

POSCO HOLDINGS INC.

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

POSCO HOLDINGS INC.

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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 HOLDINGS INC.

We have reviewed the accompanying interim condensed separate financial statements of POSCO HOLDINGS INC. (the "Company"), which comprise the interim condensed separate statement of financial position as of June 30, 2024, and the related interim condensed separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2024, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for the six-month period ended June 30, 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

The interim condensed separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2023 and interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for the six-month period ended June 30, 2023, prepared in accordance with KIFRS 1034 and presented for comparative purposes, have been reviewed by Samjong KPMG, whose review report dated August 11, 2023 expressed an unqualified review conclusion thereon.

Moreover, the separate statement of financial position as of December 31, 2023, and the related separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended (not presented herein), have been audited by Samjong KPMG, in accordance with KSA, whose report dated March 13, 2024 expressed an unqualified opinion thereon. The accompanying separate statement of financial position as of December 31, 2023, presented for comparative purposes, is not different, in all material respects, from the above audited separate statement of financial position.

Ernst & Young Han Young

August 14, 2024

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

POSCO HOLDINGS INC.

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

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

Kisub Jung
Chief Strategy Officer
POSCO HOLDINGS INC.

POSCO HOLDINGS INC.

Interim condensed separate statements of financial position as of June 30, 2024 (Unaudited) and December 31, 2023

(in millions of Won)

	Notes	June 30, 2024 (unaudited)	December 31, 2023
Assets			
Cash and cash equivalents	18	₩ 888,166	376,914
Trade accounts and notes receivable, net	4,18,22	160,999	238,332
Other receivables, net	5,18,29	50,983	68,821
Other short-term financial assets	6,18	3,690,310	3,940,743
Current income tax assets		6,227	32,015
Other current assets	11	4,500	1,074
Total current assets		4,801,185	4,657,899
Other receivables, net	5,18,29	11,569	6,955
Other long-term financial assets	6,18	855,864	1,131,074
Investments in subsidiaries, associates and joint ventures	7	45,882,729	45,321,370
Investment property, net	8	307,200	309,900
Property, plant and equipment, net	9	314,328	197,787
Intangible assets, net	10	17,946	19,341
Defined benefit assets, net	16	3,060	-
Other non-current assets	11	8,005	1,872
Total non-current assets		47,400,701	46,988,299
Total assets		₩ 52,201,886	51,646,198

(continued)

POSCO HOLDINGS INC.

Interim condensed separate statements of financial position, continued as of June 30, 2024 (Unaudited) and December 31, 2023

(in millions of Won)

	Notes	June 30, 2024 (unaudited)	December 31, 2023
Liabilities			
Short-term borrowings			
and current installments of long-term borrowings	12,18	₩ 1,587,018	1,756,691
Other current payables	13,18,22,29	54,369	39,739
Other short-term financial liabilities	14,18,29	2,509	1,571
Provisions	15	11,611	14,983
Other current liabilities	17,22	6,000	6,686
Total current liabilities		1,661,507	1,819,670
Long-term borrowings,			
excluding current installments	12,18	1,418	1,316
Other non-current payables	13,18,29	30,201	26,804
Other long-term financial liabilities	14,18,29	10,491	6,968
Defined benefit liabilities, net	16	-	4,283
Deferred tax liabilities		2,307,283	2,281,500
Long-term provisions	15,30	3,391	2,634
Other non-current liabilities	17,22	2,909	3,158
Total non-current liabilities		2,355,693	2,326,663
Total liabilities		4,017,200	4,146,333
Equity			
Share capital	19	482,403	482,403
Capital surplus	19	1,367,990	1,370,557
Accumulated other comprehensive income (loss)	20	(54,054)	30,678
Treasury shares	21	(1,889,658)	(1,889,658)
Retained earnings		48,278,005	47,505,885
Total equity		48,184,686	47,499,865
Total liabilities and equity		₩ 52,201,886	51,646,198

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

POSCO HOLDINGS INC.

Interim condensed separate statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2024 and 2023 (Unaudited)

	Notes	For the three-month period ended June 30 (Unaudited)		For the six-month period ended June 30 (Unaudited)	
		2024	2023	2024	2023
(in millions of Won, except per share informations)					
Operating revenue	22,29 ₩	159,861	231,840	1,058,598	794,827
Operating expenses	23,26,29	(103,847)	(86,018)	(189,509)	(155,115)
Operating profit		<u>56,014</u>	<u>145,822</u>	<u>869,089</u>	<u>639,712</u>
Finance income and costs	18,24				
Finance income		156,283	44,069	365,708	205,197
Finance costs		(43,304)	(56,651)	(84,884)	(205,883)
Other non-operating income and expenses	25,26,29				
Other non-operating income		1,397	805	1,567	9,071
Other non-operating expenses		(4,584)	(534)	(5,270)	(1,438)
Profit before income tax		<u>165,806</u>	<u>133,511</u>	<u>1,146,210</u>	<u>646,659</u>
Income tax benefit (expense)	27	26,433	46,794	(12,633)	85,387
Profit		<u>192,239</u>	<u>180,305</u>	<u>1,133,577</u>	<u>732,046</u>
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	16	(196)	(68)	(232)	(213)
Net changes in fair value of equity investments at fair value through other comprehensive income	6,18,20	(47,855)	(43,084)	(66,576)	79,066
Total comprehensive income		<u>₩ 144,188</u>	<u>137,153</u>	<u>1,066,769</u>	<u>810,899</u>
Earnings per share (in Won)	28				
Basic earnings per share (in Won)		2,534	2,376	14,940	9,650
Diluted earnings per share (in Won)		<u>₩ 1,890</u>	<u>2,376</u>	<u>12,676</u>	<u>9,650</u>

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

POSCO HOLDINGS INC.

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

(in millions of Won)

		Share capital	Capital surplus	Accumulated other comprehensive income (loss)	Treasury shares	Retained earnings	Total
Balance as of January 1, 2023	₩	482,403	1,360,894	(188,801)	(1,892,308)	47,409,675	47,171,863
Comprehensive income:							
Profit		-	-	-	-	732,046	732,046
Other comprehensive income (loss)							
Remeasurements of defined benefit plans, net of tax		-	-	-	-	(213)	(213)
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	-	78,730	-	336	79,066
Transactions with owners of the Company, recognized directly in equity:							
Year-end dividends		-	-	-	-	(151,698)	(151,698)
Interim dividends		-	-	-	-	(189,692)	(189,692)
Disposal of treasury shares		-	4,083	-	5,864	-	9,947
Share-based payment		-	(2,034)	-	-	-	(2,034)
Balance as of June 30, 2023	₩	482,403	1,362,943	(110,071)	(1,886,444)	47,800,454	47,649,285
Balance as of January 1, 2024	₩	482,403	1,370,557	30,678	(1,889,658)	47,505,885	47,499,865
Comprehensive income:							
Profit		-	-	-	-	1,133,578	1,133,578
Other comprehensive income (loss)							
Remeasurements of defined benefit plans, net of tax		-	-	-	-	(232)	(232)
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	-	(84,732)	-	18,156	(66,576)
Transactions with owners of the Company, recognized directly in equity:							
Year-end dividends		-	-	-	-	(189,691)	(189,691)
Interim dividends		-	-	-	-	(189,691)	(189,691)
Share-based payment		-	(2,567)	-	-	-	(2,567)
Balance as of June 30, 2024	₩	482,403	1,367,990	(54,054)	(1,889,658)	48,278,005	48,184,686

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

POSCO HOLDINGS INC.

