490,000	19.84		7,573	7,573	-	7,573
POONGSAN SPECIAL METAL CO., LTD.	315,790	5.00		7,556	7,556	-	7,556
DK Corporation	55,000	4.91		7,446	7,446	-	7,446
DaeSung SnM Co., Ltd.	50,567	8.21		7,237	7,237	-	7,237
Others (14 companies)				23,740	23,740	-	23,740
				<u>79,251</u>	<u>79,251</u>	<u>-</u>	<u>79,251</u>
			₩	<u>412,777</u>	<u>611,912</u>	<u>199,135</u>	<u>611,912</u>

# POSCO

## Notes to interim condensed separate 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>		<b>June 30, 2025</b>	<b>December 31, 2024</b>
Finished goods	₩	1,077,918	1,333,023
Semi-finished goods		1,633,703	1,796,543
By-products		15,236	16,383
Raw materials		1,216,947	1,352,488
Fuel and materials		553,303	485,424
Materials-in-transit		1,128,331	1,505,234
Others		772	783
		5,626,210	6,489,878
Less: Allowance for inventories valuation		(21,770)	(26,331)
	₩	5,604,440	6,463,547

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 ₩21,770 million and ₩26,331 million, respectively.

## POSCO

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

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#### 8. Assets held for sales

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

*(in millions of Won)*

		<u>June 30, 2025</u>
Investments in associates(*1)	₩	9,932

(\*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

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

### 9. Investments in Subsidiaries, Associates and Joint ventures

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

(in millions of Won)

(in millions of Won)

			June 30, 2025		December 31, 2024	
	Country	Principal operations	Ownership (%)		Book value	Book value
<b>[Domestic]</b>						
POSCO STEELEON Co., Ltd.(*1)	Korea	Coated steel manufacturing and sales	56.87	₩	108,421	108,421
		Packing materials manufacturing				
POSCO M-TECH(*2, 3)	Korea	and sales	48.85		107,278	107,278
eNtoB Corporation	Korea	Electronic commerce	69.32		46,358	46,358
PNR	Korea	Steel by product processing and sales	70.00		12,339	12,339
POSCO Humans	Korea	Business assistance service	100.00		11,685	11,685
POSCO GYS Tech	Korea	Maintenance service	100.00		15,000	15,000
POSCO GY Solution	Korea	Maintenance service	100.00		15,000	15,000
POSCO GYR Tech	Korea	Maintenance service	100.00		23,300	23,300
POSCO PH Solution	Korea	Maintenance service	100.00		9,400	9,400
POSCO PS Tech	Korea	Maintenance service	100.00		15,000	15,000
POSCO PR Tech	Korea	Maintenance service	100.00		12,300	12,300
Pohang Scrap Recycling Distribution Center Co., Ltd.(*4)	Korea	Steel processing and sales	51.00		4,612	-
					380,693	376,081
<b>[Foreign]</b>						
PT.KRAKATAU POSCO(*2)	Indonesia	Steel manufacturing and sales	50.00		928,168	928,168
		STS cold-rolled steel manufacturing				
POSCO Thainox Public Company Limited	Thailand	and sales	74.56		141,019	141,019
POSCO MEXICO S.A. DE C.V.	Mexico	Automotive steel manufacturing and sales	83.28		190,802	190,802
POSCO (Thailand) Company Limited	Thailand	Steel processing and sales	100.00		140,614	140,614
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	Vietnam	Steel manufacturing and sales	51.00		77,028	77,028
POSCO COATED STEEL (THAILAND) CO., LTD.	Thailand	Automotive steel manufacturing and sales	100.00		72,225	72,225
POSCO-India Private Limited	India	Steel manufacturing and sales	100.00		69,674	69,674
PT.POSCO INDONESIA JAKARTA PROCESSING CENTER	Indonesia	Steel processing and sales	70.51		56,976	56,976
POSCO-MKPC SDN BHD	Malaysia	Steel processing and sales	70.00		56,789	56,789
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	China	Steel processing and sales	90.00		6,479	6,479
POSCO-VIETNAM Co., Ltd.	Vietnam	Steel manufacturing and sales	100.00		36,972	36,972
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	Poland	Steel processing and sales	60.00		22,929	22,929
POSCO-Mexico Villagran Wire-rod Processing Center	Mexico	Steel processing and sales	56.75		1,363	1,363
POSCO-India Pune Processing Center Private Limited	India	Steel processing and sales	65.00		37,870	37,865
POSCO Maharashtra Steel Private Limited	India	Steel manufacturing and sales	100.00		519,334	519,258
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	India	Steel processing and sales	93.34		102,580	102,565
POSCO ASSAN TST STEEL INDUSTRY Inc.	Turkiye	Steel processing and sales	60.00		2	1
Others (6 companies)					91,692	91,693
					2,552,516	2,552,420
				₩	2,933,209	2,928,501

(\*1) Excluding the treasury shares held as of June 30, 2025, the Company's ownership interest in terms of voting rights is 56.96%.

(\*2) As of June 30, 2025, the company classified POSCO M-TECH and PT. KRAKATAU POSCO as the investments in a subsidiary, considering additional facts and circumstances, such as the relative size of the voting rights held by the Company and the degree of diversification of other voting rights holders, although the Company holds less than half of the voting rights POSCO M-TECH and PT. KRAKATAU POSCO.

(\*3) Excluding the treasury shares held as of June 30, 2025, the Company's ownership interest in terms of voting rights is 48.85%.

(\*4) The Company acquired the domestic steel scrap business division previously operated by POSCO INTERNATIONAL Corporation for the six-month period ended June 30, 2025. As a result of this acquisition, a subsidiary formerly owned by the division has been newly consolidated.

# POSCO

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

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

(b) Details of associates and carrying amounts as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)

(In millions of Won)

			June 30, 2025		December 31, 2024
	Country	Principal operations	Ownership (%)	Book value	Book value
[Domestic]					
DAEHO GLOBAL MANAGEMENT CO., LTD.	Korea	Investment advisory service	35.82	₩ 4,108	4,108
Pohang Special Welding Co., Ltd.	Korea	Welding material and tools manufacturing and sales	50.00	3,111	3,111
				7,219	7,219
[Foreign]					
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.(*1)	China	Steel processing and sales	-	-	9,932
LLP POSUK Titanium	Kazakhstan	Titanium raw material manufacturing and sales	33.90	10,124	10,132
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(*2)	China	Steel processing and sales	17.50	2,885	2,885
POSCO SUZHOU PROCESSING CENTER CO., LTD.	China	Steel processing and sales	30.00	2,763	2,763
POSK(Pinghu) Steel Processing Center Co., Ltd.	China	Steel processing and sales	20.00	441	441
POSCO Vietnam Processing Center. Co.,Ltd (*2)	Vietnam	Steel processing and sales	9.17	12,101	12,101
POSCO-SAMUNG-SLOVAKIA PROCESSING CENTER	Slovakia	Steel processing and sales	30.00	6,206	6,205
M RES NSW HCC II Pty Ltd(*3,4)	Australia	Overseas mining investment	80.00	68,861	-
				103,381	44,459
			₩	110,600	51,678

(\*1) Classified as assets held for sale for the six-month period ended June 30, 2025.

(\*2) As of June 30, 2025, the Company has determined that it has significant influence even though the Company's percentage of ownership is less than 20% considering the composition of board of directors.

(\*3) The company made a new investment in M RES NSW HCC II Pty Ltd and recognized investment in associates amounting to ₩68,861 million for the six-month period ended June 30, 2025.

(\*4) As of June 30, 2025, the Company has determined that it has significant influence even though the Company's percentage of ownership is more than 50% considering the composition of board of directors.

