

POSCO

Interim condensed separate financial statements
For each of the three-month periods ended March 31, 2025 and 2024
with the independent auditor's review report

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Ernst & Young Han Young
2-3F, 7-8F, Taeyoung Building, 111, Yeouigongwon-ro,
Yeongdeungpo-gu, Seoul 07241 Korea

Tel: +82 2 3787 6600
Fax: +82 2 783 5890
ey.com/kr

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 March 31, 2025, and the related interim condensed separate statements of comprehensive income, interim condensed separate statements of changes in equity and interim condensed separate statements of cash flows for each of the three-month periods ended March 31, 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.

May 14, 2025

This review report is effective as of May 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.

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Interim condensed separate financial statements
for each of the three-month periods ended March 31, 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

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Interim condensed separate statements of financial position as of March 31, 2025 (unaudited) and December 31, 2024

(in millions of Won)

	Notes	March 31, 2025	December 31, 2024
Assets			
Cash and cash equivalents	20	₩ 2,281,813	1,943,148
Trade accounts and notes receivable, net	4,20,23	4,633,795	4,715,232
Other receivables, net	5,20	437,897	560,117
Other short-term financial assets	6,20	4,743,844	3,948,910
Inventories	7	6,016,687	6,463,547
Asset held for sales	8	10,637	-
Other current assets	13	118,018	116,966
Total current assets		18,242,691	17,747,920
Long-term trade accounts and notes receivable, net	4,20,23	3,947	134
Other receivables, net	5,20	119,642	122,065
Other long-term financial assets	6,20	823,443	926,505
Investments in subsidiaries, associates and joint ventures	9	2,970,345	2,980,179
Investment property, net	10	54,052	58,067
Property, plant and equipment, net	11	21,029,003	21,236,357
Intangible assets, net	12	475,917	455,184
Defined benefit assets, net	18	223,313	222,540
Deferred tax assets		2,004,488	1,901,452
Other non-current assets	13	5,450	30,998
Total non-current assets		27,709,600	27,933,481
Total assets		₩ 45,952,291	45,681,401

(continued)

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Interim condensed separate statements of financial position, continued as of March 31, 2025 (unaudited) and December 31, 2024

(in millions of Won)

	Notes	March 31, 2025	December 31, 2024
Liabilities			
Trade accounts and notes payable	20	₩ 1,787,453	2,210,454
Short-term borrowings and current installments of long-term borrowings	14,20	3,727,592	2,429,405
Other payables	15,20	1,685,225	1,715,354
Other short-term financial liabilities	16,20	1,234	1,840
Current income tax liabilities		242,049	190,051
Provisions	17	36,507	34,385
Other current liabilities	19	108,472	141,461
Total current liabilities		7,588,532	6,722,950
Long-term borrowings, excluding current installments	14,20	4,971,146	5,452,879
Other payables	15,20	294,820	312,832
Long-term provisions	17	83,707	83,406
Other non-current liabilities	19	2,368	2,806
Total non-current liabilities		5,352,041	5,851,923
Total liabilities		12,940,573	12,574,873
Equity			
Share capital	21	482,403	482,403
Capital surplus	21	24,227,088	24,227,088
Accumulated other comprehensive income	22	55,236	38,441
Retained earnings		8,246,991	8,358,596
Total equity		33,011,718	33,106,528
Total liabilities and equity		₩ 45,952,291	45,681,401

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

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Interim condensed separate statements of comprehensive income for each of the three-month periods ended March 31, 2025 and 2024 (unaudited)

(in millions of Won, except per share informations)

	<u>Notes</u>	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Revenue	23	₩ 8,968,015	9,519,799
Cost of sales	27	<u>(8,324,632)</u>	<u>(8,937,335)</u>
Gross profit for the period		643,383	582,464
Selling and administrative expenses			
Other administrative expenses	24,27	(224,734)	(217,954)
Selling expenses	24,27	<u>(72,703)</u>	<u>(69,364)</u>
Operating profit for the period		<u>345,946</u>	<u>295,146</u>
Finance income and costs			
Finance income	20,25	242,266	505,201
Finance costs	20,25	<u>(223,778)</u>	<u>(456,517)</u>
Other non-operating income and expenses			
Other non-operating income	26	8,809	12,465
Other non-operating expenses	26,27	<u>(87,617)</u>	<u>(109,018)</u>
Profit before income tax		285,626	247,277
Income tax expense	28	<u>(65,678)</u>	<u>(15,849)</u>
Profit for the period		219,948	231,428
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	18	1,305	2,655
Net changes in fair value of equity investments at fair value through other comprehensive income	20,22	<u>16,795</u>	<u>29,290</u>
Total comprehensive income		₩ <u>238,048</u>	<u>263,373</u>
Earnings per share (in Won)	29		
Basic earnings per share (in Won)		2,280	2,399
Diluted earnings per share (in Won)		₩ <u>2,280</u>	<u>2,399</u>

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

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Interim condensed separate statements of changes in equity
for each of the three-month periods ended March 31, 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	24,212,464	2,666	8,411,395	33,108,928
Comprehensive income:						
Profit		-	-	-	231,428	231,428
Other comprehensive income						
Remeasurements of defined benefit plans, net of tax		-	-	-	2,655	2,655
Net changes in fair value of equity investments						
at fair value through other comprehensive income, net of tax		-	-	29,290	-	29,290
Transactions with owners of the Company, recognized directly in equity:						
Year-end dividends		-	-	-	(589,786)	(589,786)
Share-based payments		-	4,578	-	-	4,578
Balance as of March 31, 2024	₩	482,403	24,217,042	31,956	8,055,692	32,787,093
Balance as of January 1, 2025	₩	482,403	24,227,088	38,441	8,358,596	33,106,528
Comprehensive income:						
Profit		-	-	-	219,948	219,948
Other comprehensive income						
Remeasurements of defined benefit plans, net of tax		-	-	-	1,305	1,305
Net changes in fair value of equity investments						
at fair value through other comprehensive income, net of tax		-	-	16,795	-	16,795
Transactions with owners of the Company, recognized directly in equity:						
Year-end dividends		-	-	-	(332,858)	(332,858)
Balance as of March 31, 2025	₩	482,403	24,227,088	55,236	8,246,991	33,011,718

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 three-month periods ended March 31, 2025 and 2024

(unaudited)

(in millions of Won)

	<u>Notes</u>	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Cash flows from operating activities			
Profit	₩	219,948	231,428
Adjustments for :			
Expenses related to post-employment benefit		22,073	21,631
Depreciation		600,304	579,879
Amortization		14,969	25,371
Impairment loss on trade and other receivables		-	733
Finance income		(166,138)	(410,158)
Finance costs		122,602	355,843
Loss on valuation of inventories		19,299	13,896
Gain on disposal of property, plant and equipment		(704)	(4,734)
Loss on disposal of property, plant and equipment		11,313	41,405
Impairment loss on property, plant and equipment		52,599	40,964
Gain on disposal of emission rights		-	(2,970)
Increase to provisions		11,564	8,611
Income tax expense		65,678	15,848
Gain on insurance claim		(406)	-
Changes in operating assets and liabilities	32	30,367	(522,558)
Interest received		40,497	29,348
Interest paid		(155,897)	(158,991)
Dividends received		252	201
Income taxes paid		(123,209)	(31,742)
Net cash provided by operating activities	₩	<u>765,111</u>	<u>234,005</u>

(continued)