Interim condensed separate statements of cash flows for each of the six-month periods ended June 30, 2024 and 2023 (Unaudited)

<i>(in millions of Won)</i>	<u>Notes</u>	<u>For the six-month period ended</u>	
		<u>June 30, 2024</u>	<u>June 30, 2023</u>
		<u>(unaudited)</u>	<u>(unaudited)</u>
Cash flows from operating activities			
Profit	₩	1,133,578	732,046
Adjustments for :			
Expenses related to post-employment benefit		3,551	3,807
Depreciation		6,813	5,455
Amortization		848	583
Impairment loss on trade and other receivables		106	-
Finance income		(362,671)	(199,625)
Dividend income		(964,715)	(689,024)
Finance costs		84,181	203,255
Gain on disposal of intangible assets		(54)	-
Loss on disposal of intangible assets		198	-
Loss on disposal of assets held for sale		-	102
Increase (decrease) to provisions		41	(7,629)
Income tax expense (benefit)		12,633	(85,387)
Others		-	4,085
Changes in operating assets and liabilities	31	79,332	42,067
Interest received		28,644	18,750
Dividends received		971,138	574,343
Income taxes paid		57,582	215,193
Net cash provided by operating activities	₩	<u>1,051,205</u>	<u>818,021</u>

(continued)

POSCO HOLDINGS INC.

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

<i>(in millions of Won)</i>	<u>Notes</u>	<u>For the six-month period ended June 30, 2024 (unaudited)</u>	<u>June 30, 2023 (unaudited)</u>
Cash flows from investing activities			
Decrease in deposits	₩	1,550,000	-
Proceeds from disposal of short-term financial instruments		2,720,749	4,265,021
Collection of long-term loans		-	2,000
Proceeds from disposal of equity securities		194,230	-
Proceeds from disposal of other securities		2,431	-
Proceeds from disposal of investments in subsidiaries, associates and joint ventures		1,758	30,055
Proceeds from disposal of intangible asstes		1,578	-
Increase in deposits		(1,950,000)	(1,090,000)
Acquisition of short-term financial instruments		(2,003,699)	(4,142,464)
Acquisition of long-term financial instruments		-	(2)
Increase in long-term loans		(106)	-
Acquisition of other securities		(11,245)	(8,983)
Acquisition of investment in subsidiaries, associates and joint ventures		(544,836)	(431,245)
Acquisition of investment properties		(1,200)	(54,783)
Acquisition of property, plant and equipment		(120,823)	(6,463)
Acquisition of intangible asstes		(1,753)	(1,542)
Payment of short-term lease security deposits		(445)	-
Net cash used in investing activities	₩	<u>(163,361)</u>	<u>(1,438,406)</u>
Cash flows from financing activities			
Increase in long-term financial liabilities		3,148	3,781
Payment of cash dividends		(379,767)	(341,584)
Net cash used in financing activities	₩	<u>(376,619)</u>	<u>(337,803)</u>
Effect of exchange rate fluctuation on cash held		27	-
Net increase (decrease) in cash and cash equivalents		511,252	(958,188)
Cash and cash equivalents at beginning of the period		<u>376,914</u>	<u>1,415,201</u>
Cash and cash equivalents at end of the period	₩	<u><u>888,166</u></u>	<u><u>457,013</u></u>

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

POSCO HOLDINGS INC.

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

1. Reporting Entity

POSCO HOLDINGS INC. (the "Company") was established on April 1, 1968, under the Commercial Act of the Republic of Korea. The shares of the Company have been listed on the Korea Exchange since June 10, 1988. The Company operates an investment business that controls and manages through ownership of shares of subsidiaries etc.

On March 2, 2022, the Company established a new subsidiary, POSCO, by a vertical spin-off of its steel business (which is wholly owned by the surviving company) on March 1, 2022, and changed the name of the surviving company to POSCO HOLDINGS INC.

As of June 30, 2024, the shares of the Company are listed on the Korea Exchange, while its ADRs are listed on the New York Stock Exchanges.

2. Basis of preparation

Statement of compliance

The interim condensed separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"), as prescribed in the *Act on External Audit of Stock Companies* of the Republic of Korea. 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 and should be read in conjunction with the Company's annual financial statements as of December 31, 2023. 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 incurred after December 31, 2023. These interim condensed separate interim financial statements do not include all of the disclosures required for full annual financial statements.

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 HOLDINGS INC.

Notes to the interim condensed separate financial statements, continued June 30, 2024 and 2023 (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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period prospectively.

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 annual financial statements as of and for the year ended December 31, 2023 except for the matters mentioned below.

(b) Measurement of fair value

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 financial officer.

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.

POSCO HOLDINGS INC.

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

2. Basis of preparation (cont'd)

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3 – inputs for the assets or liabilities that are not based on observable market data.

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.

3. Summary of Material Accounting Policy Information

Except for the items 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 to the separate financial statements as of and for the year ended December 31, 2023.

(a) *Supplier Finance Arrangements* - Amendments to KIFRS 1007 and KIFRS 1107

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

POSCO HOLDINGS INC.

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

3. Summary of Material Accounting Policy information (cont'd)

(b) Amendments to KIFRS 1116: *Lease Liability in a Sale and Leaseback*

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

(c) Amendments to KIFRS 1001: *Classification of Liabilities as Current or Non-current*

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

The amendments clarify:

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

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

POSCO HOLDINGS INC.

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

4. Trade Accounts and Notes Receivable

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

<i>(in millions of Won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current		
Trade accounts and notes receivable	₩ 93,494	100,323
Unbilled receivables (contract assets)	67,505	138,009
Less: Allowance for doubtful accounts	-	-
	<u>₩ 160,999</u>	<u>238,332</u>

5. Other Receivables

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

<i>(in millions of Won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current		
Other accounts receivable	₩ 15,413	51,530
Others(*1)	39,774	21,193
Less: Allowance for doubtful accounts(*1)	(4,204)	(3,902)
	<u>₩ 50,983</u>	<u>68,821</u>
Non-current		
Long-term loans(*1)	₩ 234,096	217,349
Long-term other accounts receivable	11,565	6,945
Others	4	10
Less: Allowance for doubtful accounts(*1)	(234,096)	(217,349)
	<u>₩ 11,569</u>	<u>6,955</u>

(*1) The Company recognized an allowance for doubtful accounts for all of the other receivables from FQM Australia Holdings Pty Ltd., an associate, due to low possibility of collecting these receivables during the year ended December 31, 2023.

POSCO HOLDINGS INC.

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

6. Other Financial Assets

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

<i>(in millions of Won)</i>		June 30, 2024	December 31, 2023
Current			
Deposit instruments	₩	2,150,000	1,750,000
Short-term financial instruments		1,540,310	2,190,743
	₩	<u>3,690,310</u>	<u>3,940,743</u>
Non-current			
Equity securities	₩	637,728	926,752
Other securities		218,134	204,320
Deposit instruments		2	2
	₩	<u>855,864</u>	<u>1,131,074</u>

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

<i>(in millions of Won)</i>		June 30, 2024				December 31, 2023	
Number of shares	Ownership (%)	Acquisition cost	Fair value	Net changes in fair value of equity securities	Book value	Book value	
Marketable equity securities							
Nippon Steel Corporation	15,698,500	1.65	₩ 473,962	461,460	(12,502)	461,460	462,775
KB Financial group Inc.	-	-	-	-	-	-	209,016
CSN Mineracao S.A.	102,186,675	1.86	206,265	133,924	(72,341)	133,924	212,617
			<u>680,227</u>	<u>595,384</u>	<u>(84,843)</u>	<u>595,384</u>	<u>884,408</u>
Non-marketable equity securities							
PLANTEC Co., Ltd	18,337,912	10.99	19,437	40,362	20,925	40,362	40,362
Intellectual Discovery Co., Ltd	200,000	6.00	5,000	1,350	(3,650)	1,350	1,350
Pos-hyundai Steel Manufacturing India Private Limited	1,055,496	6.00	612	612	-	612	612
S&M MEDIA Co., Ltd	2,000	2.67	20	20	-	20	20
XG Sciences	300,000	5.06	2,724	-	(2,724)	-	-
			<u>27,793</u>	<u>42,344</u>	<u>14,551</u>	<u>42,344</u>	<u>42,344</u>
			<u>₩ 708,020</u>	<u>637,728</u>	<u>(70,292)</u>	<u>637,728</u>	<u>926,752</u>

POSCO HOLDINGS INC.