# POSCO

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

### 10. Investment Property, Net

Changes in the carrying amount of 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

<i>(in millions of Won)</i>		<b>Beginning</b>	<b>Depreciation(*1)</b>	<b>Others(*2)</b>	<b>Ending</b>
Land	₩	2	-	-	2
Buildings		3,871	(171)	-	3,700
Structures		978	(44)	-	934
Right-of-use assets		53,216	(14,465)	3,323	42,074
	₩	<u>58,067</u>	<u>(14,680)</u>	<u>3,323</u>	<u>46,710</u>

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

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

#### 2) For the year ended December 31, 2024

<i>(in millions of Won)</i>		<b>Beginning</b>	<b>Depreciation(*1)</b>	<b>Others(*2)</b>	<b>Ending</b>
Land	₩	2	-	-	2
Buildings		4,215	(344)	-	3,871
Structures		1,065	(87)	-	978
Right-of-use assets		78,107	(27,019)	2,128	53,216
	₩	<u>83,389</u>	<u>(27,450)</u>	<u>2,128</u>	<u>58,067</u>

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

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

# POSCO

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

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

(a) Changes in the carrying amount 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

(in millions of Won)		Beginning	Acquisitions	Disposals	Impairment(*1)	Depreciation	Business Combination	Others(*2)	Ending
Land	₩	1,298,175	-	-	-	-	-	18,351	1,316,526
Buildings		1,907,258	603	(1,715)	(404)	(101,189)	-	540,955	2,345,508
Structures		2,362,646	266	(423)	(6,070)	(109,445)	-	145,150	2,392,124
Machinery and equipment		12,650,905	15,020	(8,914)	(55,444)	(916,270)	4,403	1,099,862	12,789,562
Vehicles		26,698	104	-	-	(9,562)	-	4,340	21,580
Tools		30,035	455	-	-	(7,217)	-	1,454	24,727
Furniture and fixtures		68,664	961	(39)	(3)	(19,762)	-	49,473	99,294
Right-of-use assets		311,872	3,876	-	-	(28,642)	-	(745)	286,361
Construction-in-progress		2,580,104	934,490	-	(8,081)	-	-	(1,863,895)	1,642,618
	₩	<u>21,236,357</u>	<u>955,775</u>	<u>(11,091)</u>	<u>(70,002)</u>	<u>(1,192,087)</u>	<u>4,403</u>	<u>(5,055)</u>	<u>20,918,300</u>

(\*1) For the six-month period ended June 30, 2025, the company recognized an impairment loss of ₩70,002 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 other property, plant and equipment, assets transferred from right of use to investment properties, and others.

#### 2) For the year ended December 31, 2024

(in millions of Won)		Beginning	Acquisitions	Disposals	Impairment(*1)	Depreciation	Others(*2)	Ending
Land	₩	1,284,191	-	(51)	-	-	14,035	1,298,175
Buildings		1,902,913	358	(269)	(10,850)	(190,497)	205,603	1,907,258
Structures		1,972,389	3,185	(2,887)	(16,889)	(209,365)	616,213	2,362,646
Machinery and equipment		11,835,007	46,078	(16,803)	(181,537)	(1,819,224)	2,787,384	12,650,905
Vehicles		20,239	863	(31)	-	(19,796)	25,423	26,698
Tools		31,366	3,308	(8)	(24)	(13,993)	9,386	30,035
Furniture and fixtures		82,414	3,399	(396)	(221)	(32,655)	16,123	68,664
Right-of-use assets		348,499	16,773	-	-	(51,757)	(1,643)	311,872
Construction-in-progress		3,094,275	3,198,675	(1,222)	(17,718)	-	(3,693,906)	2,580,104
	₩	<u>20,571,293</u>	<u>3,272,639</u>	<u>(21,667)</u>	<u>(227,239)</u>	<u>(2,337,287)</u>	<u>(21,382)</u>	<u>21,236,357</u>

(\*1) The Company 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 ₩227,239 million for property, plant and equipment for the year ended December 31, 2024.

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

# POSCO

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

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

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

#### 1) Right-of-use assets

- ① Changes in the carrying amount of right-of-use assets presented as property, plant and Equipment and investment property for the six-month period ended June 30, 2025 are as follows:

(in millions of Won)		Beginning	Acquisitions	Depreciation	Others	Ending
Land	₩	7,068	-	(142)	-	6,926
Buildings		135,360	3,876	(28,618)	3,322	113,940
Structures		38,373	-	(2,606)	-	35,767
Machinery and equipment		788	-	(197)	-	591
Vehicles		9,431	-	(1,317)	-	8,114
Ships		160,003	-	(8,025)	-	151,978
Furniture and fixtures		14,065	-	(2,202)	(745)	11,118
	₩	365,088	3,876	(43,107)	2,577	328,434

- ② Changes in the carrying amount of right-of-use assets presented as property, plant and equipment and investment property for year ended December 31, 2024 are as follows:

(in millions of Won)		Beginning	Acquisitions	Depreciation	Others	Ending
Land	₩	7,353	-	(285)	-	7,068
Buildings		174,712	6,947	(48,669)	2,370	135,360
Structures		43,585	-	(5,212)	-	38,373
Machinery and equipment		1,183	-	(395)	-	788
Vehicles		10,499	1,563	(2,631)	-	9,431
Ships		176,688	-	(16,685)	-	160,003
Furniture and fixtures		12,586	8,263	(4,898)	(1,886)	14,065
	₩	426,606	16,773	(78,775)	484	365,088

#### 2) Amount recognized in profit or loss

The amount recognized in profit or loss related to leases for the 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	₩	2,687	3,075	5,518	6,344
Expenses relating to short-term leases		1,253	2,212	2,568	4,423
Expenses relating to leases of low-value assets		1,186	1,252	2,387	2,506
	₩	5,126	6,539	10,473	13,273

# POSCO

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

### 12. Intangible Assets, Net

Changes in the carrying amount 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

(in millions of Won)		Beginning	Acquisitions	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩	19,506	-	-	(3,033)	-	2,188	18,661
Membership(*1)		79,334	-	-	-	-	167	79,501
Development expense		77,771	530	-	(18,230)	-	7,624	67,695
Port facilities usage rights		168,233	-	-	(7,429)	-	-	160,804
Construction-in-progress		105,825	63,849	-	-	-	(9,114)	160,560
Other intangible assets		4,515	-	-	(1,141)	-	-	3,374
	₩	<u>455,184</u>	<u>64,379</u>	<u>-</u>	<u>(29,833)</u>	<u>-</u>	<u>865</u>	<u>490,595</u>

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

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

(b) For the year ended December 31, 2024

(in millions of Won)		Beginning	Acquisitions	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩	14,457	75	(198)	(8,191)	-	13,363	19,506
Membership(*1)		79,334	-	-	-	-	-	79,334
Development expense		121,194	3,363	(22)	(68,309)	(597)	22,142	77,771
Port facilities usage rights		183,092	-	-	(14,859)	-	-	168,233
Construction-in-progress		44,358	93,654	-	-	-	(32,187)	105,825
Other intangible assets		5,564	-	-	(2,281)	-	1,231	4,515
	₩	<u>447,999</u>	<u>97,092</u>	<u>(220)</u>	<u>(93,640)</u>	<u>(597)</u>	<u>4,549</u>	<u>455,184</u>