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Interim condensed separate statements of cash flows, continued for each of the three-month periods ended March 31, 2025 and 2024 (unaudited)

(in millions of Won)

	<u>Notes</u>	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Cash flows from investing activities			
Decrease in deposits	₩	782,000	198,955
Proceeds from disposal of short-term financial instruments		1,663,982	887,555
Proceeds from disposal of current debt securities		190,000	219,770
Collection of loans		2,929	2,921
Collection of lease receivables		3,018	2,845
Proceeds from disposal of emission rights		-	2,970
Cash inflow from insurance claim		406	-
Acquisition of deposits		370	229
Increase in deposit instruments		(1,562,000)	(724,485)
Acquisition of short-term financial instruments		(1,573,171)	(495,054)
Acquisition of debt securities		(279,000)	(220,074)
Increase in loans		-	(696)
Acquisition of investments in subsidiaries, associates and joint ventures		(98)	(3,675)
Acquisition of property, plant and equipment		(546,573)	(889,429)
Proceeds from disposal of property, plant and equipment		(4,315)	(37,136)
Acquisition of intangible assets		(35,791)	(11,846)
Payment for deposits		<u>(3,299)</u>	<u>(3,148)</u>
Net cash used in investing activities	₩	<u>(1,361,542)</u>	<u>(1,070,298)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,514,833	1,026,003
Increase in security deposits		3,218	2,973
Proceeds from disposals of derivatives		133,628	76,360
Repayment of borrowings		(696,800)	(713,295)
Decrease in security deposits		(1,432)	(40)
Repayment of lease liabilities		<u>(20,472)</u>	<u>(19,667)</u>
Net cash provided by financing activities	₩	<u>932,975</u>	<u>372,334</u>
Effect of exchange rate fluctuation on cash held		2,121	3,784
Net increase (decrease) in cash and cash equivalents		338,665	(460,175)
Cash and cash equivalents at beginning of the period		<u>1,943,148</u>	<u>2,032,952</u>
Cash and cash equivalents at end of the period	₩	<u><u>2,281,813</u></u>	<u><u>1,572,777</u></u>

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

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Notes to the interim condensed separate financial statements

March 31, 2025 and 2024

(unaudited)

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 March 31, 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.

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

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.

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

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.

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

3. Summary of Material Accounting Policies

Except as described in KIFRS 1034 *Interim Financial Reporting* and below, the accounting policies applied by the 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 cannot restate comparative information. The amendments are not expected to have any material impact on the Company's interim condensed separate financial statements.

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

4. Trade Accounts and Notes Receivable

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

<i>(in millions of Won)</i>		March 31, 2025	December 31, 2024
Current			
Trade accounts and notes receivable	₩	4,634,276	4,715,733
Less: Allowance for doubtful accounts		(481)	(501)
	₩	<u>4,633,795</u>	<u>4,715,232</u>
Non-current			
Trade accounts and notes receivable	₩	5,657	537
Less: Present value discount		(1,307)	-
Less: Allowance for doubtful accounts		(403)	(403)
	₩	<u>3,947</u>	<u>134</u>

The Company discounted its trade receivables in accordance with a factoring agreement entered into with financial institutions. These trade accounts and notes receivable have not been derecognized from the statement of financial position because the Company retains substantially all of the risks and rewards associated with the transferred assets. The amounts received on transfer have been recognized as secured borrowings. As of March 31, 2025 and December 31, 2024, the carrying amount of such secured borrowings are ₩379,030 million and ₩56,079 million, respectively, which are presented in the statements of financial position as short-term borrowings (Note 14).

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

5. Other Receivables

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

<i>(in millions of Won)</i>		March 31, 2025	December 31, 2024
Current			
Loans	₩	9,290	9,787
Other accounts receivable		364,767	494,139
Lease receivables		12,464	12,121
Accrued income		51,645	44,349
Others		11	1
Less: Allowance for doubtful accounts		(280)	(280)
	₩	<u>437,897</u>	<u>560,117</u>
Non-current			
Loans	₩	50,330	52,848
Other accounts receivable		6,999	7,203
Lease receivables		43,465	46,568
Deposits		43,078	39,720
Less: Allowance for doubtful accounts		(24,230)	(24,274)
	₩	<u>119,642</u>	<u>122,065</u>

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

6. Other Financial Assets

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

(in millions of Won)		March 31, 2025	December 31, 2024
Current			
Derivative assets	₩	310,077	301,234
Debt securities		489,000	400,000
Deposit instruments		3,613,700	2,833,700
Short-term financial instruments		331,067	413,976
	₩	<u>4,743,844</u>	<u>3,948,910</u>
Non-current			
Derivative assets	₩	327,770	453,652
Equity securities		488,140	465,320
Other securities		7,511	7,511
Deposit instruments(*1)		22	22
	₩	<u>823,443</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 March 31, 2025 and December 31, 2024 are as follows:

(in millions of Won)		March 31, 2025				December 31, 2024	
	Number of shares	Ownership (%)	Acquisition cost	Fair value	Net changes in fair value of equity securities	Book value	Book value
Marketable equity securities							
SAMWONSTEEL Co., Ltd.	5,700,000	14.25	₩ 14,878	13,281	(1,597)	13,281	13,367
YODOGAWA STEEL WORKS, LTD.	600,000	1.72	13,842	32,810	18,968	32,810	31,522
DONGKUK INDUSTRIES CO., LTD.	2,611,989	4.82	12,852	9,207	(3,645)	9,207	11,571
PT. Krakatau Steel	236,625,000	1.22	6,876	2,495	(4,381)	2,495	2,177
AJUSTEEL Co., Ltd.	510,000	1.93	4,600	2,040	(2,560)	2,040	1,981
dhSteel	1,564,296	7.21	4,224	1,420	(2,804)	1,420	698
Woori Financial Group Inc.	20,280,000	2.73	261,638	334,620	72,982	334,620	311,704
Others (5 companies)			14,616	12,698	(1,918)	12,698	12,731
			<u>333,526</u>	<u>408,571</u>	<u>75,045</u>	<u>408,571</u>	<u>385,751</u>
Non-marketable equity securities							
TAECHANG STEEL	99,999	10.99	8,845	8,845	-	8,845	8,845
Pinetree PosMagnesium Co., Ltd.	11,144,000	19.90	8,794	8,794	-	8,794	8,794
WINSTEEL CO.	342,577	10.00	8,060	8,060	-	8,060	8,060
KOHA JUNG GONG CO., LTD.	490,000	19.84	7,573	7,573	-	7,573	7,573
POONGSAN SPECIAL METAL CO., LTD.	315,790	5.00	7,556	7,556	-	7,556	7,556
DK Corporation	55,000	4.91	7,446	7,446	-	7,446	7,446
DaeSung SnM Co., Ltd.	50,567	8.21	7,237	7,237	-	7,237	7,237
Others (15 companies)			24,058	24,058	-	24,058	24,058
			<u>79,569</u>	<u>79,569</u>	<u>-</u>	<u>79,569</u>	<u>79,569</u>
			₩ 413,095	488,140	75,045	488,140	465,320

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

7. Inventories

Details of Inventories as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>		March 31, 2025	December 31, 2024
Finished goods	₩	1,132,185	1,333,023
Semi-finished goods		1,806,278	1,796,543
By-products		13,557	16,383
Raw materials		1,181,967	1,352,488
Fuel and materials		512,073	485,424
Materials-in-transit		1,389,186	1,505,234
Others		740	783
		6,035,986	6,489,878
Less: Allowance for inventories valuation		(19,299)	(26,331)
	₩	<u>6,016,687</u>	<u>6,463,547</u>

The amounts of loss on valuation of inventories recognized in cost of sales during the three-month period ended March 31, 2025 and the year ended December 31, 2024 are ₩19,299 million and ₩26,331 million, respectively.