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

7. Investments in Subsidiaries, Associates and Joint ventures

(a) Investments in subsidiaries, associates and joint ventures of as of June 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>June 30, 2024</u>	<u>December 31, 2023</u>
Subsidiaries	₩	42,958,344	42,519,521
Associates		230,552	230,552
Joint ventures		2,693,833	2,571,297
	₩	<u>45,882,729</u>	<u>45,321,370</u>

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

<i>(in millions of Won)</i>			<u>June 30, 2024</u>		<u>December 31,</u>
	<u>Country</u>	<u>Principal operations</u>	<u>Ownership (%)</u>	<u>Book value</u>	<u>2023</u>
				<u>Book value</u>	<u>Book value</u>
[Domestic]					
POSCO	Korea	Steel, rolled products, and plates manufacturing and sales	100.00	₩ 29,714,703	29,698,113
POSCO INTERNATIONAL Corporation	Korea	Trading and natural resources exploration	70.71	3,740,020	3,740,020
POSCO Eco & Challenge Co., Ltd.	Korea	Engineering and construction	52.80	1,014,963	1,013,453
POSCO Venture Capital Co., Ltd.	Korea	Investment in venture companies	100.00	115,931	115,931
POSCO FUTURE M CO.,LTD.	Korea	Refractory and anode/cathode material manufacturing and sales	59.72	895,687	895,687
POSCO WIDE Co., Ltd.	Korea	Business facility maintenance	100.00	308,843	308,843
POSCO DX	Korea	Computer hardware and software distribution	65.47	70,990	70,990
Busan E&E Co., Ltd.	Korea	Municipal solid waste fuel and power generation	70.00	30,148	30,148
POSOCO-Pilbara LITHIUM SOLUTION Co., Ltd.	Korea	Lithium manufacturing and sales	82.00	314,940	314,940
POSCO LITHIUM SOLUTION	Korea	Lithium Hydroxide manufacturing and sales	100.00	287,550	287,550
QSONE Co.,Ltd.	Korea	Real estate rental and facility management	100.00	238,478	238,478
POSCO CNGR Nickel Solution(*1)	Korea	Nickel refining	60.00	49,380	-
Others (11 companies)				<u>453,726</u>	<u>442,847</u>
				<u>37,235,359</u>	<u>37,157,000</u>
[Foreign]					
POSCO WA PTY LTD.	Australia	Iron ore sales and mine development	100.00	646,574	646,574
POSCO Maharashtra Steel Private Limited	India	Steel manufacturing and sales	100.00	722,514	722,514
POSCO Canada Ltd.	Canada	Coal sales	100.00	560,879	560,879
POSCO AUSTRALIA PTY LTD.	Australia	Iron ore sales and mine development	100.00	330,623	330,623
POSCO (Zhangjiagang) Stainless Steel Co.,Ltd.	China	Stainless steel manufacturing and sales	58.60	283,792	283,792
POSCO-China Holding Corp.	China	Holding company	100.00	593,816	593,816
POSCO America Corporation	USA	Researching and consulting	99.45	192,136	192,136
POSCO VST CO., LTD.	Vietnam	Stainless steel manufacturing and sales	95.65	144,552	144,552
POSCO Asia Co., Ltd.	Hong Kong	Activities Auxiliary to financial service	100.00	117,690	117,690
POSCO ASSAN TST STEEL INDUSTRY	Turkiye	Steel manufacturing and sales	60.00	71,686	71,686
POSCO JAPAN Co., Ltd.	Japan	Steel marketing, demand development, and technology research	100.00	68,410	68,410
Qingdao Pohang Stainless Steel Co., Ltd.	China	Stainless steel manufacturing and sales	70.00	65,982	65,982
POSCO(Suzhou) Automotive Processing Center Co., Ltd.	China	Steel manufacturing and sales	90.00	62,469	62,469
POSCO AFRICA (PROPRIETARY) LIMITED	South Africa	Mine development	100.00	50,297	50,297
POSCO Argentina S.A.U.(*2)	Argentina	Mineral exploration, manufacturing and sales	100.00	1,510,551	1,150,087
Others (18 companies)				<u>301,014</u>	<u>301,014</u>
				<u>5,722,985</u>	<u>5,362,521</u>
				₩ <u>42,958,344</u>	<u>42,519,521</u>

(*1) During the six-month period ended June 30, 2024, the Company acquired 60% of shares of POSCO CNGR Nickel Solution Co., Ltd. at ₩49,380 million and classified the acquired equity interests as investments in subsidiaries.

(*2) During the six-month period ended June 30, 2024, the Company acquired ₩360,464 million of additional investment in subsidiaries by participating in POSCO Argentina S.A.U.'s capital increase to invest in an Argentine brine lithium commercialization plant.

POSCO HOLDINGS INC.

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

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

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

(in millions of Won)

	Country	Principal operations	June 30, 2024		December 31,
			Ownership (%)	Book value	2023
[Domestic]					Book value
POSCO JK SOLID SOLUTION CO., LTD.	Korea	Material manufacturing for rechargeable battery	40.00	₩ 26,025	26,025
Others (5 companies)				12,111	12,111
				<u>38,136</u>	<u>38,136</u>
[Foreign]					
9404-5515 Quebec Inc.(*1)	Canada	Investments	12.61	156,194	156,194
ZHEJIANG HUAYOU-POSCO ESM CO., LTD.(*1)	China	Precursors manufacturing and sales	8.29	22,423	22,423
Others (3 companies)				13,799	13,799
				<u>192,416</u>	<u>192,416</u>
				<u>₩ 230,552</u>	<u>230,552</u>

(*1) As of June 30, 2024, the entities are classified as associates since the Company has significant influence over the investees although the Company's percentage of ownership is less than 20%, considering the structure of the entities' Board of Directors and others.

(d) Details of joint ventures and carrying amounts as of June 30, 2024 and December 31, 2023 are as follows:

(in millions of Won)

	Country	Principal operations	June 30, 2024		December 31,
			Ownership (%)	Book value	2023
					Book value
Roy Hill Holdings Pty Ltd(*1)	Australia	Natural resources exploration	10.00	₩ 1,225,464	1,225,464
POSCO-NPS Niobium LLC	USA	Foreign investments in mining	50.00	364,609	364,609
KOBRASCO	Brazil	Steel materials manufacturing and sales	50.00	98,962	98,962
HBIS-POSCO Automotive Steel Co., Ltd	China	Steel manufacturing and sales	50.00	235,207	235,207
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	China	Steel manufacturing and sales	25.00	63,866	63,866
PT NICOLE METAL INDUSTRY(*2)	Indonesia	Nickel Smelting	49.00	413,555	293,361
Hydrogen Duqm LLC(*3)	Oman	Green Hydrogen/Ammonia product business development	44.80	2,342	-
Nickel Mining Company SAS	New Caledonia	Raw material manufacturing and sales	49.00	189,197	189,197
SNNC	Korea	STS material manufacturing and sales	49.00	100,631	100,631
				<u>₩ 2,693,833</u>	<u>2,571,297</u>

(*1) As of June 30, 2024 and December 31, 2023, the investments in joint ventures amounting to ₩1,225,464 million were provided as collateral in relation to revolving loan of Roy Hill Holdings Pty Ltd.

(*2) During the six-month period ended June 30, 2024, the Company acquired ₩120,194 million of additional investment in joint ventures by participating in PT NICOLE METAL INDUSTRY 's capital increase to invest in a nickel dry smelting plant in Indonesia.

(*3) During the six-month period ended June 30, 2024, the Company acquired 44.8% of shares in Hydrogen Duqm LLC, for ₩2,342 million and classified them as an investment in joint ventures.

POSCO HOLDINGS INC.

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

8. Investment Property

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

(a) For the six-month period ended June 30, 2024

<i>(in millions of Won)</i>		Beginning	Acquisition	Depreciation(*1)	Others(*2)	Ending
Land	₩	193,446	1,200	-	50	194,696
Buildings		101,229	-	(3,624)	78	97,683
Structures		15,225	-	(412)	8	14,821
	₩	<u>309,900</u>	<u>1,200</u>	<u>(4,036)</u>	<u>136</u>	<u>307,200</u>

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

(*2) Mainly includes assets transferred from property, plant and equipment in relation to changes in rental ratio and the purpose of use.