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

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

# POSCO

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

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### 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>
<b>Current</b>			
Advance payments	₩	10,449	3,299
Prepaid expenses		<u>68,246</u>	<u>113,667</u>
	₩	<u>78,695</u>	<u>116,966</u>
<b>Non-current</b>			
Long-term advance payments	₩	128	-
Long-term prepaid expenses		<u>2,376</u>	<u>2,570</u>
Others		<u>5,894</u>	<u>28,428</u>
	₩	<u>8,398</u>	<u>30,998</u>

# POSCO

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

### 14. Borrowings

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

(in millions of Won)		June 30, 2025	December 31, 2024
<b>Short-term borrowings</b>			
Short-term borrowings	₩	292,016	56,079
Current portion of debentures		2,998,960	2,375,800
Less: Current portion of discount on debentures issued		(2,876)	(2,474)
	₩	<u>3,288,100</u>	<u>2,429,405</u>
<b>Long-term borrowings</b>			
Debentures	₩	4,768,440	5,486,000
Less: Discount on debentures issued		(24,477)	(33,121)
	₩	<u>4,743,963</u>	<u>5,452,879</u>

(b) Details of short-term borrowings as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		Lenders	Maturity date	Annual interest rate (%)	June 30, 2025	December 31, 2024
Transfers of account receivables that do not qualify for derecognition(*1)		Shinhan Card, Shinhan Bank	-	-	₩ 174,816	56,079
Borrowings in foreign trade		Bank-of-China and others	2025.7.15 ~ 2025.9.24	1.72 ~ 1.79	117,200	-
					₩ 292,016	56,079

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

(c) Details of current portion of debentures as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		Lenders	Maturity date	Annual interest rate (%)	June 30, 2025	December 31, 2024
Debentures		312-1st Non-guaranteed bonds and others	2025.7.7 ~ 2026.1.12	4.04 ~ 4.05	₩ 1,099,755	699,670
Foreign debentures		Global debentures 8-1 and others	2025.8.4 ~ 2026.1.17	4.38 ~ 5.63	1,896,329	1,673,656
					₩ 2,996,084	2,373,326

(d) Details of long-term borrowings as of June 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		Lenders	Maturity date	Annual interest rate (%)	June 30, 2025	December 31, 2024
Debentures		309-3rd Non-guaranteed bonds and others	2026.7.17 ~ 2032.1.14	1.72 ~ 4.11	₩ 1,916,552	1,368,349
Foreign debentures		Global debentures 8-2 and others	2027.1.23 ~ 2033.1.17	4.50 ~ 5.88	2,827,411	4,084,530
					₩ 4,743,963	5,452,879

## POSCO

### Notes to interim condensed separate 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)*

		<u>June 30, 2025</u>	<u>December 31, 2024</u>
<b>Current</b>			
Accounts payable	₩	548,100	887,260
Accrued expenses		797,184	730,866
Lease liabilities		80,043	79,500
Withholdings		19,577	17,728
	₩	<u>1,444,904</u>	<u>1,715,354</u>
<b>Non-current</b>			
Long-term accrued expenses	₩	16	15
Lease liabilities		262,370	312,647
Long-term withholdings		208	170
	₩	<u>262,594</u>	<u>312,832</u>

#### 16. Other Financial Liabilities

Details of other financial liabilities 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>
<b>Current</b>			
Financial guarantee liabilities	₩	937	1,840

# POSCO

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

### 17. 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(*1,2)	₩	15,824	47,596	15,189	47,596
Provision for restoration(*3)		3,004	-	2,962	-
Provision for product warranties(*4)		17,940	4,025	16,234	3,599
Provision for legal contingencies and claims(*5)		-	32,211	-	32,211
Others(*6)		4,502	-	-	-
	₩	<u>41,270</u>	<u>83,832</u>	<u>34,385</u>	<u>83,406</u>

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

(\*2) The Company measured the present value of the estimated future payments for long-service benefits based on an actuarial valuation, and recognized a provision of ₩52,038 million as of June 30, 2025.

(\*3) As of June 30, 2025, due to contamination of certain factory sites in the Company's Pohang works, the Company recognized present value of the estimated cost for recovery as provisions for restoration. In order to determine the estimated costs, the Company has assumed that it would use all of technologies and materials which are currently available to recover the land.

(\*4) The Company has recognized a provision for the claim cost expected to be charged to the Company.

(\*5) As of June 30, 2025, the Company recognized a provision for lawsuits.

(\*6) As of June 30, 2025, the Company recognized the expected sales incentives payable to customers as a provision.

# POSCO

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

### 17. 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

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Increase</u>	<u>Reversal</u>	<u>Utilization</u>	<u>Ending</u>
Provision for bonus payments	₩	62,785	6,323	-	(5,688)	63,420
Provision for restoration		2,962	42	-	-	3,004
Provision for product warranties		19,832	13,073	-	(10,940)	21,965
Provision for legal contingencies and claims		32,211	-	-	-	32,211
Others		-	4,512	-	(10)	4,502
	₩	<u>117,790</u>	<u>23,950</u>	<u>-</u>	<u>(16,638)</u>	<u>125,102</u>

2) For the year ended December 31, 2024

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Increase</u>	<u>Reversal</u>	<u>Utilization</u>	<u>Ending</u>
Provision for bonus payments	₩	40,195	40,349	-	(17,759)	62,785
Provision for restoration		5,442	160	(1,640)	(1,000)	2,962
Provision for product warranties		21,851	9,726	-	(11,745)	19,832
Provision for legal contingencies and claims		-	32,212	-	-	32,212
Others		-	9,243	-	(9,243)	-
	₩	<u>67,488</u>	<u>91,690</u>	<u>(1,640)</u>	<u>(39,747)</u>	<u>117,791</u>

# POSCO

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

### 18. 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	₩ 15,684	10,491	25,731	23,688

#### (b) Defined benefit plans

- 1) The amounts recognized in relation to net defined benefit liabilities (assets) in the 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	₩ 1,268,509	1,324,972
Fair value of plan assets	(1,465,018)	(1,547,512)
Net defined benefit liabilities	₩ (196,509)	(222,540)

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

(in millions of Won)	June 30, 2025	June 30, 2024
Defined benefit obligation at the beginning of period	₩ 1,324,972	1,259,340
Current service costs	48,807	49,052
Interest costs	22,542	23,928
Amount transferred from associate	2,995	2,399
Amount transferred to associate	(3,249)	(2,979)
Benefits paid	(127,558)	(115,043)
Defined benefit obligation at the end of period	₩ 1,268,509	1,216,697

# POSCO

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

### 18. Employee Benefits (cont'd)

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

<i>(in millions of Won)</i>		<b>June 30, 2025</b>	<b>June 30, 2024</b>
Fair value of plan assets at the beginning of period	₩	1,547,512	1,557,782
Interest on plan assets		27,480	31,401
Remeasurement of plan assets		3,255	7,342
Contributions to plan assets		-	50,000
Amount transferred from associate		2,995	2,399
Amount transferred to associate		(3,249)	(2,979)
Benefits paid		(112,975)	(96,676)
Fair value of plan assets at the end of period	₩	<u>1,465,018</u>	<u>1,549,269</u>

- 4) The amounts related to net defined benefit plans recognized in the 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>		<b>For the three-month periods ended June 30</b>		<b>For the six-month periods ended June 30</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current service costs	₩	24,266	23,684	48,807	49,052
Net interest costs		(2,468)	(3,736)	(4,938)	(7,473)
	₩	<u>21,798</u>	<u>19,948</u>	<u>43,869</u>	<u>41,579</u>

## POSCO

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

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#### 19. Other Liabilities

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

<i>(in millions of Won)</i>		<b><u>June 30, 2025</u></b>	<b><u>December 31, 2024</u></b>
<b>Current</b>			
Advances received	₩	7,076	16,548
Withholdings		32,143	51,665
Unearned revenue		59,285	73,248
	₩	<u>98,504</u>	<u>141,461</u>
<b>Non-current</b>			
Unearned revenue	₩	2,362	2,806