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

8. Assets held for sales

Details of assets held for sales as of March 31, 2025 are as follows:

(in millions of Won)

		<u>March 31, 2025</u>
Investments in associates(*1)	₩	9,932
Property, plant and equipment(*2)		<u>705</u>
	₩	<u><u>10,637</u></u>

(*1) The investment in the associate, SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., was reclassified as an asset held for sale for the three-month period ended March 31, 2025, following a decision to dispose of it.

(*2) A portion of unused land was reclassified as an asset held for sale for the three-month period ended March 31, 2025, following a decision to dispose of it.

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

9. Investments in Subsidiaries, Associates and Joint ventures

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

(in millions of Won)

(in millions of Won)

			March 31, 2025		December 31, 2024
	Country	Principal operations	Ownership (%)	Book value	Book value
[Domestic]					
POSCO STEELEON Co., Ltd.(*1)	Korea	Coated steel manufacturing and sales	56.87	₩ 108,421	108,421
		Packing materials manufacturing and sales	48.85	107,278	107,278
POSCO M-TECH(*2, 3)	Korea	Electronic commerce	69.32	46,358	46,358
eNtoB Corporation	Korea	Steel by product processing and sales	70.00	12,339	12,339
PNR	Korea	Business assistance service	100.00	11,685	11,685
POSCO Humans	Korea	Maintenance service	100.00	15,000	15,000
POSCO GYS Tech	Korea	Maintenance service	100.00	15,000	15,000
POSCO GY Solution	Korea	Maintenance service	100.00	23,300	23,300
POSCO GYR Tech	Korea	Maintenance service	100.00	9,400	9,400
POSCO PH Solution	Korea	Maintenance service	100.00	15,000	15,000
POSCO PS Tech	Korea	Maintenance service	100.00	12,300	12,300
POSCO PR Tech	Korea	Maintenance service	100.00	376,081	376,081
[Foreign]					
PT.KRAKATAU POSCO(*2)	Indonesia	Steel manufacturing and sales	50.00	928,168	928,168
		STS cold-rolled steel manufacturing and sales	74.56	141,019	141,019
POSCO Thainox Public Company Limited	Thailand	Automotive steel manufacturing and sales	83.28	190,802	190,802
POSCO MEXICO S.A. DE C.V.	Mexico	Steel processing and sales	100.00	140,614	140,614
POSCO (Thailand) Company Limited	Thailand				
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 processing 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)				91,694	91,693
				2,552,518	2,552,420
			₩	2,928,599	2,928,501

(*1) Excluding the treasury shares held as of March 31, 2025, the Company's ownership interest in terms of voting rights is 56.96%.

(*2) As of March 31, 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 March 31, 2025, the Company's ownership interest in terms of voting rights is 48.85%.

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

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

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

(in millions of Won)			March 31, 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
				<u>7,219</u>	<u>7,219</u>
[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	10,132	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-SAMSUNG-SLOVAKIA PROCESSING CENTER	Slovakia		30.00	6,205	6,205
				<u>34,527</u>	<u>44,459</u>
				<u>₩ 41,746</u>	<u>51,678</u>

(*1) Classified as assets held for sale for the three-month period ended March 31, 2025.

(*2) As of March 31, 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.

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

10. Investment Property, Net

Changes in the carrying amount of investment property for the three-month period ended March 31, 2025 and the year ended December 31, 2024 are as follows:

1) For the three-month period ended March 31, 2025

<i>(in millions of Won)</i>		Beginning	Depreciation(*1)	Others(*2)	Ending
Land	₩	2	-	-	2
Buildings		3,871	(86)	-	3,785
Structures		978	(22)	-	956
Right-of-use assets		53,216	(7,229)	3,322	49,309
	₩	<u>58,067</u>	<u>(7,337)</u>	<u>3,322</u>	<u>54,052</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>		Beginning	Depreciation(*1)	Others(*2)	Ending
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

March 31, 2025 and 2024

(unaudited)

11. Property, Plant and Equipment, Net

(a) Changes in the carrying amount of property, plant and equipment for the three-month period ended March 31, 2025 and the year ended December 31, 2024 are as follows:

1) For the three-month period ended March 31, 2025

(in millions of Won)		Beginning	Acquisitions	Disposals	Impairment(*1)	Depreciation	Others(*2)	Ending
Land	₩	1,298,175	-	-	-	-	17,753	1,315,928
Buildings		1,907,258	-	(250)	(297)	(49,556)	470,999	2,328,154
Structures		2,362,646	266	(298)	(6,055)	(54,416)	88,581	2,390,724
Machinery and equipment		12,650,905	5,183	(4,238)	(46,247)	(456,199)	804,330	12,953,734
Vehicles		26,698	-	-	-	(4,708)	3,930	25,920
Tools		30,035	84	-	-	(3,622)	1,392	27,889
Furniture and fixtures		68,664	770	(1)	-	(9,564)	42,140	102,009
Right-of-use assets		311,872	1,592	-	-	(14,901)	(375)	298,188
Construction-in-progress		2,580,104	437,653	-	-	-	(1,431,300)	1,586,457
	₩	21,236,357	445,548	(4,787)	(52,599)	(592,966)	(2,550)	21,029,003

(*1) For the three-month period ended March 31, 2025, the company recognized an impairment loss of ₩52,599 million on individual assets, including the 3FINEX factory in Pohang, which were 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 assets to property, plant and equipment, 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
	₩	20,571,293	3,272,639	(21,667)	(227,239)	(2,337,287)	(21,382)	21,236,357

(*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.

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

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

(*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.

(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 three-month period ended March 31, 2025 are as follows:

(in millions of Won)		Beginning	Acquisitions	Depreciation	Others	Ending
Land	₩	7,068	-	(71)	-	6,997
Buildings		135,360	1,592	(14,888)	3,323	125,387
Structures		38,373	-	(1,303)	-	37,070
Machinery and equipment		788	-	(98)	-	690
Vehicles		9,431	-	(658)	-	8,773
Ships		160,003	-	(4,012)	-	155,991
Furniture and fixtures		14,065	-	(1,101)	(375)	12,589
	₩	<u>365,088</u>	<u>1,592</u>	<u>(22,131)</u>	<u>2,948</u>	<u>347,497</u>

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
	₩	<u>426,606</u>	<u>16,773</u>	<u>(78,775)</u>	<u>484</u>	<u>365,088</u>

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

2) Amount recognized in profit or loss

The amount recognized in profit or loss related to leases for the three-month periods ended March 31, 2025 and 2024 are as follows:

(in millions of Won)

	March 31, 2025	March 31, 2024
Interest on lease liabilities	₩ 2,831	3,269
Expenses relating to short-term leases	1,315	2,211
Expenses relating to leases of low-value assets	1,201	1,254
	₩ <u>5,347</u>	<u>6,734</u>

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

12. Intangible Assets, Net

Changes in the carrying amount of intangible assets for the three-month period ended March 31, 2025 and the year ended December 31, 2024 are as follows:

(a) For the three-month period ended March 31, 2025

(in millions of Won)		Beginning	Acquisitions	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩	19,506	-	-	(1,511)	-	876	18,871
Membership(*1)		79,334	64	-	-	-	-	79,398
Development expense		77,771	105	-	(9,159)	-	4,003	72,720
Port facilities usage rights		168,233	-	-	(3,715)	-	-	164,518
Construction-in-progress		105,825	35,023	-	-	-	(4,369)	136,479
Other intangible assets		4,515	-	-	(584)	-	-	3,931
	₩	<u>455,184</u>	<u>35,192</u>	<u>-</u>	<u>(14,969)</u>	<u>-</u>	<u>510</u>	<u>475,917</u>

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

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

(b) For the year ended December 31, 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) Economic useful life of membership is indefinite.