(b) For the year ended December 31, 2023

<i>(in millions of Won)</i>		Beginning	Acquisition	Depreciation(*1)	Others(*2)	Ending
Land	₩	131,069	54,891	-	7,486	193,446
Buildings		83,528	-	(7,078)	24,779	101,229
Structures		6,102	-	(610)	9,733	15,225
	₩	<u>220,699</u>	<u>54,891</u>	<u>(7,688)</u>	<u>41,998</u>	<u>309,900</u>

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

(*2) Mainly includes assets transferred from property, plant and equipment in relation to changes in rental ratio and the purpose of use.

POSCO HOLDINGS INC.

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

9. Property, Plant and Equipment

Changes in the carrying amount of property, plant and equipment for the six-month period ended June 30, 2024 and the year ended December 31, 2023 are as follows:

(a) For the six-month period ended June 30, 2024

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Acquisitions</u>	<u>Depreciation</u>	<u>Others(*1)</u>	<u>Ending</u>
Land	₩	50,197	4	-	(50)	50,151
Buildings		29,539	37	(951)	(78)	28,547
Structures		7,748	1	(201)	(8)	7,540
Machinery and equipment		27,549	276	(1,027)	-	26,798
Vehicles		63	-	(11)	-	52
Furniture and fixtures		13,485	129	(586)	-	13,028
Construction-in-progress		69,206	119,006	-	-	188,212
	₩	<u>197,787</u>	<u>119,453</u>	<u>(2,776)</u>	<u>(136)</u>	<u>314,328</u>

(*1) Represents assets transferred from construction-in-progress to other property, plant and equipment, assets transferred to investment property, and other expenses.

(b) For the year ended December 31, 2023

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Depreciation</u>	<u>Impairment(*1)</u>	<u>Others(*2)</u>	<u>Ending</u>
Land	₩	51,310	8,079	-	-	(1,706)	(7,486)	50,197
Buildings		39,277	12,659	(186)	(1,399)	-	(20,812)	29,539
Structures		6,036	1,107	(700)	(201)	-	1,506	7,748
Machinery and equipment		10,504	18,637	-	(1,061)	(531)	-	27,549
Vehicles		11	62	-	(10)	-	-	63
Furniture and fixtures		12,573	1,303	-	(951)	-	560	13,485
Construction-in-progress		25,295	69,693	-	-	(8,420)	(17,362)	69,206
	₩	<u>145,006</u>	<u>111,540</u>	<u>(886)</u>	<u>(3,622)</u>	<u>(10,657)</u>	<u>(43,594)</u>	<u>197,787</u>

(*1) During the year ended December 31, 2023, the Company estimated the recoverable amount based on the net fair value of land adjacent to the magnesium smelting plant located in Gangneung city where operation and development has been discontinued. The Company recognized an impairment loss since recoverable amounts are less than their carrying amounts.

(*2) Represents assets transferred from construction-in-progress to other property, plant and equipment, assets transferred from investment properties.

POSCO HOLDINGS INC.

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

9. Property, Plant and Equipment (cont'd)

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

1) Right-of-use assets

As of June 30, 2024 and December 31, 2023, there are no right-of-use assets listed as property, plant and equipment.

2) Amount recognized in profit or loss

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

<i>(in millions of Won)</i>	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Expenses related to short-term leases	₩ 2,200	47	4,386	105
Expenses related to leases of low-value assets	1,159	673	2,608	1,147
	₩ 3,359	720	6,994	1,252

10. Intangible Assets

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

(a) For the six-month period ended June 30, 2024

<i>(in millions of Won)</i>	Beginning	Acquisitions	Disposals	Amortization	Others(*2)	Ending
Intellectual property rights	₩ 576	-	-	(82)	209	703
Membership(*1)	11,618	-	(1,524)	-	-	10,094
Development expense	2,905	-	-	(650)	1,711	3,966
Construction-in-progress	3,565	1,175	(198)	-	(1,920)	2,622
Other intangible assets	677	-	-	(116)	-	561
	₩ 19,341	1,175	(1,722)	(848)	-	17,946

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

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

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

10. Intangible Assets (cont'd)

(b) For the year ended December 31, 2023

<i>(in millions of Won)</i>	<u>Beginning</u>	<u>Acquisitions ■</u>	<u>Amortization</u>	<u>Others(*2)</u>	<u>Ending</u>
Intellectual property rights ₩	504	-	(151)	223	576
Membership(*1)	11,618	-	-	-	11,618
Development expense	1,400	-	(865)	2,370	2,905
Construction-in-progress	1,476	4,740	-	(2,651)	3,565
Other intangible assets	904	4	(231)	-	677
₩	<u>15,902</u>	<u>4,744</u>	<u>(1,247)</u>	<u>(58)</u>	<u>19,341</u>

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

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

11. Other Assets

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

<i>(in millions of Won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current		
Advance payments ₩	101	208
Prepaid expenses	4,399	865
	<u>4,500</u>	<u>1,073</u>
Non-current		
Long-term advance payments	7,379	1,843
Long-term prepaid expenses	618	21
Others	8	8
₩	<u>8,005</u>	<u>1,872</u>

12. Borrowings

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

<i>(in millions of Won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current		
Exchangeable bonds ₩	1,587,018	1,756,691
Non-current		
Long-term borrowings ₩	1,418	1,316

POSCO HOLDINGS INC.

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

12. Borrowings (cont'd)

(b) Current portions of debentures as of June 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>Lenders</u>	<u>Issuance date</u>	<u>Maturity date</u>	<u>Annual interest rate (%)</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Exchangeable bonds(*1)	Foreign currency exchangeable bonds	2021.09.01.	2026.09.01.	-	1,587,018	1,756,691

(*1) The issuance conditions of the exchangeable bonds issued by the Company are as follows. As of December 31, 2023, exchangeable bonds are reclassified as current liabilities because the bondholders' put option for redemption has become exercisable within 12 months.

<u>Foreign currency exchangeable bonds</u>	
Type of bond	Exchangeable bonds
Aggregate principal amount	EUR 1,065,900,000
Interest rate	- Coupon rate : - - Yield to maturity : (0.78%)
Maturity date	September 1, 2026
Redemption	- Redemption at maturity : Outstanding bond principal, which is not repaid early or which call option is not exercised on, is repaid at maturity as a lump sum - Prepayment : The issuer has call option and the bondholders have put option
Exchange rate	100%
Exchange price (Won/share)	443,680(*)
Underlying shares	Registered common shares(treasury shares)
Exchange period	From October 12, 2021 to August 22, 2026
Adjustments for exchange price	Adjusting the exchange price according to the terms and conditions of the bond in the events of reason for adjusting the exchange price such as, bonus issue, share split, share consolidation, change of share type, issuance of options or warranties to shareholders, share dividend, cash dividend, issuance of new shares under the market price.
Put option by bondholders	- 3 years(September 1, 2024) from the closing date - In the event of a change of control of the Company - Where the shares issued by the Company are delisted (or suspended for more than 30 consecutive trading days)
Call option by the issuer	- Share price(based on closing price) is higher than 130% of exchange price for more than 20 trading days during 30 consecutive trading days in a row, after 3 years (September 1, 2024) from the closing day to 30 business days before the maturity of bonds - When the outstanding balance of outstanding bonds is less than 10% of the total issuance (Clean-Up Call) - Where additional reasons for tax burden arise due to the amendment of relevant laws and regulations, etc

(*) The exchange price has changed due to cash dividends paid during the six-month period ended June 30, 2024.

The Company has designated exchangeable bonds listed on the Singapore Stock Exchange as financial liabilities measured at fair value through profit or loss. The quoted transaction price is used in fair value measurement, and changes in fair value are recognized in profit or loss.

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

<i>(in millions of Won)</i>	<u>Lenders</u>	<u>Issuance date</u>	<u>Maturity date</u>	<u>Annual interest rate (%)</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Foreign borrowings	KOREA ENERGY AGENCY	2011.12.27.	2026.12.26.	3 year Government bond ₩	1,418	1,316

POSCO HOLDINGS INC.