# POSCO

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

### 20. Financial Instruments

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

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

#### ① June 30, 2025

(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	₩ 238,667	-	238,667	-	238,667
Short term financial instruments	585,767	-	585,767	-	585,767
Other securities	7,511	-	-	7,511	7,511
Equity securities	35,540	-	-	35,540	35,540
Fair value through other comprehensive income					
Equity securities	576,372	532,661	-	43,711	576,372
Financial assets measured at amortized cost(*1)					
Cash and cash equivalents	2,347,198	-	-	-	-
Trade accounts and notes receivable	4,550,648	-	-	-	-
Debt securities	654,000	-	-	-	-
Other receivables	362,890	-	-	-	-
Deposit instruments	3,333,722	-	-	-	-
	₩ 12,692,315	532,661	824,434	86,762	1,443,857
Financial liabilities					
Financial liabilities measured at amortized cost(*1)					
Trade accounts and notes payable	₩ 1,782,401	-	-	-	-
Borrowings	8,032,063	-	8,261,746	-	8,261,746
Financial guarantee liabilities	937	-	-	-	-
Others	1,306,590	-	-	-	-
	₩ 11,121,991	-	8,261,746	-	8,261,746

- (\*1) The fair values of financial assets and liabilities measured at amortized cost except borrowings approximate their carrying amounts.

# POSCO

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

### 20. Financial Instruments (cont'd)

② December 31, 2024

(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	₩	754,886	-	754,886	-	754,886
Short term financial instruments		413,976	-	413,976	-	413,976
Other securities		7,511	-	-	7,511	7,511
Equity securities		35,541	-	-	35,541	35,541
Fair value through other comprehensive income						
Equity securities		429,780	385,751	-	44,029	429,780
Financial assets measured at amortized cost(*1)						
Cash and cash equivalents		1,943,148	-	-	-	-
Trade accounts and notes receivable		4,703,770	-	-	-	-
Debt securities		400,000	-	-	-	-
Other receivables		322,597	-	-	-	-
Deposit instruments		2,833,722	-	-	-	-
	₩	11,844,931	385,751	1,168,862	87,081	1,641,694
Financial liabilities						
Financial liabilities measured at amortized cost(*1)						
Trade accounts and notes payable	₩	2,210,454	-	-	-	-
Borrowings		7,882,284	-	8,080,375	-	8,080,375
Financial guarantee liabilities		1,840	-	-	-	-
Others		1,863,121	-	-	-	-
	₩	11,957,699	-	8,080,375	-	8,080,375

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

# POSCO

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

### 20. Financial Instruments (cont'd)

- 2) Details of financial guarantee contracts recognized as financial liabilities as of June 30, 2025 are as follows:

(in millions of Won)		Guarantee limit		Guarantee amount	
Guarantee beneficiary	Financial institution	Foreign currency	Won equivalent	Foreign currency	Won equivalent
<b>[Subsidiaries]</b>					
POSCO-VIETNAM Co., Ltd.	Citi	USD	25,000,000	33,910	6,818,182
	HSBC	USD	40,000,000	54,256	10,909,091
	Shinhan Bank	USD	45,000,000	61,038	12,272,727
POSCO COATED STEEL (THAILAND) CO., LTD.	Citi	THB	800,000,000	33,248	296,000,000
	HSBC	THB	800,000,000	33,248	296,000,000
	Mizuho	THB	800,000,000	33,248	296,000,000
	MUFG	THB	800,000,000	33,248	296,000,000
	SC	THB	800,000,000	33,248	296,000,000
	SMBC	THB	800,000,000	33,248	296,000,000
POSCO ASSAN TST STEEL INDUSTRY	Citi	USD	46,900,000	63,615	42,145,620
	Shinhan Bank	USD	44,800,000	60,767	40,352,190
	Woori Bank	USD	44,800,000	60,767	40,352,190
<b>[Associates]</b>					
LLP POSUK Titanium	Shinhan Bank	USD	12,750,000	17,294	12,750,000
		USD	259,250,000	351,647	165,600,000
		THB	4,800,000,000	199,488	1,776,000,000

# POSCO

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

### 20. 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)	Dividend income(*1)	Gain and loss on foreign currency	Gain and loss on disposal	Gain and loss on valuation	Others	
Financial assets at fair value through profit or loss	₩	-	-	-	14,714	(352,021)	(39)	(337,346)
Financial assets at fair value through other comprehensive income		-	20,671	-	-	-	-	108,215
Financial assets measured at amortized cost		90,206	-	(190,618)	-	-	-	(100,412)
Financial liabilities at fair value through profit or loss		-	-	-	534	-	-	534
Financial liabilities measured at amortized cost		(189,341)	-	514,170	-	-	323	325,152
	₩	(99,135)	20,671	323,552	15,248	(352,021)	284	(91,401)
								108,215

- (\*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩16,492 million for the six-month period ended June 30, 2025.

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

(in millions of Won)

		Finance income and costs						Other comprehensive income
		Interest income (expense)	Dividend income(*1)	Gain and loss on foreign currency	Gain and loss on disposal	Gain and loss on valuation	Others	
Financial assets at fair value through profit or loss	₩	-	-	-	55,988	428,248	(662)	483,574
Financial assets at fair value through other comprehensive income		-	19,040	-	-	-	-	33,326
Financial assets measured at amortized cost		62,377	-	152,439	-	-	-	214,816
Financial liabilities at fair value through profit or loss		-	-	-	373	54,955	-	55,328
Financial liabilities measured at amortized cost		(178,171)	-	(571,833)	-	-	1,779	(748,225)
	₩	(115,794)	19,040	(419,394)	56,361	483,203	1,117	24,533
								33,326

- (\*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩8,437 million for the six-month period ended June 30, 2024.

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

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

(in millions of Won)

		Finance income and costs						Other comprehensive income
		Interest income (expense)	Dividend income(*1)	Gain and loss on foreign currency	Gain and loss on disposal	Gain and loss on valuation	Others	
Financial assets at fair value through profit or loss	₩	-	-	-	12,356	(403,015)	(4)	(390,663)
Financial assets at fair value through other comprehensive income		-	5,497	-	-	-	-	5,497
Financial assets measured at amortized cost		42,197	-	(178,491)	-	-	-	(136,294)
Financial liabilities at fair value through profit or loss		-	-	-	534	-	-	534
Financial liabilities measured at amortized cost		(91,466)	-	513,025	-	-	155	421,714
	₩	(49,269)	5,497	334,534	12,890	(403,015)	151	(99,212)
								91,420

- (\*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩5,814 million for the three-month period ended June 30, 2025.

# POSCO

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

### 20. Financial Instruments (cont'd)

#### ② For the three-month period ended June 30, 2024

(in millions of Won)

		Finance income and costs						Other comprehensive income
		Interest income (expense)	Dividend income(*1)	Gain and loss on foreign currency	Gain and loss on disposal	Gain and loss on valuation	Others	
Financial assets at fair value through profit or loss	₩	-	-	-	32,976	190,481	(482)	222,975
Financial assets at fair value through other comprehensive income		-	4,704	-	-	-	-	4,704
Financial assets measured at amortized cost		32,153	-	69,443	-	-	-	101,596
Financial liabilities at fair value through profit or loss		-	-	-	-	1,543	-	1,543
Financial liabilities measured at amortized cost		(86,279)	-	(260,540)	-	-	157	(346,662)
	₩	(54,126)	4,704	(191,097)	32,976	192,024	(325)	(15,844)

(\*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩166 million for the three-month period ended June 30, 2024.