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

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

13. Other Assets

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

(in millions of Won)

Current

Advance payments

	March 31, 2025	December 31, 2024
₩	13,078	3,299

Prepaid expenses

	104,940	113,667
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₩	118,018	116,966
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Non-current

Long-term prepaid expenses

₩	2,527	2,570
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Others

	2,923	28,428
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₩	5,450	30,998
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POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

14. Borrowings

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

(in millions of Won)		March 31, 2025	December 31, 2024
Short-term borrowings			
Short-term borrowings	₩	579,845	56,079
Current portion of debentures		3,153,100	2,375,800
Less: Current portion of discount on debentures issued		(5,353)	(2,474)
	₩	<u>3,727,592</u>	<u>2,429,405</u>
Long-term borrowings			
Debentures	₩	4,999,650	5,486,000
Less: Discount on debentures issued		(28,504)	(33,121)
	₩	<u>4,971,146</u>	<u>5,452,879</u>

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

(in millions of Won)		Lenders	Maturity date	Annual interest rate (%)	March 31, 2025	December 31, 2024
Transfers of account receivables that do not qualify for derecognition(*1)		Shinhan Card	-	-	₩ 379,030	56,079
Borrowings in foreign trade		Bank-of-China and others	2025.6.27 ~ 2025.6.30	2.36 ~ 3.05	200,815	-
					₩ <u>579,845</u>	<u>56,079</u>

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

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

(in millions of Won)		Lenders	Maturity date	Annual interest rate (%)	March 31, 2025	December 31, 2024
Debentures		312-2nd Non-guaranteed bonds and others	2025.7.7 ~ 2026.1.12	4.04 ~ 4.05	₩ 1,099,487	699,670
Foreign debentures		Global debentures 8-1 and others	2025.8.4 ~ 2026.1.17	4.38 ~ 5.63	2,048,260	1,673,656
					₩ <u>3,147,747</u>	<u>2,373,326</u>

POSCO

Notes to interim condensed separate financial statements, continued

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(unaudited)

14. Borrowings(cont'd)

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

(in millions of Won)

	Lenders	Maturity date	Annual interest rate (%)		March 31, 2025	December 31, 2024
Debtentures	309-3rd Non-guaranteed bonds and others	2026.7.17 ~ 2032.1.14	1.72 ~ 4.11	₩	1,916,231	1,368,349
Foreign debtentures	Global debtentures 8-2 and others	2027.1.23 ~ 2033.1.17	4.5 ~ 5.88		3,054,915	4,084,530
				₩	<u>4,971,146</u>	<u>5,452,879</u>

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

15. Other Payables

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

<i>(in millions of Won)</i>		March 31, 2025	December 31, 2024
Current			
Accounts payable	₩	942,527	887,260
Accrued expenses		641,962	730,866
Lease liabilities		81,191	79,500
Withholdings		19,545	17,728
	₩	<u>1,685,225</u>	<u>1,715,354</u>
Non-current			
Long-term accrued expenses	₩	15	15
Lease liabilities		294,665	312,647
Long-term withholdings		140	170
	₩	<u>294,820</u>	<u>312,832</u>

16. Other Financial Liabilities

Details of other financial liabilities as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>		March 31, 2025	December 31, 2024
Current			
Financial guarantee liabilities	₩	1,234	1,840

POSCO

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(unaudited)

17. Provisions

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

(in millions of Won)

		March 31, 2025		December 31, 2024	
		Current	Non-current	Current	Non-current
Provision for bonus payments(*1,2)	₩	12,761	47,595	15,189	47,596
Provision for restoration(*3)		3,004	-	2,962	-
Provision for product warranties(*4)		18,233	3,901	16,234	3,599
Provision for legal contingencies and claims(*5)		-	32,211	-	32,211
Others(*6)		2,509	-	-	-
	₩	<u>36,507</u>	<u>83,707</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 March 31, 2025.

(*3) As of March 31, 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 March 31, 2025, the Company recognized a provision amounting to ₩32,211 million for lawsuits.

(*6) As of March 31, 2025, the Company recognized the expected sales incentives payable to customers as a provision.

POSCO

Notes to interim condensed separate financial statements, continued

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(unaudited)

17. Provisions (cont'd)

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

1) For the three-month period ended March 31, 2025

<i>(in millions of Won)</i>		Beginning	Increase	Reversal	Utilization	Ending
Provision for bonus payments	₩	62,785	3,259	-	(5,688)	60,356
Provision for restoration		2,962	42	-	-	3,004
Provision for product warranties		19,832	9,015	-	(6,713)	22,134
Provision for legal contingencies and claims		32,211	-	-	-	32,211
Others		-	2,509	-	-	2,509
	₩	<u>117,790</u>	<u>14,825</u>	<u>-</u>	<u>(12,401)</u>	<u>120,214</u>

2) For the year ended December 31, 2024

<i>(in millions of Won)</i>		Beginning	Increase	Reversal	Utilization	Ending
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		-	32,211	-	-	32,211
Others		-	9,243	-	(9,243)	-
	₩	<u>67,488</u>	<u>91,689</u>	<u>(1,640)</u>	<u>(39,747)</u>	<u>117,790</u>

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 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 periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		March 31, 2025	March 31, 2024
Expense related to post-employment benefit plans under defined contribution plans	₩	10,047	13,196

(b) Defined benefit plans

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

<i>(in millions of Won)</i>		March 31, 2025	December 31, 2024
Present value of funded obligations	₩	1,292,053	1,324,972
Fair value of plan assets		(1,515,366)	(1,547,512)
Net defined benefit liabilities	₩	(223,313)	(222,540)

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

18. Employee Benefits (cont'd)

- 2) Changes in the present values of defined benefit obligations for the three-month period ended March 31, 2025 and the year ended December 31, 2024 are as follows:

<i>(in millions of Won)</i>		March 31, 2025	December 31, 2024
Defined benefit obligation at the beginning of period	₩	1,324,972	1,259,340
Current service costs		24,541	97,343
Interest costs		11,271	47,857
Remeasurement :		-	96,606
- Loss (gain) from change in financial assumptions		-	45,572
- Loss (gain) from change in demographic assumptions		-	2,134
- Loss from change in others		-	48,900
Amount transferred from associate		1,981	3,544
Amount transferred to associate		(2,994)	(3,368)
Benefits paid		(67,718)	(176,350)
Defined benefit obligation at the end of period	₩	<u>1,292,053</u>	<u>1,324,972</u>

- 3) Changes in the fair values of plan assets for the three-month period ended March 31, 2025 and the year ended December 31, 2024 are as follows:

<i>(in millions of Won)</i>		March 31, 2025	December 31, 2024
Fair value of plan assets at the beginning of period	₩	1,547,512	1,557,782
Interest on plan assets		13,741	62,803
Remeasurement of plan assets		1,772	11,386
Contributions to plan assets		-	70,000
Amount transferred from associate		1,981	3,544
Amount transferred to associate		(2,994)	(3,368)
Benefits paid		(46,646)	(154,635)
Fair value of plan assets at the end of period	₩	<u>1,515,366</u>	<u>1,547,512</u>