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

13. Other Payables

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

<i>(in millions of Won)</i>		<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current			
Accounts payable	₩	25,412	25,971
Accrued expenses		26,256	10,681
Dividend payable		2,701	3,087
	₩	<u>54,369</u>	<u>39,739</u>
Non-current			
Long-term withholdings	₩	33,110	29,962
Less: Present value discount		(2,909)	(3,158)
	₩	<u>30,201</u>	<u>26,804</u>

14. Other Financial Liabilities

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

<i>(in millions of Won)</i>		<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current			
Financial guarantee liabilities	₩	2,509	1,571
Non-current			
Financial guarantee liabilities	₩	10,491	6,968

POSCO HOLDINGS INC.

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

15. Provisions

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

		June 30, 2024		December 31, 2023	
		Current	Non-current	Current	Non-current
Provision for bonus payments(*1)	₩	3,589	-	6,055	-
Provision for restoration(*2)		8,022	3,391	8,928	2,634
	₩	<u>11,611</u>	<u>3,391</u>	<u>14,983</u>	<u>2,634</u>

(*1) Represents the provision for bonuses with the limit of 100% of annual salaries for executives.

(*2) Due to contamination of land near the Company's magnesium smelting plant located in Gangneung city, the Company recognized present values of estimated costs for recovery as provisions for restoration as of June 30, 2024. In order to determine the estimated costs, the Company has assumed that it would use all of technologies and materials available for now to recover the land. In addition, the Company has applied discount rates of 3.55% to assess present value of these costs.

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

1) For the six-month period ended June 30, 2024

		Beginning	Increase	Utilization	Ending
Provision for bonus payments	₩	6,055	4,462	(6,928)	3,589
Provision for restoration		11,562	41	(190)	11,413
	₩	<u>17,617</u>	<u>4,503</u>	<u>(7,118)</u>	<u>15,002</u>

2) For the year ended December 31, 2023

		Beginning	Increase	Reversal	Utilization	Ending
Provision for bonus payments	₩	5,667	10,154	-	(9,766)	6,055
Provision for restoration		15,865	853	-	(5,156)	11,562
Others		34,724	-	(8,158)	(26,566)	-
	₩	<u>56,256</u>	<u>11,007</u>	<u>(8,158)</u>	<u>(41,488)</u>	<u>17,617</u>

POSCO HOLDINGS INC.

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

16. 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 the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods		For the six-month periods		
	ended June 30		ended June 30		
	2024	2023	2024	2023	
Expense related to post-employment benefit plans under defined contribution plans	₩	20	14	63	84

(b) Defined benefit plans

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

<i>(in millions of Won)</i>		June 30, 2024	December 31, 2023
Present value of funded obligations	₩	35,368	44,276
Fair value of plan assets		(38,428)	(39,993)
Net defined benefit liabilities(assets)	₩	(3,060)	4,283

2) The amounts recognized in the statements of comprehensive income for each of the three-month and the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods		For the six-month periods		
	ended June 30		ended June 30		
	2024	2023	2024	2023	
Current service costs	₩	1,933	1,371	3,726	4,016
Net interest costs		(85)	(104)	(170)	(209)
	₩	1,848	1,267	3,556	3,807

17. Other Liabilities

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

<i>(in millions of Won)</i>		June 30, 2024	December 31, 2023
Current			
Advances received	₩	879	5
Withholdings		2,964	3,938
Unearned revenue		2,157	2,743
	₩	6,000	6,686
Non-current			
Unearned revenue	₩	2,909	3,158

POSCO HOLDINGS INC.

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

18. 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, 2024 and December 31, 2023 are as follows:

① June 30, 2024

(in millions of Won)

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Fair value through profit or loss					
Short term financial instruments	₩ 1,540,310	-	1,540,310	-	1,540,310
Other securities	218,134	-	-	218,134	218,134
Fair value through other comprehensive income					
Equity securities	637,728	595,384	-	42,344	637,728
Financial assets measured at amortized cost(*1)					
Cash and cash equivalents	888,166	-	-	-	-
Trade accounts and notes receivable	93,494	-	-	-	-
Other receivables	61,572	-	-	-	-
Deposit instruments	2,150,002	-	-	-	-
₩	<u>5,589,406</u>	<u>595,384</u>	<u>1,540,310</u>	<u>260,478</u>	<u>2,396,172</u>
Financial liabilities					
Fair value through profit or loss					
Borrowings	₩ 1,587,018	1,587,018	-	-	1,587,018
Financial liabilities measured at amortized cost(*1)					
Borrowings	1,418	-	1,418	-	1,418
Financial guarantee liabilities	13,000	-	-	-	-
Others	58,433	-	-	-	-
₩	<u>1,659,869</u>	<u>1,587,018</u>	<u>1,418</u>	<u>-</u>	<u>1,588,436</u>

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

② December 31, 2023

(in millions of Won)

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Fair value through profit or loss					
Short term financial instruments	₩ 2,190,743	-	2,190,743	-	2,190,743
Other securities	204,320	-	-	204,320	204,320
Fair value through other comprehensive income					
Equity securities	926,752	884,408	-	42,344	926,752
Financial assets measured at amortized cost(*1)					
Cash and cash equivalents	376,914	-	-	-	-
Trade accounts and notes receivable	100,323	-	-	-	-
Other receivables	64,393	-	-	-	-
Deposit instruments	1,750,002	-	-	-	-
₩	<u>5,613,447</u>	<u>884,408</u>	<u>2,190,743</u>	<u>246,664</u>	<u>3,321,815</u>
Financial liabilities					
Fair value through profit or loss					
Borrowings	₩ 1,756,691	1,756,691	-	-	1,756,691
Financial liabilities measured at amortized cost(*1)					
Borrowings	1,316	-	1,316	-	1,316
Financial guarantee liabilities	8,539	-	-	-	-
Others	62,252	-	-	-	-
₩	<u>1,828,798</u>	<u>1,756,691</u>	<u>1,316</u>	<u>-</u>	<u>1,758,007</u>

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

POSCO HOLDINGS INC.

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

18. Financial Instruments (cont'd)

- 2) Financial liabilities were recognized in connection with financial guarantee contracts as of June 30, 2024. Details of the amount of guarantees provided are as follows:

(in millions of Won)

Guarantee beneficiary	Financial institution	Guarantee limit		Guarantee amount		
		Foreign currency	Won equivalent	Foreign currency	Won equivalent	
Subsidiaries						
POSCO Asia Co., Ltd.	Credit Agricole	USD	50,000,000	69,460	-	-
	ING	USD	55,000,000	76,406	-	-
	Mizuho	USD	50,000,000	69,460	-	-
	Shinhan	USD	50,000,000	69,460	-	-
POSCO Argentina S.A.U.	BNP	USD	110,000,000	152,812	34,439,135	47,843
	CITI	USD	187,975,000	261,135	107,250,872	148,993
	Credit Agricole	USD	187,975,000	261,135	107,250,872	148,993
	HSBC	USD	187,975,000	261,135	107,250,872	148,993
	JPM	USD	187,975,000	261,135	107,250,872	148,993
	BANK OF AMERICA	USD	51,000,000	70,849	8,932,635	12,409
	KEXIM	USD	167,000,000	231,996	29,250,000	40,634
Associates						
Nickel Mining Company SAS	SMBC	EUR	46,000,000	68,405	46,000,000	68,405
		USD	1,284,900,000	1,784,983	501,625,258	696,858
		EUR	46,000,000	68,405	46,000,000	68,405

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

① For the six-month period ended June 30, 2024

(in millions of Won)

	Finance income and costs						Other comprehensive loss	
	Interest income (expense)	Gain and loss on foreign currency	Gain and loss on disposal	Gain and loss on valuation	Others	Total		
Financial assets at fair value through profit or loss	₩	-	4,990	21,771	43,472	-	70,233	-
Financial assets at fair value through other comprehensive income		-	-	(8,219)	-	-	(8,219)	(66,576)
Financial assets measured at amortized cost		46,502	3,020	-	-	-	49,522	-
Financial liabilities at fair value through profit or loss		-	(64,545)	-	234,218	-	169,673	-
Financial liabilities measured at amortized cost		(582)	(784)	-	-	981	(385)	-
	₩	45,920	(57,319)	13,552	277,690	981	280,824	(66,576)

② For the six-month period ended June 30, 2023

(in millions of Won)