#### (b) Financial risk management

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

## POSCO

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

#### 21. 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>		<b>June 30, 2025</b>	<b>December 31, 2024</b>
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>		<b>June 30, 2025</b>	<b>December 31, 2024</b>
Share premium	₩	24,222,056	24,222,056
Other capital surplus		(2,377)	5,032
	₩	<u>24,219,679</u>	<u>24,227,088</u>

#### 22. 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>		<b>June 30, 2025</b>	<b>December 31, 2024</b>
Changes in fair value of equity investments			
at fair value through other comprehensive income	₩	146,568	38,441

# POSCO

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

### 23. 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:

(in millions of Won)		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2025	2024	2025	2024
<b>Types of revenue</b>					
Revenue from sales of goods	₩	8,563,713	8,891,927	17,149,481	18,066,132
Revenue from services		305,504	290,678	614,442	558,468
Others		77,928	94,014	151,237	171,819
	₩	<u>8,947,145</u>	<u>9,276,619</u>	<u>17,915,160</u>	<u>18,796,419</u>
<b>Timing of revenue recognition</b>					
Revenue recognized at a point in time	₩	8,619,377	8,968,013	17,254,078	18,196,495
Revenue recognized over time		327,768	308,606	661,082	599,924
	₩	<u>8,947,145</u>	<u>9,276,619</u>	<u>17,915,160</u>	<u>18,796,419</u>

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

(in millions of Won)		June 30, 2025	December 31, 2024
<b>Receivables</b>			
Account receivables	₩	4,548,746	4,705,101
<b>Contract assets</b>			
Account receivables		4,572	10,265
<b>Contract liabilities</b>			
Advance received		7,076	16,548
Unearned income		61,648	76,054

# POSCO

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

### 24. 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	₩ 58,004	53,332	127,847	115,290
Expenses related to post-employment benefits	5,674	4,888	10,481	11,748
Other employee benefits	16,354	14,363	29,048	28,317
Travel	2,578	2,203	5,060	4,442
Depreciation	10,034	8,691	20,774	17,515
Amortization	5,767	7,992	11,732	14,204
Rental	12,670	12,924	34,559	31,803
Repairs	1,745	2,494	3,054	4,173
Advertising	13,887	14,662	24,484	25,373
Research & development	5,442	6,948	10,993	13,732
Service fees	60,270	60,150	124,450	124,920
Supplies	354	91	664	257
Vehicles maintenance	1,389	1,063	2,698	2,499
Industry association fee	1,713	1,487	2,606	2,033
Training	6,863	6,124	12,588	11,700
Conference	1,119	1,075	2,246	2,094
Others	6,967	7,119	12,280	13,461
	₩ 210,830	205,606	435,564	423,561

#### (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	₩ 40,659	37,030	83,275	76,500
Operating expenses for distribution center	1,253	1,397	2,446	2,448
Sales commissions	26,081	22,240	51,820	48,033
Sales advertising	246	116	289	250
Sales promotion	1,027	967	1,697	1,630
Sample	298	103	447	377
Sales insurance premium	2,692	1,675	4,985	3,654
	₩ 72,256	63,528	144,959	132,892

# POSCO

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

### 25. 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
<b>Finance income</b>				
Interest income(*1)	₩ 42,197	32,153	90,206	62,377
Dividend income	11,311	4,869	37,163	27,513
Gain on foreign currency transactions	106,008	96,758	182,136	189,648
Gain on foreign currency translations	418,316	4,290	454,008	44,557
Gain on valuation of derivatives	(48,493)	177,791	-	425,864
Gain on transactions of derivatives	534	-	534	15,072
Gain on valuation of financial assets at fair value through profit or loss	322	14,233	2,822	57,339
Gain on disposal of financial assets at fair value through profit or loss	12,356	32,976	17,757	44,260
Others	172	175	363	1,817
	₩ 542,723	363,245	784,989	868,447
<b>Finance costs</b>				
Interest expenses	₩ 91,465	86,279	189,341	178,171
Loss on foreign currency transactions	132,914	93,744	233,233	191,247
Loss on foreign currency translations	56,876	198,401	79,358	462,352
Loss on valuation of derivatives	350,688	-	350,688	-
Loss on transactions of derivatives	-	-	3,043	2,971
Loss on valuation of financial assets at fair value through profit or loss	4,155	-	4,155	-
Others	22	499	80	699
	₩ 636,120	378,923	859,898	835,440

(\*1) Interest income calculated using the effective interest method for each of the six-month periods ended June 30, 2025 and 2024 is ₩87,720 million and ₩53,975 million, respectively.

# POSCO

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

### 26. 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:

(in millions of Won)	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2025	2024	2025	2024
<b>Other non-operating income</b>				
Gain on disposals of property, plant and equipment	₩ 16,544	2,378	17,247	7,113
Premium income	1,075	308	1,481	391
Gain on disposals of emission rights	-	10,373	-	13,343
Others	1,045	11,245	8,745	15,922
	₩ 18,664	24,304	27,473	36,769
<b>Other non-operating expenses</b>				
Loss on disposals of property, plant and equipment	₩ 41,199	39,762	52,511	81,167
Impairment loss on property, plant and equipment	17,403	18,743	70,002	59,707
Donations	-	541	-	1,274
Idle tangible asset expenses	2,787	10,004	21,163	28,541
Other amortization expense	1,115	787	2,460	2,258
Others	3,437	5,775	7,422	11,683
	₩ 65,941	75,612	153,558	184,630

# POSCO

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

### 27. Expenses by Nature

Expenses that are recorded by nature as cost of sales, selling and administrative expenses and other non-operating expenses in the statements of comprehensive 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)	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2025	2024	2025	2024
Changes in inventories(*1)	₩ 227,635	479,380	414,531	529,138
Raw materials and consumables used	5,487,763	5,745,427	11,255,121	12,284,359
Employee benefits expenses	480,805	458,596	976,665	933,067
Outsourced processing cost	691,433	704,650	1,355,320	1,393,918
Depreciation(*2)	606,464	590,235	1,206,768	1,170,114
Amortization	14,865	27,232	29,833	52,603
Electricity and water expenses	182,385	118,210	391,372	293,210
Service fees	86,011	85,522	171,945	171,903
Rental	24,293	23,369	57,691	54,089
Advertising	13,887	14,662	24,484	25,373
Freight and custody expenses	301,918	324,819	620,491	637,263
Sales commissions	26,081	22,240	51,820	48,035
Loss on disposals of property, plant and equipment	41,199	39,762	52,511	81,167
Impairment loss on property, plant and equipment	17,403	18,743	70,002	59,707
Other expenses	297,580	280,973	530,854	533,546
	₩ 8,499,722	8,933,820	17,209,408	18,267,492

(\*1) Presenting changes in products, semi-finished products and by-products.

(\*2) Including depreciation of investment property.

### 28. Income Taxes

Income tax expenses were calculated by adjusting deferred tax expenses (income) due to the accrual and reversal of temporary differences in current tax expenses and income tax expenses (income) related to items not recognized in profit or loss. The effective tax rates of the Company for each of the six-month periods ended June 30, 2025 and 2024 are 25.1% and 16.7%, respectively.