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

18. Employee Benefits (cont'd)

- 4) The amounts related to net defined benefit plans recognized in the statements of comprehensive income for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

(in millions of Won)

	March 31, 2025	March 31, 2024
Current service costs	₩ 24,541	25,368
Net interest costs	(2,470)	(3,737)
	<u>₩ 22,071</u>	<u>21,631</u>

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

19. Other Liabilities

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

<i>(in millions of Won)</i>		<u>March 31, 2025</u>	<u>December 31, 2024</u>
Current			
Advances received	₩	6,069	16,548
Withholdings		31,422	51,665
Unearned revenue		70,981	73,248
	₩	<u>108,472</u>	<u>141,461</u>
Non-current			
Unearned revenue	₩	2,368	2,806

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 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 March 31, 2025 and December 31, 2024 are as follows:

① March 31, 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	₩	637,849	-	637,849	-	637,849
Short term financial instruments		331,067	-	331,067	-	331,067
Other securities		7,511	-	-	7,511	7,511
Equity securities		35,540	-	-	35,540	35,540
Fair value through other comprehensive income						
Equity securities		452,599	408,569	-	44,030	452,599
Financial assets measured at amortized cost(*1)						
Cash and cash equivalents		2,281,813	-	-	-	-
Trade accounts and notes receivable		4,635,072	-	-	-	-
Debt securities		489,000	-	-	-	-
Other receivables		329,980	-	-	-	-
Deposit instruments		3,613,722	-	-	-	-
	₩	12,814,153	408,569	968,916	87,081	1,464,566
Financial liabilities						
Financial liabilities measured at amortized cost(*1)						
Trade accounts and notes payable	₩	1,787,453	-	-	-	-
Borrowings		8,698,738	-	8,863,136	-	8,863,136
Financial guarantee liabilities		1,234	-	-	-	-
Others		1,707,066	-	-	-	-
	₩	12,194,491	-	8,863,136	-	8,863,136

(*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

March 31, 2025 and 2024

(unaudited)

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

March 31, 2025 and 2024

(unaudited)

20. Financial Instruments (cont'd)

- 2) Details of financial guarantee contracts recognized as financial liabilities as of March 31, 2025 are as follows:

(in millions of Won)		Guarantee limit		Guarantee amount	
Guarantee beneficiary	Financial institution	Foreign currency	Won equivalent	Foreign currency	Won equivalent
[Subsidiaries]					
POSCO-VIETNAM Co., Ltd.	Citi	USD	25,000,000	36,663	6,818,182
	HSBC	USD	40,000,000	58,660	10,909,091
	Shinhan Bank	USD	45,000,000	65,993	12,272,727
POSCO COATED STEEL (THAILAND) CO., LTD.	Citi	THB	800,000,000	34,552	296,000,000
	HSBC	THB	800,000,000	34,552	296,000,000
	Mizuho	THB	800,000,000	34,552	296,000,000
	MUFG	THB	800,000,000	34,552	296,000,000
	SC	THB	800,000,000	34,552	296,000,000
	SMBC	THB	800,000,000	34,552	296,000,000
POSCO ASSAN TST STEEL INDUSTRY	Citi	USD	42,145,620	61,807	42,145,620
	Shinhan Bank	USD	40,352,190	59,176	40,352,190
	Woori Bank	USD	40,352,190	59,176	40,352,190
[Associates]					
LLP POSUK Titanium	Shinhan Bank	USD	12,750,000	18,698	12,750,000
		USD	245,600,000	360,173	165,600,000
		THB	4,800,000,000	207,312	1,776,000,000

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 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 three-month periods ended March 31, 2025 and 2024 are as follows:

① For the three-month period ended March 31, 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	₩	-	-	-	2,358	50,994	(35)	-
Financial assets at fair value through other comprehensive income		-	15,174	-	-	-	-	16,795
Financial assets measured at amortized cost		48,009	-	(12,127)	-	-	-	-
Financial liabilities measured at amortized cost		(97,875)	-	1,145	-	-	168	-
	₩	(49,866)	15,174	(10,982)	2,358	50,994	133	16,795

(*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩10,678 million for the year ended March 31, 2025.

② For the three-month period ended March 31, 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	₩	-	-	-	23,013	237,767	(180)	-
Financial assets at fair value through other comprehensive income		-	14,336	-	-	-	-	29,290
Financial assets measured at amortized cost		30,224	-	82,995	-	-	-	-
Financial liabilities at fair value through profit or loss		-	-	-	373	53,412	-	-
Financial liabilities measured at amortized cost		(91,892)	-	(311,293)	-	-	1,622	-
	₩	(61,668)	14,336	(228,298)	23,386	291,179	1,442	29,290

(*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩8,307 million for the year ended March 31, 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

March 31, 2025 and 2024

(unaudited)

21. Share Capital and Capital Surplus

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

<i>(share, in Won)</i>	March 31, 2025	December 31, 2024
Authorized shares	200,000,000	200,000,000
Par value	₩ 5,000	5,000
Issued shares	96,480,625	96,480,625
Shared capital	₩ 482,403,125,000	482,403,125,000

(b) Details of capital surplus as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Won)</i>	March 31, 2025	December 31, 2024
Share premium	₩ 24,222,056	24,222,056
Other capital surplus	5,032	5,032
	₩ <u>24,227,088</u>	<u>24,227,088</u>

22. Accumulated Other Comprehensive Income

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

<i>(in millions of Won)</i>	March 31, 2025	December 31, 2024
Changes in fair value of equity investments at fair value through other comprehensive income	₩ 55,236	38,441

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Notes to interim condensed separate financial statements, continued

March 31, 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 periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		March 31, 2025	March 31, 2024
Types of revenue			
Revenue from sales of goods	₩	8,585,768	9,174,205
Revenue from services		308,938	267,791
Others		73,309	77,803
	₩	<u>8,968,015</u>	<u>9,519,799</u>
Timing of revenue recognition			
Revenue recognized at a point in time	₩	8,634,701	9,228,482
Revenue recognized over time		333,314	291,317
	₩	<u>8,968,015</u>	<u>9,519,799</u>

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

<i>(in millions of Won)</i>		March 31, 2025	December 31, 2024
Receivables			
Account receivables	₩	4,635,372	4,705,101
Contract assets			
Account receivables		2,369	10,265
Contract liabilities			
Advance received		6,069	16,548
Unearned income		73,350	76,054

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

24. Selling and Administrative Expenses

(a) Other administrative expenses

Details of other administrative expenses for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		March 31, 2025	March 31, 2024
Wages and salaries	₩	69,843	61,957
Expenses related to post-employment benefits		4,808	6,860
Other employee benefits		12,694	13,955
Travel		2,482	2,239
Depreciation		10,741	8,824
Amortization		5,966	6,212
Rental		21,888	18,880
Repairs		1,309	1,679
Advertising		10,597	10,711
Research & development		5,551	6,784
Service fees		64,180	64,770
Supplies		310	166
Vehicles maintenance		1,309	1,436
Industry association fee		893	546
Training		5,725	5,576
Conference		1,127	1,020
Others		5,311	6,339
	₩	<u>224,734</u>	<u>217,954</u>

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Notes to interim condensed separate financial statements, continued