	Finance income and costs						Other comprehensive income	
	Interest income (expense)	Gain and loss on foreign currency	Gain and loss on disposal	Gain and loss on valuation	Others	Total		
Financial assets at fair value through profit or loss	₩	-	2,275	33,160	114,862	-	150,297	-
Financial assets at fair value through other comprehensive income		-	-	-	-	-	-	79,066
Financial assets measured at amortized cost		33,632	15,326	-	-	-	48,958	-
Financial liabilities at fair value through profit or loss		-	(82,455)	-	(120,304)	-	(202,759)	-
Financial liabilities measured at amortized cost		-	(334)	-	-	3,151	2,817	-
	₩	33,632	(65,188)	33,160	(5,442)	3,151	(687)	79,066

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

19. Share Capital and Capital Surplus

(a) Share capital as of June 30, 2024 and December 31, 2023 is as follows:

<i>(in Won, except share information)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Authorized shares	200,000,000	200,000,000
Par value	₩ 5,000	5,000
Issued shares(*1)	84,571,230	84,571,230
Shared capital(*2)	₩ 482,403,125,000	482,403,125,000

(*1) As of June 30, 2024, total number of American Depository Receipts (ADRs) outstanding in overseas stock market amounts to 20,328,560 and such ADRs are equivalent to 5,082,140 shares of common stock.

(*2) As of June 30, 2024, the difference between the ending balance of common stock and the par value of issued common stock is ₩59,547 million due to retirement of 11,909,395 treasury shares.

(b) Capital surplus as of June 30, 2024 and December 31, 2023 is as follows:

<i>(in millions of Won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Share premium	₩ 463,825	463,825
Gain on disposal of treasury shares	808,994	808,994
Gain from merger	80,627	80,627
Loss on disposal of hybrid bonds	(1,787)	(1,787)
Share-based payment	16,331	18,898
	₩ <u>1,367,990</u>	<u>1,370,557</u>

POSCO HOLDINGS INC.

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20. Accumulated Other Comprehensive Income (loss)

Accumulated other comprehensive income as of June 30, 2024 and December 31, 2023 is as follows:

<i>(in millions of Won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Changes in fair value of equity investments at fair value through other comprehensive income (loss) ₩	(54,054)	30,678

21. Treasury Shares

Based on the Board of Directors' resolution, the Company holds treasury shares for business purposes including price stabilization. Changes in treasury shares for the six-month period ended June 30, 2024 and the year ended December 31, 2023 are as follows:

<i>(shares, in millions of Won)</i>	<u>June 30, 2024</u>		<u>December 31, 2023</u>	
	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>
Beginning	8,695,023	₩ 1,889,658	8,722,053	₩ 1,892,308
Disposal of treasury shares	-	-	(27,030)	(2,650)
Ending	<u>8,695,023</u>	<u>₩ 1,889,658</u>	<u>8,695,023</u>	<u>₩ 1,889,658</u>

22. Operating Revenue

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

<i>(in millions of Won)</i>	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Types of revenue				
Dividend income	₩ 114,688	168,850	964,715	689,024
Others	45,173	62,990	93,883	105,803
	<u>₩ 159,861</u>	<u>231,840</u>	<u>1,058,598</u>	<u>794,827</u>
Timing of revenue recognition				
Revenue recognized at a point in time	₩ 114,690	169,084	964,719	689,031
Revenue recognized over time	45,171	62,756	93,879	105,796
	<u>₩ 159,861</u>	<u>231,840</u>	<u>1,058,598</u>	<u>794,827</u>

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

22. Operating Revenue (cont'd)

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

<i>(in millions of Won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Receivables		
Account receivables	₩ 93,494	100,323
Contract assets		
Account receivables	67,505	138,009
Contract liabilities		
Advance received	879	5
Unearned income	5,066	5,901

23. Operating Expenses

Operating expenses for each of the three-month and the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Wages and salaries	₩ 16,253	17,751	32,582	35,470
Expenses related to post-employment benefits	1,685	1,327	3,626	4,452
Other employee benefits	4,454	2,803	9,494	5,802
Travel	1,318	1,266	2,667	2,274
Taxes and public dues	12,462	13,172	12,879	13,306
Depreciation	2,802	2,529	5,608	5,073
Amortization	427	297	804	583
Rental	1,268	720	2,644	1,252
Repairs	161	94	370	221
Advertising	5,122	5,982	10,194	10,653
Research & development	37,606	19,857	70,137	42,386
Service fees	15,848	17,934	31,026	29,362
Supplies	70	123	278	172
Vehicles maintenance	747	684	1,475	1,209
Industry association fee	1,638	486	1,737	1,492
Training	656	289	835	353
Others	1,330	704	3,153	1,055
	₩ <u>103,847</u>	<u>86,018</u>	<u>189,509</u>	<u>155,115</u>

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

24. Finance Income and Costs

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

<i>(in millions of Won)</i>	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Finance income				
Interest income	₩ 26,046	17,463	46,502	33,632
Gain on foreign currency transactions	1,882	2,461	3,063	5,572
Gain on foreign currency translations	9,455	1,953	15,697	14,410
Gain on disposal of financial assets at fair value through profit or loss	10,768	5,808	21,771	33,321
Gain on valuation of financial assets at fair value through profit or loss	17,407	14,636	43,472	114,862
Gain on valuation of financial liabilities at fair value through profit or loss	90,217	-	234,218	-
Others	508	1,748	985	3,400
	₩ <u>156,283</u>	<u>44,069</u>	<u>365,708</u>	<u>205,197</u>
Finance costs				
Loss on foreign currency transactions	₩ 501	516	698	2,218
Loss on foreign currency translations	42,510	8,208	75,381	82,952
Loss on valuation of financial liabilities at fair value through profit or loss	-	47,672	-	120,304
Loss on disposal of equity securities	-	161	8,219	161
Others	293	94	586	248
	₩ <u>43,304</u>	<u>56,651</u>	<u>84,884</u>	<u>205,883</u>

25. Other Non-Operating Income and Expenses

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

<i>(in millions of Won)</i>	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Other non-operating income				
Reversal of other provisions	₩ -	-	54	8,158
Others	1,397	805	1,513	913
	₩ <u>1,397</u>	<u>805</u>	<u>1,567</u>	<u>9,071</u>
Other non-operating expenses				
Impairment loss on other accounts receivables	₩ -	-	106	-
Loss on disposals of assets held for sale	-	-	-	102
Increase of other provisions	95	105	95	529
Others	4,489	429	5,069	807
	₩ <u>4,584</u>	<u>534</u>	<u>5,270</u>	<u>1,438</u>

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

26. Expenses by Nature

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

<i>(in millions of Won)</i>	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Employee benefits expenses	₩ 25,683	21,061	53,516	43,870
Depreciation(*1)	3,407	2,720	6,813	5,455
Amortization	449	297	848	583
Service fees	16,154	17,982	31,814	29,472
Rental	3,492	846	7,459	1,475
Advertising	5,122	5,982	10,194	10,653
Research & development	25,945	17,405	45,070	37,810
Other expenses	28,156	20,997	39,065	29,388
	₩ 108,408	87,290	194,779	158,706

(*1) Includes depreciation of investment property.

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

27. Income Taxes

The effective tax rates of the Company for each of the six-month periods ended June 30, 2024 and 2023 are 1.10% and 0%, respectively.

(a) Income taxes

The Company vertically spun off its steel business at the spin-off date on March 1, 2022. The Company's vertical spin-off meets the requirements for qualified spin-off under the Corporate Tax Act. Accordingly, transfer gains of ₩8,452,339 million under the Corporate Tax Act were incurred for the net asset transferred to the newly established company (POSCO), and the Company simultaneously set a Corporate Tax Act-based provision for accelerated depreciation on the transfer gains and recognized deferred tax liabilities.

Deductible temporary differences related to the investment in newly established company (POSCO) which is caused by transfer gains under the Corporate Tax Act were not recognized as deferred tax assets, since it is not probable they will reverse through disposal or liquidation.