# POSCO

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

### 29. 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	₩	273,145,106,213	267,125,467,707	493,093,472,181	498,553,816,363
Weighted-average number of common shares outstanding(*1)		96,480,625	96,480,625	96,480,625	96,480,625
Basic earnings per share	₩	2,831	2,769	5,111	5,167

(\*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 Company 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

## Notes to interim condensed separate financial statements, continued

June 30, 2025 and 2024 (unaudited)

### 30. Related Party Transactions

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

	Company
<b>The parent company</b>	POSCO HOLDINGS INC.
<b>Subsidiaries</b>	POSCO STEELEON Co., Ltd, POSCO M-TECH, PNR, POSCO Humans, eNtoB Corporation, Pohang Scrap Recycling Distribution Center Co., Ltd, POSCO (Thailand) Company.Ltd, POSCO-MKPC SDN BHD, POSCO-VIETNAM Co., Ltd., POSCO Thainox Public Company Limited, POSCO COATED STEEL (THAILAND) CO.,LTD., POSCO Philippine Manila Processing Center, Inc., PT. KRAKATAU POSCO, POSCO Maharashtra Steel Private Limited, POSCO ASSAN TST STEEL INDUSTRY Inc., POSCO-India Pune Processing Center. Pvt. Ltd., POSCO INDIA PROCESSING CENTER PRIVATE LIMITED and others
<b>Associates and joint ventures(*1)</b>	DAEHO GLOBAL MANAGEMENT CO., LTD., Pohang Special Welding Co., Ltd., POSK(Pinghu) Steel Processing Center Co., Ltd., SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD, POSCO Vietnam Processing Center. Co.,Ltd, POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER, M RES NSW HCC II Pty Ltd
<b>Other related parties(*2)</b>	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) The Company decided to dispose of SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., and reclassified the related investment in associates as assets held for sale for 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 Company.

# POSCO

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

### 30. Related Party Transactions (cont'd)

(b) Details of significant transactions with the company'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)

		Sales and others(*1)		Purchase and others(*2)			
		Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
<b>The parent company</b>							
POSCO HOLDINGS INC. (*3)	₩	7,424	472	-	89	-	411,898
<b>Subsidiaries</b>							
POSCO STEELEON Co., Ltd		227,342	7,371	184	-	20,192	77
eNtoB Corporation		16	1,309	175,387	20,859	1,860	7,727
POSCO M-TECH		34	421	46,686	3,558	104,793	111
PNR		326	-	-	-	20,344	-
POSCO Humans		562	-	-	-	3,381	13,153
POSCO (THAILAND) COMPANY LIMITED		42,539	756	-	-	-	77
POSCO-MKPC SDN BHD		3,256	837	-	-	-	233
POSCO VIETNAM CO., LTD.		164,189	42	-	-	-	40
POSCO MEXICO S.A. DE C.V.		227,335	15	-	-	-	1,149
POSCO-Poland Wroclaw Processing Center Sp. z o. o.		2,771	-	-	-	-	-
POSCO Thainox Public Company Limited		143,358	5,651	-	-	-	20
POSCO COATED STEEL (THAILAND) CO., LTD.		174,911	117	-	-	-	869
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S		21,570	-	-	-	-	608
POSCO-Indonesia Jakarta Processing Center		1,260	-	-	-	-	1,903
POSCO PS Tech		35	1	2	4,806	59,350	554
POSCO PR Tech		-	23	5	10,180	55,006	416
POSCO PH Solution		-	40	6	3,151	24,001	847
POSCO GYS Tech		62	22	13	3,748	55,699	-
POSCO GYR Tech		54	-	-	3,289	51,377	37
POSCO GY Solution		54	1	-	3,408	24,987	-
Pohang Scrap Recycling Distribution Center Co., Ltd. (*4)		-	-	-	-	862	-
PT. KRAKATAU POSCO		5,519	-	13,592	-	-	-
POSCO-India Pune Processing Center Private Ltd		4,017	-	-	-	-	-
POSCO Maharashtra Steel Private Limited		545,885	-	-	-	-	203
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED		76,223	-	-	-	-	786
POSCO ASSAN TST STEEL INDUSTRY		157,479	591	-	-	-	-
Others		3,857	-	-	-	-	502
		1,802,654	17,197	235,875	52,999	421,852	29,312
<b>Associates and joint ventures</b>							
POSCO Vietnam Processing Center. Co., Ltd		23,380	-	-	-	-	-
Others		39,410	163	-	-	-	207
		62,790	163	-	-	-	207
<b>Other related party(*4)</b>							
POSCO Eco & Challenge Co., Ltd.		93	24	-	213,876	67	2,020
POSCO DX (*5)		999	17	-	125,540	32,246	97,501
POSCO WIDE Co., Ltd.		4,857	35	313	785	13,445	23,709
POSCO FUTURE M CO., LTD.		246,528	105	298,041	2,932	116,516	264
POSCO FLOW CO., LTD. (*6)		4,805	-	276,838	38	4,851	573,049
SNNC		4,655	4	154,402	701	701	-
POSCO Mobility Solution Corporation		406,880	-	3,205	449	7,991	670
eSteel4U		296,468	-	-	-	-	49
POSCO INTERNATIONAL Corporation(*7)		5,052,026	2	460,518	-	991	12,416
POSCO(Guangdong) Automotive Steel Co.,Ltd		90,777	-	-	-	-	-
POSCO VST CO., LTD.		130,889	-	-	-	-	20
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	7	775,560	-	-	-
Roy Hill Holdings Pty Ltd		-	-	756,675	-	-	-
Others		142,003	39	95,825	22,791	-	37,583
		6,380,980	233	2,821,377	367,112	176,808	747,281
₩		8,253,848	18,065	3,057,252	420,200	598,660	1,188,698

(\*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) Newly consolidated through an acquisition from POSCO INTERNATIONAL Corporation for the six-month period ended June 30, 2025.

(\*5) Others (purchase) mainly consist of maintenance expenses for the ERP System.

(\*6) Others (purchase) mainly consist of freight expenses.

(\*7) The Company is engaged in a SWAP agreement with POSCO INTERNATIONAL Corporation for the purchase of LNG.

# POSCO

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

### 30. 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
<b>The parent company</b>						
POSCO HOLDINGS INC.(*)3	₩ 6,765	251	-	-	-	664,448
<b>Subsidiaries</b>						
POSCO STEELEON Co., Ltd	313,632	5,510	96	54	19,918	135
eNtoB Corporation	7	1,176	189,371	31,536	664	7,634
POSCO M-TECH	31	726	37,309	-	92,083	-
PNR	324	-	-	-	23,656	-
POSCO Humans	542	-	-	-	3,257	12,969
POSCO (Thailand) Company.Ltd	44,063	-	-	-	-	30
POSCO-MKPC SDN BHD	5,772	909	-	-	-	202
POSCO-VIETNAM Co., Ltd.	116,685	142	-	-	-	24
POSCO MEXICO S.A. DE C.V.	301,569	114	-	-	-	869
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	2,965	-	-	-	-	-
POSCO Thainox Public Company Limited	95,780	-	-	-	-	157
POSCO COATED STEEL (THAILAND) CO., LTD.	127,647	122	-	-	-	692
POSCO ChengDu Processing Center	35	-	-	-	-	-
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	40,115	-	-	-	-	256
POSCO-Indonesia Jakarta Processing Center	1,102	-	-	-	-	1,719
POSCO PS Tech	34	-	-	6,150	61,589	850
POSCO PR Tech	-	24	-	13,237	50,105	215
POSCO PH Solution	-	39	-	4,345	23,753	3,336
POSCO GYS Tech	56	12	-	5,734	57,011	479
POSCO GYR Tech	51	-	1	3,765	52,220	335
POSCO GY Solution	42	15	-	3,244	26,058	9
PT. KRAKATAU POSCO	4,779	2,184	-	-	-	-
Others	6,849	-	-	-	-	420
	1,062,080	10,973	226,777	68,065	410,314	30,331
<b>Associates and joint ventures</b>						
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	21,312	-	-	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd	33,648	-	-	-	-	181
Others	148	-	-	-	-	-
	55,108	-	-	-	-	181
<b>Other related party</b>						
POSCO Eco & Challenge Co., Ltd.	147	-	-	650,278	63	33,780
POSCO DX(*)4	955	17	-	242,530	32,889	92,886
POSCO WIDE Co., Ltd.	4,849	23	385	-	10,429	23,134
POSCO FUTURE M CO., LTD.	207,568	96	269,316	33,338	113,309	8,610
POSCO FLOW CO., LTD.(*)5	6,281	20	355,673	2	8,001	601,586
SNNC	4,182	3	164,827	-	-	-
POSCO Mobility Solution Corporation	410,721	-	-	2,230	26,299	239
eSteel4U	304,930	-	-	-	-	-
POSCO INTERNATIONAL Corporation	5,260,293	-	515,616	-	-	13,124
POSCO Canada Ltd.	-	-	26,700	-	-	1,320
POSCO Maharashtra Steel Private Limited(*)6	461,252	60	-	-	-	728
POSCO(Guangdong) Automotive Steel Co.,Ltd	127,289	-	-	-	-	-
POSCO VST CO., LTD.	76,556	-	-	-	-	31
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	3	978,858	-	-	-
POSCO ASSAN TST STEEL INDUSTRY(*)6	186,150	1,969	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	932,882	-	-	-
Others	320,844	264	83,742	38,065	12	41,717
	7,372,017	2,455	3,327,999	966,443	191,002	817,155
₩	8,495,970	13,679	3,554,776	1,034,508	601,316	1,512,115