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24. Selling and Administrative Expenses (cont'd)

(b) Selling expenses

Details of selling expenses for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>	March 31, 2025	March 31, 2024
Freight and custody expenses	₩ 42,617	39,468
Operating expenses for distribution center	1,193	1,051
Sales commissions	25,739	25,795
Sales advertising	43	134
Sales promotion	670	663
Sample	149	274
Sales insurance premium	2,292	1,979
	<u>₩ 72,703</u>	<u>69,364</u>

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Notes to interim condensed separate financial statements, continued

March 31, 2025 and 2024

(unaudited)

25. Finance Income and Costs

Details of finance income and costs for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		March 31, 2025	March 31, 2024
Finance income			
Interest income(*1)	₩	48,009	30,224
Dividend income		25,852	22,643
Gain on foreign currency transactions		76,128	92,890
Gain on foreign currency translations		35,692	40,267
Gain on valuation of derivatives		48,493	248,073
Gain on transactions of derivatives		-	15,072
Gain on valuation of financial assets at fair value through profit or loss		2,500	43,106
Gain on disposal of financial assets at fair value through profit or loss		5,401	11,285
Others		191	1,641
	₩	<u>242,266</u>	<u>505,201</u>
Finance costs			
Interest expenses	₩	97,875	91,892
Loss on foreign currency transactions		100,320	97,503
Loss on foreign currency translations		22,482	263,951
Loss on transactions of derivatives		3,043	2,971
Others		58	200
	₩	<u>223,778</u>	<u>456,517</u>

(*1) Interest income calculated using the effective interest method for each of the three-month periods ended March 31, 2025 and 2024 is ₩46,625 million and ₩10,232 million, respectively.

POSCO

Notes to interim condensed separate financial statements, continued

March 31, 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 periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2025</u>	<u>March 31, 2024</u>
Other non-operating income			
Gain on disposals of property, plant and equipment	₩	704	4,734
Premium income		406	83
Gain on disposals of emission rights		-	2,970
Others		<u>7,699</u>	<u>4,678</u>
	₩	<u>8,809</u>	<u>12,465</u>
Other non-operating expenses			
Loss on disposals of property, plant and equipment	₩	11,313	41,405
Impairment loss on property, plant and equipment		52,599	40,964
Donations		18,377	18,537
Expenses of assets not in use		1,345	1,471
Other bad debt expenses		-	733
Others		<u>3,983</u>	<u>5,908</u>
	₩	<u>87,617</u>	<u>109,018</u>

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Notes to interim condensed separate financial statements, continued

March 31, 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 income for each of the three-month periods ended March 31, 2025 and 2024 are as follows (excluding finance costs and income tax expense):

<i>(in millions of Won)</i>		March 31, 2025	March 31, 2024
Changes in inventories(*1)	₩	186,897	49,758
Raw materials and consumables used		5,767,358	6,538,932
Employee benefits expenses		495,859	474,471
Outsourced processing cost		663,887	689,268
Depreciation(*2)		600,304	579,879
Amortization		14,969	25,371
Electricity and water expenses		208,988	175,000
Service fees		85,934	86,381
Rental		33,399	30,720
Advertising		10,597	10,711
Freight and custody expenses		318,573	312,444
Sales commissions		25,739	25,795
Loss on disposals of property, plant and equipment		11,313	41,405
Impairment loss on property, plant and equipment		52,599	40,964
Other expenses		233,270	252,573
	₩	<u>8,709,686</u>	<u>9,333,672</u>

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

(*2) Including depreciation of investment property.

POSCO

Notes to interim condensed separate financial statements, continued

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(unaudited)

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 three-month periods ended March 31, 2025 and 2024 are 22.99% and 6.41%, respectively.

POSCO

Notes to interim condensed separate financial statements, continued

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(unaudited)

29. Earnings Per Share

Details of basic earnings per share for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in Won, except share information)</i>		March 31, 2025	March 31, 2024
Profit attributable to controlling interest	₩	219,948,365,968	231,428,348,656
Weighted-average number of common shares outstanding(* 1)		96,480,625	96,480,625
Basic earnings per share	₩	2,280	2,399

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

<i>(shares)</i>		March 31, 2025	March 31, 2024
Total number of common shares issued		96,480,625	96,480,625
Weighted-average number of common shares outstanding		96,480,625	96,480,625

The Company does not have any dilutive potential common shares as of March 31, 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

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(unaudited)

30. Related Party Transactions

(a) Details of the Company's related parties as of March 31, 2025 are as follows:

	Company
The parent company	POSCO HOLDINGS INC.
Subsidiaries	POSCO STEELEON Co., Ltd, POSCO M-TECH, PNR, POSCO Humans, eNtoB Corporation, 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
Associates and joint ventures	DAEHO GLOBAL MANAGEMENT CO., LTD., Pohang Special Welding Co., Ltd., POSK(Pinghu) Steel Processing Center Co., Ltd., LLP POSUK TITANIUM, POSCO SUZHOU PROCESSING CENTER CO.,LTD, SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD, POSCO Vietnam Processing Center. Co.,Ltd, POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER
Other related parties(*1)	POSCO Eco & Challenge Co., Ltd., POSCO DX, POSCO WIDE Co., Ltd., POSCO FUTURE MCO., LTD., POSCO FLOW CO., LTD., SNNC, POSCO Mobility Solution Corporation, eSteel4U, POSCO INTERNATIONAL Corporation, POSCO Canada Ltd., POSCO(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) Other related parties are the subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Company.

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Notes to interim condensed separate financial statements, continued

March 31, 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 three-month periods ended March 31, 2025 and 2024 are as follows:

1) For the three-month period ended March 31, 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
The parent company						
POSCO HOLDINGS INC.(*)3	W 3,073	84	-	-	-	372,295
Subsidiaries						
POSCO STEELCON Co., Ltd	107,235	-	-	-	9,730	75
eNtoB Corporation	8	-	84,850	10,443	1,116	3,124
POSCO M-TECH	17	14	26,005	591	51,830	112
PNR	163	-	-	-	12,095	-
POSCO Humans	280	-	-	-	1,723	6,897
POSCO (THAILAND) COMPANY LIMITED	19,151	-	-	-	-	51
POSCO-MKPC SDN BHD	1,558	-	-	-	-	117
POSCO VIETNAM CO., LTD.	81,827	33	-	-	-	56
POSCO MEXICO S.A. DE C.V.	128,417	15	-	-	-	515
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	1,435	-	-	-	-	-
POSCO Thainox Public Company Limited	80,456	-	-	-	-	20
POSCO COATED STEEL (THAILAND) CO., LTD.	93,784	58	-	-	-	385
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	8,596	-	-	-	-	305
POSCO-Indonesia Jakarta Processing Center	729	-	-	-	-	972
POSCO PS Tech	17	1	2	2,772	28,372	225
POSCO PR Tech	-	23	-	3,761	26,133	32
POSCO PH Solution	-	40	6	332	10,994	232
POSCO GYS Tech	33	12	-	1,602	28,245	-
POSCO GYR Tech	28	-	-	810	25,548	20
POSCO GY Solution	28	-	-	1,942	12,286	-
PT. KRAKATAU POSCO	911	-	-	-	-	-
POSCO-India Pune Processing Center Private Ltd	2,145	-	-	-	-	-
POSCO Maharashtra Steel Private Limited	200,734	7,692	-	-	-	114
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	32,020	-	-	-	-	398
POSCO ASSAN TST STEEL INDUSTRY	68,709	186	-	-	-	-
Others	1,782	-	-	-	-	336
	<u>830,063</u>	<u>8,074</u>	<u>110,863</u>	<u>22,253</u>	<u>208,072</u>	<u>13,986</u>
Associates and joint ventures						
POSCO Vietnam Processing Center. Co.,Ltd	10,193	-	-	-	-	-
Others	17,445	-	-	-	-	104
	<u>27,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104</u>
Other related party(*4)						
POSCO Eco & Challenge Co., Ltd.	48	24	-	102,219	27	9,962
POSCO DX (*5)	495	17	-	56,576	15,861	57,460
POSCO WIDE Co., Ltd.	2,613	28	162	311	5,107	10,692
POSCO FUTURE M CO., LTD.	124,427	57	158,751	1,272	58,821	121
POSCO FLOW CO., LTD.(*6)	2,423	-	190,645	37	2,265	292,813
SNNC	2,309	3	88,881	701	-	-
POSCO Mobility Solution Corporation	199,218	-	-	449	3,674	240
eSteel4U	134,238	-	-	-	-	43
POSCO INTERNATIONAL Corporation(*7)	2,679,663	2	276,472	-	991	6,478
POSCO(Guangdong) Automotive Steel Co.,Ltd	51,878	-	-	-	-	-
POSCO VST CO., LTD.	75,147	-	-	-	-	22
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	20	469,373	-	-	-
Roy Hill Holdings Pty Ltd	-	-	387,494	-	-	-
Others	75,195	769	38,353	9,646	-	18,550
	<u>3,347,654</u>	<u>920</u>	<u>1,610,131</u>	<u>171,211</u>	<u>86,746</u>	<u>396,381</u>
W	<u>4,208,428</u>	<u>9,078</u>	<u>1,720,994</u>	<u>193,464</u>	<u>294,818</u>	<u>782,766</u>