(b) Global minimum top-up tax

In 2023, Pillar Two legislation has been enacted in the Republic of Korea, where the Company is domiciled, and will be effective for the fiscal years starting on or after January 1, 2024. Accordingly, the Company calculated the Pillar Two income tax expense for the six-month period ended June 30, 2024 as the Company is subject to global minimum top-up tax under the application of the OECD's Pillar Two Model Rules via domestic legislation. As a result of the Company's assessment on the Pillar Two income taxes, the Company did not recognize any income tax expense for the six-month period ended June 30, 2024 as the impact of the global minimum top-up tax on the interim condensed separate financial statements as of June 30, 2024 would not be significant. Furthermore, the Company applies temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as prescribed in KIFRS 1012 *Income Taxes*, and accordingly, the Company did not recognize deferred tax assets and liabilities related to the global minimum top-up tax and does not disclose information related to deferred income tax.

POSCO HOLDINGS INC.

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28. Earnings per Share

(a) Basic earnings per share for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2024	2023	2024	2023
<i>(in Won, except share information)</i>					
Profit for the period	₩	192,238,563,525	180,304,455,340	1,133,577,584,946	732,045,744,824
Weighted-average number of common shares outstanding(*1)		75,876,207	75,876,207	75,876,207	75,862,767
Basic earnings per share	₩	2,534	2,376	14,940	9,650

(*1) The weighted-average number of common shares outstanding 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	
	2024	2023	2024	2023
<i>(shares)</i>				
Total number of common shares issued	84,571,230	84,571,230	84,571,230	84,571,230
Weighted-average number of treasury shares	(8,695,023)	(8,695,023)	(8,695,023)	(8,708,463)
Weighted-average number of common shares outstanding	75,876,207	75,876,207	75,876,207	75,862,767

(b) The Company has exchangeable bonds that can be exchanged for common stocks with dilutive effects as of June 30, 2024. Considering the anti-dilution effect as of June 30, 2023, the Company did not calculate diluted earnings per share. Diluted earnings per share for the three-month and six-month periods ended June 30, 2024 are calculated as follows:

	For the three-month period ended June 30, 2024		For the six-month period ended June 30, 2024	
	<i>(in Won, except share information)</i>			
Profit for the period	₩	192,238,563,525	1,133,577,584,946	
Gain or loss from revaluation of and exchange rate on exchangeable bonds		(42,639,885,285)	(130,478,878,909)	
Diluted profit for the period		149,598,678,240	1,003,098,706,037	
Adjusted weighted-average number of common shares outstanding(*1)		79,144,249	79,133,915	
Diluted earnings per share		1,890	12,676	

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

	For the three-month period ended June 30, 2024	For the six-month period ended June 30, 2024
<i>(shares)</i>		
Weighted-average number of common shares outstanding	75,876,207	75,876,207
Weighted-average number of potential common shares	3,268,042	3,257,708
Adjusted weighted-average number of common shares	79,144,249	79,133,915

POSCO HOLDINGS INC.

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

29. Related Party Transactions

(a) Related parties of the Company as of June 30, 2024 are as follows:

Type	Company
Subsidiaries	<p>[Domestic] POSCO, POSCO Eco & Challenge Co., Ltd., POSCO STEELEON CO., Ltd, POSCO DX, POSCO Research Institute, POSCO WIDE Co., Ltd., POSCO Capital, POSCO FUTURE M.CO., LTD., eNtoB Corporation, POSCO FLOW CO.,LTD., POSCO M-TECH, Busan E&E Co., Ltd., POSCO INTERNATIONAL Corporation, POSCO Mobility Solution Corporation, POSOCO-Pilbara LITHIUM SOLUTION Co., Ltd., POSCO HY Clean Metal Co., Ltd., POSCO LITHIUM SOLUTION, Shinan Green Energy Co.,LTD., eSteel4U, QSONE Co.,Ltd., TANCHEON E&E, POSCO IH, POSCO A&C Co., Ltd, Posco Group University, POSCO GY Solution, POSCO GYR Tech, POSCO GYS Tech, POSCO PR Tech, POSCO PS Tech, POSCO PH Solution, POSCO Humans Co.,Ltd., Pohang Scrap Recycling Distribution Center Co., Ltd., P&O Chemical Co., Ltd., POSCO NIPPON STEEL RHF JOINT VENTURE.CO.,Ltd., Songdo Development PMC (Project Management Company) LLC., NEH Co.,Ltd., POSCO CNGR Nickel Solution, POSCO-GS Eco Materials Co., Ltd, Korea Fuel Cell and others.</p> <p>[Foreign] POSCO America Corporation, POSCO AUSTRALIA PTY LTD., POSCO Asia Co., Ltd., POSCO (Zhangjiagang) StainlessSteel Co.,Ltd., POSCO-China Holding Corporation, POSCO JAPAN Co., Ltd., POSCO-VIETNAM Co., Ltd., POSCO MEXICO S.A. DE C.V., POSCO Maharashtra Steel Private Limited, PT. KRAKATAU POSCO, YAMATO VINA STEEL JOINTSTOCK COMPANY, POSCO Argentina S.A.U., Senex Holdings PTY LTD, ULTIUM CAM LIMITED PARTNERSHIP and others.</p>
Investments in associates and joint ventures	<p>[Domestic] POSCO MC MATERIALS, Samcheok Blue Power Co.,Ltd., SNNC, Gale International Korea, LLC, Eco Energy Solution, UITrans LRT Co., Ltd., Pohang Special Welding Co.,Ltd., and others.</p> <p>[Foreign] Roy Hill Holdings Pty Ltd, POSCO-NPS Niobium LLC, KOBRASCO, PT NICOLE METAL INDUSTRY, HBIS-POSCO Automotive Steel Co.,Ltd, South-East Asia Gas Pipeline Company Ltd., 9404-5515 Quebec Inc., AES Mong Duong Power Company Limited, KOREALNG LTD., Nickel Mining Company SAS and others.</p>

(b) Material transactions with related companies for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

1) For the six-month period ended June 30, 2024

(in millions of Won)

	Sales and others(*1)			Purchase and others	
	Sales	Dividends	Others	Purchase of fixed assets	Others
Subsidiaries(*2)					
POSCO	₩ 74,662	589,786	-	191	6,825
POSCO Eco & Challenge Co., Ltd.	5,158	11,037	-	259	150
POSCO STEELEON CO., Ltd	619	-	-	-	9
POSCO DX	655	9,940	-	610	6,537
POSCO Research Institute	-	-	-	30	4,232
eNtoB Corporation	-	-	-	42	3,786
POSCO FUTURE M.CO., LTD.	4,995	11,565	-	-	9
POSCO INTERNATIONAL Corporation	2,977	124,396	-	-	43
Busan E&E Co., Ltd.	-	2,472	-	-	-
POSCO America Corporation	-	-	-	-	3,094
Others	2,558	328	873	1	13,615
	91,624	749,524	873	1,133	38,300
Associates and joint ventures(*2)					
POSCO-NPS Niobium LLC	-	8,041	-	-	-
Roy Hill Holdings Pty Ltd	-	175,030	-	-	-
Others	158	14,427	112	-	-
	158	197,498	112	-	-
₩	91,782	947,022	985	1,133	38,300

(* 1) Sales and others mainly consist of trademark usage income, rental income, and dividend income from subsidiaries, associates and joint ventures.

(* 2) As of June 30, 2024, the Company provided payment guarantees to related parties (see Note 18).

POSCO HOLDINGS INC.