(\*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) Newly consolidated as a subsidiary through an acquisition from POSCO HOLDINGS Inc. for the six-month period ended June 30, 2024 and the transactions occurred prior to the consolidation.

# POSCO

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

### 30. Related Party Transactions (cont'd)

(c) Details of the related account balances of significant transactions with the Company'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	Others	Total	Trade accounts and notes payable	Accounts payable	Others	Total	
The parent company									
POSCO HOLDINGS INC.	₩	692	40,608	41,300	-	52,745	297,132	349,877	
Subsidiaries									
POSCO STEELEON Co., Ltd		56,436	93	56,529	31	-	6,429	6,460	
eNtoB Corporation		-	-	-	2,186	7,196	379	9,761	
POSCO M-TECH		-	-	-	-	16,548	19,329	35,877	
PNR		-	91	91	-	1,137	2,635	3,772	
POSCO Humans		19	1	20	-	1,417	2,694	4,111	
POSCO (THAILAND) COMPANY LIMITED		21,803	-	21,803	-	2	-	2	
POSCO-MKPC SDN BHD		-	-	-	-	-	219	219	
POSCO-VIETNAM Co., Ltd.		81,612	566	82,178	-	-	23	23	
POSCO MEXICO S.A. DE C.V.		138,204	378	138,582	-	128	958	1,086	
POSCO Thainox Public Company Limited		61,754	237	61,991	-	-	-	-	
POSCO COATED STEEL (THAILAND) CO., LTD.		79,883	451	80,334	-	-	719	719	
POSCO-Indonesia Jakarta Processing Center		-	-	-	-	-	1,756	1,756	
POSCO PS Tech		-	2	2	-	5,500	11,302	16,802	
POSCO PR Tech		-	2	2	-	6,190	11,875	18,065	
POSCO PH Solution		-	1	1	-	2,245	4,763	7,008	
POSCO GYS Tech		-	2	2	-	4,690	9,620	14,310	
POSCO GYR Tech		-	2	2	-	7,023	9,095	16,118	
POSCO GY Solution		-	2	2	-	2,125	4,459	6,584	
Pohang Scrap Recycling Distribution Center Co., Ltd.(*1)		-	-	-	-	948	-	948	
PT. KRAKATAU POSCO		1,489	1,382	2,871	-	-	-	-	
POSCO Maharashtra Steel Private Limited		412,591	886	413,477	-	7,692	15	7,707	
POSCO ASSAN TST STEEL INDUSTRY Inc.		263,873	1,298	265,171	-	-	-	-	
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED		-	-	-	-	-	733	733	
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S		-	-	-	-	-	571	571	
Others		300	292	592	-	-	19	19	F
		1,117,964	5,686	1,123,650	2,217	62,841	87,593	152,651	
Associates and joint ventures									
Pohang Special Welding Co., Ltd.		-	39	39	-	-	-	-	
POSCO Vietnam Processing Center. Co.,Ltd		9,105	-	9,105	-	-	194	194	
		9,105	39	9,144	-	-	194	194	
Other related party									
POSCO Eco & Challenge Co., Ltd.		-	5	5	-	24,287	183	24,470	
POSCO DX		47	7	54	-	57,207	22,758	79,965	
POSCO WIDE Co., Ltd.		326	633	959	-	3,264	6,596	9,860	
POSCO FUTURE M CO., LTD.		45,336	82,429	127,765	61,784	15,211	24,025	101,020	
POSCO FLOW CO., LTD.		487	1,116	1,603	110,619	7,646	44,621	162,886	
SNNC		584	65	649	6,049	257	77	6,383	
POSCO Mobility Solution Corporation		136,030	-	136,030	491	764	1,872	3,127	
eSteel4U		178,118	-	178,118	-	-	-	-	
POSCO INTERNATIONAL Corporation		816,441	857	817,298	3,036	7,335	3,383	13,754	
POSCO(Guangdong) Automotive Steel Co., Ltd.		24,966	-	24,966	-	-	-	-	
POSCO VST CO., LTD.		55,754	221	55,975	-	-	-	-	
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	-	126,772	14	-	126,786	
Roy Hill Holdings Pty Ltd		-	-	-	377,099	-	-	377,099	
Others		18,159	24,882	43,041	3,171	6,498	20,416	30,085	
		1,276,248	110,215	1,386,463	689,021	122,483	123,931	935,435	
₩		2,404,009	156,548	2,560,557	691,238	238,069	508,850	1,438,157	

(\*1) Newly consolidated through an acquisition from POSCO INTERNATIONAL Corporation for the six-month period ended June 30, 2025.

# POSCO

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

### 30. Related Party Transactions (cont'd)

#### 2) December 31, 2024

(in millions of Won)

(in millions of Won)