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

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

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

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

(*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.

2) For the three-month period ended March 31, 2024

(in millions of Won)

	Sales and others(*1)		Purchase and others(*2)			
	Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
The parent company						
POSCO HOLDINGS INC. (*3)	W 3,799	232	57	-	-	629,505
Subsidiaries						
POSCO STEELEON Co., Ltd	166,664	5,510	96	54	9,340	133
eNtoB Corporation	4	1,176	96,232	16,119	6	3,585
POSCO M-TECH	15	726	19,786	-	9,232	-
PNR	162	-	-	-	13,071	-
POSCO Humans	269	-	-	-	1,632	6,465
POSCO (Thailand) Company Ltd	22,585	-	-	-	-	28
POSCO-MKPC SDN BHD	3,598	909	-	-	-	100
POSCO-VIETNAM Co., Ltd.	48,028	86	-	-	-	12
POSCO MEXICO S.A. DE C.V.	156,508	58	-	-	-	464
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	1,294	-	-	-	-	-
POSCO Thainox Public Company Limited	46,996	-	-	-	-	157
POSCO COATED STEEL (THAILAND) CO., LTD.	65,793	122	-	-	-	294
POSCO ChengDu Processing Center	35	-	-	-	-	-
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	26,078	-	-	-	-	175
POSCO-Indonesia Jakarta Processing Center	153	-	-	-	-	702
POSCO PS Tech	17	-	-	2,087	29,455	394
POSCO PR Tech	-	24	-	3,517	23,961	68
POSCO PH Solution	-	39	-	1,117	11,406	2,425
POSCO GYS Tech	28	12	-	2,442	27,954	-
POSCO GYR Tech	26	-	-	1,223	25,329	121
POSCO GY Solution	21	15	-	1,764	12,738	3
PT. KRAKATAU POSCO	1,177	1,184	-	-	-	-
Others	2,149	-	-	-	-	279
	541,600	9,861	116,114	28,323	164,124	15,405
Associates and joint ventures						
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	12,958	-	-	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd	15,436	-	-	-	-	137
Others	52	-	-	-	-	-
	28,446	-	-	-	-	137
Other related party(*4)						
POSCO Eco & Challenge Co., Ltd.	68	-	-	350,062	-	22,335
POSCO DX(*5)	473	17	-	125,460	16,414	50,802
POSCO WIDE Co., Ltd.	2,626	4	235	-	5,982	12,171
POSCO FUTURE M CO., LTD.	111,872	52	147,729	10,396	54,335	2,230
POSCO FLOW CO., LTD. (*6)	2,815	3	205,620	1	2,720	301,796
SNNC	2,067	3	102,500	-	-	-
POSCO Mobility Solution Corporation	211,185	-	-	2,230	12,620	99
eSteel4U	149,491	-	-	-	-	30
POSCO INTERNATIONAL Corporation	2,662,576	-	269,395	-	-	5,618
POSCO Canada Ltd.	-	-	26,700	-	-	-
POSCO Maharashtra Steel Private Limited	219,386	44	-	-	-	506
POSCO VST CO., LTD.	33,873	-	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	-	598,848	-	-	-
POSCO ASSAN TST STEEL INDUSTRY	111,539	650	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	414,105	-	-	-
Others	166,430	254	52,004	15,916	3	21,843
	3,674,401	1,027	1,817,136	504,065	92,074	417,430
W	4,248,246	11,120	1,933,307	532,388	256,198	1,062,477

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- (*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) Other related parties are subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Company.
- (*5) Others (purchase) mainly consist of maintenance expenses for the ERP System.
- (*6) Others (purchase) mainly consist of freight expenses.

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Notes to interim condensed separate financial statements, continued

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30. Related Party Transactions (cont'd)

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

1) March 31, 2025

(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.	₩	-	41,774	41,774	-	128,485		504,811	633,296
Subsidiaries									
POSCO STEELEON Co., Ltd		45,590	7,439	53,029	-	7		5,382	5,389
eNtoB Corporation		-	1,309	1,309	1,028	8,327		341	9,696
POSCO M-TECH		-	407	407	-	19,942		19,215	39,157
PNR		-	145	145	-	2,847		3,583	6,430
POSCO Humans		16	1	17	-	1,312		2,787	4,099
POSCO (THAILAND) COMPANY LIMITED		17,820	755	18,575	-	-		-	-
POSCO-MKPC SDN BHD		-	837	837	-	-		118	118
POSCO-VIETNAM Co., Ltd.		82,257	1,514	83,771	-	-		13	13
POSCO MEXICO S.A. DE C.V.		199,656	906	200,562	-	-		518	518
POSCO Thainox Public Company Limited		81,743	602	82,345	-	-		-	-
POSCO COATED STEEL (THAILAND) CO., LTD.		94,935	613	95,548	-	-		389	389
POSCO-Indonesia Jakarta Processing Center		-	-	-	-	-		949	949
POSCO PS Tech		-	2	2	-	5,535		11,481	17,016
POSCO PR Tech		-	3	3	-	7,342		12,035	19,377
POSCO PH Solution		-	2	2	-	1,602		4,678	6,280
POSCO GYS Tech		-	2	2	-	4,679		10,815	15,494
POSCO GYR Tech		-	2	2	-	5,089		10,412	15,501
POSCO GY Solution		-	1	1	-	2,074		4,894	6,968
PT. KRAKATAU POSCO		4,150	3,470	7,620	-	-		-	-
POSCO Maharashtra Steel Private Limited		348,227	2,258	350,485	-	7,692		8	7,700
POSCO ASSAN TST STEEL INDUSTRY Inc.		278,988	1,368	280,356	-	-		-	-
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED		-	-	-	-	-		396	396
Others		57	191	248	-	-		10	10
		1,153,439	21,827	1,175,266	1,028	66,448		88,024	155,500
Associates and joint ventures									
Pohang Special Welding Co., Ltd.		-	36	36	-	-		-	-
POSCO Vietnam Processing Center. Co.,Ltd		7,537	-	7,537	-	-		105	105
		7,537	36	7,573	-	-		105	105
Other related party									
POSCO Eco & Challenge Co., Ltd.		-	8	8	-	27,853		157	28,010
POSCO DX		40	4	44	-	62,349		23,143	85,492
POSCO WIDE Co., Ltd.		452	661	1,113	-	2,479		5,696	8,175
POSCO FUTURE M CO., LTD.		43,721	5,230	48,951	54,824	14,743		24,137	93,704
POSCO FLOW CO., LTD.		572	629	1,201	166,642	3,684		42,735	213,061
SNNC		585	57	642	24,330	360		41	24,731
POSCO Mobility Solution Corporation		133,471	-	133,471	-	539		1,908	2,447
eSteel4U		147,662	-	147,662	-	-		-	-
POSCO INTERNATIONAL Corporation		805,624	618	806,242	16,486	8,555		3,932	28,973
POSCO(Guangdong) Automotive Steel Co., Ltd.		35,953	-	35,953	-	-		-	-
POSCO VST CO., LTD.		75,942	648	76,590	-	-		-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	-	170,355	17		-	170,372
Roy Hill Holdings Pty Ltd		-	-	-	261,980	-		-	261,980
Others		22,087	23,763	45,850	3,947	7,170		12,505	23,622
		1,266,109	31,618	1,297,727	698,564	127,749		114,254	940,567
₩		2,427,085	95,255	2,522,340	699,592	322,682		707,194	1,729,468