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

29. Related Party Transactions (cont'd)

2) For the six-month period ended June 30, 2023

(in millions of Won)

	Sales and others(*1)			Purchase and others	
	Sales	Dividends(*3)	Others	Purchase of fixed assets	Others
Subsidiaries(*2)					
POSCO	₩ 79,246	325,043	-	-	7,275
POSCO Eco & Challenge Co., Ltd.	4,319	11,037	440	1,777	3,710
POSCO STEELEON CO., Ltd	934	-	-	-	43
POSCO DX	1,647	7,455	-	1,799	3,694
eNtoB Corporation	-	-	40	26	463
POSCO FUTURE M CO., LTD.	1,778	13,878	-	-	-
POSCO MOBILITY SOLUTION	510	-	55	-	-
POSCO INTERNATIONAL Corporation	5,153	77,616	-	-	32
POSCO Maharashtra Steel Private	692	-	266	-	-
POSCO ASSAN TST STEEL INDUSTRY	17	-	285	-	-
Others	5,853	6,021	3,355	857	18,303
	<u>100,149</u>	<u>441,050</u>	<u>4,441</u>	<u>4,459</u>	<u>33,520</u>
Associates and joint ventures(*2)					
SNNC	563	-	55	-	-
Roy Hill Holdings Pty Ltd	-	136,939	-	-	-
Others	172	43,672	3,813	-	90
	<u>735</u>	<u>180,611</u>	<u>3,868</u>	<u>-</u>	<u>90</u>
₩	<u>100,884</u>	<u>621,661</u>	<u>8,309</u>	<u>4,459</u>	<u>33,610</u>

(*1) Sales and others mainly consist of trademark usage income, rental income, and dividend income from subsidiaries, associates and joint ventures.

(*2) As of June 30, 2023, the Company provided payment guarantees to related parties (see Note 18).

(*3) Gain on disposals of investment in subsidiaries, recognized as dividends amounting to ₩14,898 million, is excluded.

(c) The balances of receivables and payables arising from significant transactions with related parties as of June 30, 2024 and December 31, 2023 are as follows:

1) June 30, 2024

(in millions of Won)

	Receivables			Payables		
	Trade accounts and notes receivable	Others	Total	Accounts payable	Others	Total
Subsidiaries						
POSCO	₩ 52,211	701	52,912	3,182	35,764	38,946
POSCO Eco & Challenge Co., Ltd.	4,807	-	4,807	-	172	172
POSCO STEELEON CO., Ltd	561	-	561	-	-	-
POSCO DX	743	-	743	1,046	312	1,358
POSCO FUTURE M CO., LTD.	13,235	-	13,235	-	-	-
POSCO Mobility Solution Corporation	490	-	490	-	3	3
POSCO INTERNATIONAL Corporation	3,142	-	3,142	-	276	276
POSCO Argentina S.A.U	-	20,298	20,298	-	-	-
Others	1,800	71	1,871	1,693	140	1,833
	<u>76,989</u>	<u>21,070</u>	<u>98,059</u>	<u>5,921</u>	<u>36,667</u>	<u>42,588</u>
Associates and joint ventures						
SNNC	134	-	134	-	-	-
Roy Hill Holdings Pty Ltd	83,192	-	83,192	-	-	-
FQM Australia Holdings Pty Ltd(*1)	-	235,843	235,843	-	-	-
Others	95	359	454	-	-	-
	<u>83,421</u>	<u>236,202</u>	<u>319,623</u>	<u>-</u>	<u>-</u>	<u>-</u>
₩	<u>160,410</u>	<u>257,272</u>	<u>417,682</u>	<u>5,921</u>	<u>36,667</u>	<u>42,588</u>

(*1) FQM Australia Holdings Pty Ltd's other receivable consists of long-term loans and accrued interest. Meanwhile, the Company has recognized an allowance for doubtful accounts for all of these other receivables.

POSCO HOLDINGS INC.

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

29. Related Party Transactions (cont'd)

2) December 31, 2023

(in millions of Won)

	Receivables			Payables		
	Trade accounts and notes receivable	Others	Total	Accounts payable	Others	Total
Subsidiaries						
POSCO	₩ 110,913	19,666	130,579	3,937	32,901	36,838
POSCO Eco & Challenge Co., Ltd.	9,262	1,714	10,976	-	170	170
POSCO STEELEON CO., Ltd	1,063	-	1,063	-	-	-
POSCO DX	1,574	-	1,574	1,434	423	1,857
eNtoB Corporation	-	-	-	1,391	3	1,394
POSCO FUTURE M CO., LTD	14,299	463	14,762	-	31	31
POSCO Mobility Solution Corporation	981	-	981	-	-	-
POSCO INTERNATIONAL Corporation	6,449	25	6,474	-	163	163
PT. KRAKATAU POSCO	-	3,582	3,582	-	-	-
Others	3,345	11,152	14,497	9,022	151	9,173
	<u>147,886</u>	<u>36,602</u>	<u>184,488</u>	<u>15,784</u>	<u>33,842</u>	<u>49,626</u>
Associates and joint ventures						
SNNC	334	-	334	-	-	-
Roy Hill Holdings Pty Ltd	88,008	-	88,008	-	-	-
FQM Australia Holdings Pty Ltd(*1)	-	218,900	218,900	-	-	-
Others	195	560	755	-	-	-
	<u>88,537</u>	<u>219,460</u>	<u>307,997</u>	<u>-</u>	<u>-</u>	<u>-</u>
₩	<u>236,423</u>	<u>256,062</u>	<u>492,485</u>	<u>15,784</u>	<u>33,842</u>	<u>49,626</u>

(* 1) FQM Australia Holdings Pty Ltd's other receivable consists of long-term loans and accrued interest. During the year ended December 31, 2023, the Company provided additional loan of ₩6,448 million to FQM Australia Holdings Pty Ltd. Meanwhile, the Company has recognized an allowances for doubtful accounts for all of these other receivables during the year ended December 31, 2023.

(d) For each of the six-month periods ended June 30, 2024 and 2023, details of compensation to key management officers are as follows:

(in millions of Won)

		June 30, 2024	June 30, 2023
Short-term benefits	₩	12,572	17,233
Retirement benefits		1,776	3,520
	₩	<u>14,348</u>	<u>20,753</u>

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

POSCO HOLDINGS INC.

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

30. Commitments and Contingencies

(a) Commitments

- 1) As of June 30, 2024, the Company entered into commitments with KOREA ENERGY AGENCY for long-term foreign currency borrowing, which is limited up to the amount of USD 1.05 million. The borrowing is related to the exploration of gas hydrates in Western Fergana-Chinabad. The repayment of the borrowing depends on the success of the project. The Company is not liable for the repayment of full or part of the money borrowed if the respective project fails. The Company has agreed to pay a certain portion of its profits under certain conditions, as defined by the borrowing agreements. As of June 30, 2024, the ending balance of the borrowing amounts to USD 1.02 million.
- 2) The Company has deposited 3,247,373 treasury shares for exchange with the Korea Securities Depository in relation to foreign currency exchangeable bonds as of June 30, 2024.

(b) As of June 30, 2024, the Company has provided three blank checks to KOREA ENERGY AGENCY as collateral for long-term foreign currency borrowings.

(c) Litigation in progress

The Company is involved in 3 lawsuits for contract payment amounting to ₩500 million as defendant as of June 30, 2024. However, the Company has not recognized any provisions for the lawsuit since the Company does not believe it has a present obligation as of June 30, 2024.

(d) The Company has a joint obligation with the company newly established through spin-off, POSCO, to discharge all liabilities (including financial guarantee contracts) incurred prior to the spin-off date.

POSCO HOLDINGS INC.

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

31. Cash Flows from Operating Activities

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

<i>(in millions of Won)</i>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Trade accounts and notes receivable	₩ 70,822	28,529
Other accounts receivable	16,365	11,453
Prepaid expenses	(4,131)	(1,204)
Other current assets	(234)	(1,208)
Short-term guarantee deposits	-	(66)
Other non-current assets	(5,369)	-
Other accounts payable	1,383	1,200
Accrued expenses	15,574	13,234
Advances received	873	(318)
Withholdings	(973)	(607)
Unearned revenue	(1,167)	90
Other current liabilities	(2,656)	(3,509)
Payments of severance benefits	(13,285)	(7,631)
Plan assets ■	2,130	2,104
	<u>₩ 79,332</u>	<u>42,067</u>

32. Events After the Reporting Period

- (a) Pursuant to the resolution of the Board of Directors on July 12, 2024, the Company decided to retire treasury shares for 1,691,425 common shares held as of July 12, 2024 and to newly purchase and retire 255,428 common shares, and retired treasury shares on July 31 and August 6, 2024, respectively.
- (b) Pursuant to the resolution of the Board of Directors on August 9, 2024, the Company decided to pay interim cash dividends of ₩2,500 per common share (total dividend: ₩189.7 billion).