		Receivables				Payables		
		Trade accounts and notes receivable	Others	Total	Trade accounts and notes payable	Accounts payable	Others	Total
The parent company								
POSCO HOLDINGS INC.	W	-	41,966	41,966	-	102,520	84,604	187,124
Subsidiaries								
POSCO STEELEON Co., Ltd		61,687	113	61,800	-	6	6,047	6,053
eNtoB Corporation		-	-	-	430	6,801	340	7,571
POSCO M-TECH		-	1	1	-	19,182	23,787	42,969
PNR		-	86	86	-	1,868	3,505	5,373
POSCO Humans		16	-	16	-	885	2,622	3,507
POSCO (THAILAND) COMPANY LIMITED		19,973	-	19,973	-	-	-	-
POSCO-MKPC SDN BHD		-	-	-	-	-	-	-
POSCO-VIETNAM Co., Ltd.		106,033	1,421	107,454	-	-	-	-
POSCO MEXICO S.A. DE C.V.		211,563	956	212,519	-	-	-	-
POSCO Thainox Public Company Limited		84,360	481	84,841	-	-	-	-
POSCO COATED STEEL (THAILAND) CO., LTD.		72,357	693	73,050	-	1	-	1
POSCO PS Tech		-	3	3	-	7,930	14,873	22,803
POSCO PR Tech		-	6	6	-	3,760	12,853	16,613
POSCO PH Solution		-	3	3	-	3,819	7,167	10,986
POSCO GYS Tech		-	3	3	-	4,796	14,717	19,513
POSCO GYR Tech		-	2	2	-	7,061	13,797	20,858
POSCO GY Solution		-	2	2	-	1,876	7,273	9,149
PT. KRAKATAU POSCO		7,593	5,912	13,505	-	-	-	-
POSCO Maharashtra Steel Private Limited		363,586	1,912	365,498	-	124,210	-	124,210
POSCO ASSAN TST STEEL INDUSTRY Inc.		281,858	1,347	283,205	-	81	-	81
Others		45	200	245	-	-	-	-
		1,209,071	13,141	1,222,212	430	182,276	106,981	289,687
Associates and joint ventures								
Pohang Special Welding Co., Ltd.		-	33	33	-	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd		5,585	-	5,585	-	-	-	-
		5,585	33	5,618	-	-	-	-
Other related party								
POSCO Eco & Challenge Co., Ltd.		-	9	9	-	70,421	280	70,701
POSCO DX		40	4	44	-	179,910	25,832	205,742
POSCO WIDE Co., Ltd.		475	659	1,134	-	6,488	4,664	11,152
POSCO FUTURE M CO., LTD.		43,546	4,770	48,316	42,635	17,166	20,110	79,911
POSCO FLOW CO., LTD.		331	546	877	120,980	2,100	43,533	166,613
SNINC		518	70	588	8,426	1,285	13	9,724
POSCO Mobility Solution Corporation		112,418	-	112,418	-	1,746	5,055	6,801
eSteel4U		106,875	-	106,875	-	-	-	-
POSCO INTERNATIONAL Corporation		906,600	1,231	907,831	30,212	6,032	4,330	40,574
POSCO(Guangdong) Automotive Steel Co., Ltd.		48,546	-	48,546	-	-	-	-
POSCO VST CO., LTD.		82,674	519	83,193	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	-	184,013	188	-	184,201
Roy Hill Holdings Pty Ltd		-	2,440	2,440	356,234	25	-	356,259
Others		33,493	28,544	62,037	1,775	13,805	5,147	20,727
		1,335,516	38,792	1,374,308	744,275	299,166	108,964	1,152,405
W		2,550,172	93,932	2,644,104	744,705	583,962	300,549	1,629,216

#### (d) Guarantees provided to the related parties

As of June 30, 2025, the Company has entered into financial guarantee contracts for the related parties and recognizes the related guarantee obligations as financial guarantee liabilities (see Note 20-(a)-2).

## POSCO

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

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#### 30. Related Party Transactions (cont'd)

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

<i>(in millions of Won)</i>		<u>June 30, 2025</u>	<u>June 30, 2024</u>
Short-term benefits	₩	21,285	19,433
Retirement benefits		<u>3,457</u>	<u>5,691</u>
	₩	<u>24,742</u>	<u>25,124</u>

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

# POSCO

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

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### 31. Commitments and Contingencies

#### (a) Contingent liabilities

Contingent liabilities may develop in a way not initially expected. Therefore, management continuously assesses contingent liabilities to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

The management makes estimates and assumptions that affect disclosures of commitments and contingencies. All estimates and assumptions are based on the evaluation of current circumstances and appraisals with the supports of internal specialists or external consultants.

The management regularly analyzes current information about these matters and provides for probable contingent losses including the estimate of legal expense to resolve the matters. Internal and external lawyers are used for these assessments. In making the decision regarding the need for provisions, management considers whether the Company has an obligation as a result of a past event, whether it is probable that an outflow of cash or other resources embodying economic benefits will be required to settle the obligation and the ability to make a reliable estimate of the amount of obligation.

#### (b) Commitments

- 1) The Company entered into long-term contracts to purchase iron ore, coal, nickel and others. The contracts of iron ore and coal generally have terms of more than two years and three years, respectively, and the contracts of nickel have terms of more than one year. These contracts provide for periodic price adjustments based on the market price. As of June 30, 2025, 64 million tons of iron ore and 17 million tons of coal remain to be purchased under such long-term contracts.
- 2) The Company entered into an agreement with Tangguh Liquefied Natural Gas (LNG) Consortium in Indonesia. The contractual volume is 550,000 tons per year for 20 years of contract period from August 2005 and 120,000 tons per year for the contract period from September 2025 to December 2026. The purchase price is subject to change, based on changes of the monthly standard oil price (JCC) and with a price ceiling.
- 3) The Company entered into a consecutive voyage charter (CVC) contract for the transportation of raw materials. As of June 30, 2025, there are 33 vessels under contract and the average remaining contract period is about 6 years.
- 4) The Company entered into an agreement (LNG SPA) with POSCO INTERNATIONAL SINGAPORE PTE LTD. to purchase 370 thousand tons of LNG annually for 15 years commencing in November 2026. The purchase price is subject to change based on changes of U.S. Henry Hub Natural Gas Spot Price. The Company has an extension option of extending the purchase contract by five years.

# POSCO

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

### 31. Commitments and Contingencies (cont'd)

- 5) As of June 30, 2025, the Company has entered into supplier finance agreements which have a limit of USD 1,270 million with SMBC and four other financial institutions.
- 6) As of June 30, 2025, the commitments for the acquisition of property, plant and equipment and intangible assets not yet incurred amount to ₩3,765 billion.
- 7) As of June 30, 2025 and December 31, 2024, the carrying amounts of financial liabilities related to supplier finance arrangements entered into by the Company 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.

(in millions of Won)

		June 30, 2025	June 30, 2024
Trade payables	₩	747,618	861,022
Other payables		107,407	206,335
	₩	855,025	1,067,357

#### (c) Litigation in progress

The Company is involved in 173 lawsuits collectively amounting to ₩487.2 billion as defendant as of June 30, 2025. The Company 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.

- (d) 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

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

### 32. 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>		<b>June 30, 2025</b>	<b>June 30, 2024</b>
Trade accounts and notes receivable, net	₩	92,150	45
Other accounts receivable		89,867	(117,602)
Accrued revenue		1,643	(2,513)
Inventories		847,882	649,974
Prepaid expenses		45,418	1,996
Other current assets		(259)	(223)
Long-term guarantee deposits		(637)	(508)
Derivative assets		29,932	11,649
Other non-current assets		25,804	23,080
Trade accounts and notes payable		(391,662)	(444,289)
Other accounts payable		(251,354)	(121,082)
Accrued expenses		73,872	42,345
Advances received		(9,472)	(10,525)
Withholdings		(19,522)	(630)
Unearned revenue		(14,406)	3,321
Other current liabilities		(10,336)	(7,823)
Payments of severance benefits		(127,558)	(115,043)
Plan assets		112,974	46,676
Other non-current liabilities		22	-
	₩	<u>494,358</u>	<u>(41,152)</u>

# POSCO

## Notes to interim condensed separate 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.

	<u>Acquisition date of control</u>
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.

<i>(in millions of Won)</i>	<u>Amount</u>
<b>Consideration transferred</b>	
Cash	₩ 25,915
	<u>₩ 25,915</u>
<b>Identifiable assets acquired and liabilities assumed</b>	
Investments in subsidiari	₩ 4,612
Inventories	9,491
Property, plant and equipment	4,403
	<u>₩ 18,506</u>
<b>Equity arising from the business combination</b>	
Capital surplus	₩ (7,409)
	<u>₩ (7,409)</u>

### 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.