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Notes to interim condensed separate financial statements, continued

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30. Related Party Transactions (cont'd)

2) December 31, 2024

(in millions of Won)

	Receivables			Payables		
	Trade accounts and notes receivable	Others	Total	Trade accounts and notes payable	Accounts payable	Others
The parent company						
POSCO HOLDINGS INC.	₩ -	41,966	41,966	-	102,520	84,604
Subsidiaries						
POSCO STEELEON Co., Ltd	61,687	113	61,800	-	6	6,047
eNtoB Corporation	-	-	-	430	6,801	340
POSCO M-TECH	-	1	1	-	19,182	23,787
PNR	-	86	86	-	1,868	3,505
POSCO Humans	16	-	16	-	885	2,622
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
POSCO PR Tech	-	6	6	-	3,760	12,853
POSCO PH Solution	-	3	3	-	3,819	7,167
POSCO GYS Tech	-	3	3	-	4,796	14,717
POSCO GYR Tech	-	2	2	-	7,061	13,797
POSCO GY Solution	-	2	2	-	1,876	7,273
PT. KRAKATAU POSCO	7,593	5,912	13,505	-	-	-
POSCO Maharashtra Steel Private Limited	363,586	1,912	365,498	-	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
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
POSCO DX	40	4	44	-	179,910	25,832
POSCO WIDE Co., Ltd.	475	659	1,134	-	6,488	4,664
POSCO FUTURE M CO., LTD.	43,546	4,770	48,316	42,635	17,166	20,110
POSCO FLOW CO., LTD.	331	546	877	120,980	2,100	43,533
SNNC	518	70	588	8,426	1,285	13
POSCO Mobility Solution Corporation	112,418	-	112,418	-	1,746	5,055
eSteel4U	106,875	-	106,875	-	-	-
POSCO INTERNATIONAL Corporation	906,600	1,231	907,831	30,212	6,032	4,330
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	-
Roy Hill Holdings Pty Ltd	-	2,440	2,440	356,234	25	-
Others	33,493	28,544	62,037	1,775	13,805	5,147
	1,335,516	38,792	1,374,308	744,275	299,166	108,964
₩	2,550,172	93,932	2,644,104	744,705	583,962	300,549

(d) Guarantees provided to related parties

- As of March 31, 2025, the Company has entered into financial guarantee contracts for its related parties and recognizes the related guarantee obligations as financial guarantee liabilities (Note 20-(a)-2).

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Notes to interim condensed separate financial statements, continued

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30. Related Party Transactions (cont'd)

(e) For each of the three-month periods ended March 31, 2025 and 2024, details of compensation to the Company's key management officers are as follows:

<i>(in millions of Won)</i>	March 31, 2025	March 31, 2024
Short-term benefits	₩ 11,385	12,800
Retirement benefits	1,867	3,687
	₩ <u>13,252</u>	<u>16,487</u>

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

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Notes to interim condensed separate financial statements, continued

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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.

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Notes to interim condensed separate financial statements, continued

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31. Commitments and Contingencies (cont'd)

(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 March 31, 2025, 76 million tons of iron ore and 5 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 March 31, 2025, there are 34 vessels under contract and the average remaining contract period is about 6 years.
- 4) The Company entered into an agreement (LNG SPA) with POSCO INTERNATIONAL SINGAPORE PTE LTD. to purchase 370 thousand tons of LNG annually for 15 years commencing in November 2026. The purchase price is subject to change based on changes of U.S. Henry Hub Natural Gas Spot Price. The Company has extension option of extending the purchase contract by five years.
- 5) As of March 31, 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.

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31. Commitments and Contingencies (cont'd)

(c) Litigation in progress

The Company is involved in 172 lawsuits collectively amounting to ₩486.8 billion as defendant as of March 31, 2025, which arise in the ordinary course of business such as claim for confirmation of employee status. The Company has recognized provisions for certain lawsuits and claims and the Company believes that it has a present obligation as of March 31, 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. under Article 530(9)(1) of the *Commercial Act* of the Republic of Korea.

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Notes to interim condensed separate financial statements, continued

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32. Statements of Cash Flows

Changes in operating assets and liabilities for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Won)</i>		March 31, 2025	March 31, 2024
Trade accounts and notes receivable, net	₩	89,959	(73,684)
Other accounts receivable		155,302	(110,126)
Accrued revenue		494	5,870
Inventories		428,097	(128,382)
Prepaid expenses		8,725	(15,189)
Other current assets		37	(86)
Long-term guarantee deposits		(313)	(291)
Derivative assets		29,398	11,649
Other non-current assets		25,550	(5,341)
Trade accounts and notes payable		(431,505)	(196,297)
Other accounts payable		(185,617)	(28,440)
Accrued expenses		(26,120)	34,883
Advances received		(10,479)	(6,152)
Withholdings		(20,243)	(1,408)
Unearned revenue		(2,704)	12,418
Other current liabilities		(9,142)	(9,209)
Payments of severance benefits		(67,718)	(46,722)
Plan assets		46,646	33,139
Other non-current liabilities		-	810
	₩	<u>30,367</u>	<u>(522,558)</u>

33. Events after the reporting period

Pursuant to the resolution of the Board of Directors on April 21, 2025, the Company decided to acquire property, plant and equipment and intangible assets and human resources related to the domestic iron scrap business from POSCO International. The expected date of the business acquisition is May 16, 2025.

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Notes to interim condensed separate financial statements, continued

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

Under Section 232 of the Trade Expansion Act of the United States, the U.S. administration imposed a 25% tariff on all steel and aluminum products, effective from March 12, 2025. The tariff imposed thereafter introduced the uncertainty in the estimation of financial statements.