

# **POSCO HOLDINGS INC. and its subsidiaries**

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

**POSCO HOLDINGS INC.  
and its subsidiaries**

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

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

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

### **Auditor’s responsibility**

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

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

### **Conclusion**

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

### Other matters

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

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



November 14, 2024

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

# **POSCO HOLDINGS INC. and its subsidiaries**

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

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

Kisub Jung  
Chief Strategy Officer  
POSCO HOLDINGS INC.

**POSCO HOLDINGS INC. and its subsidiaries**  
**Interim condensed consolidated statements of financial position**  
**as of September 30, 2024 (Unaudited) and December 31, 2023**

<i>(in millions of Won)</i>	<b>Notes</b>	<b>September 30, 2024 (unaudited)</b>	<b>December 31, 2023</b>
<b>Assets</b>			
Cash and cash equivalents	21	₩ 7,728,931	6,670,879
Trade accounts and notes receivable, net	4,15,21,25,26,33	10,872,961	11,015,303
Other receivables, net	5,21,33	2,243,911	1,947,529
Other short-term financial assets	6,21	8,541,450	11,403,166
Inventories	7	13,699,021	13,825,514
Current income tax assets		76,820	101,979
Assets held for sale	8	190,007	406,945
Other current assets	14	845,595	840,984
<b>Total current assets</b>		<b>44,198,696</b>	<b>46,212,299</b>
Long-term trade accounts and notes receivable, net	4,21	34,485	42,516
Other receivables, net	5,21,33	1,520,147	1,452,445
Other long-term financial assets	6,21	2,777,287	2,708,325
Investments in associates and joint ventures	9	5,146,817	5,020,264
Investment property, net	11	1,571,938	1,616,294
Property, plant and equipment, net	12	38,543,110	35,206,248
Intangible assets, net	13	4,668,459	4,714,784
Defined benefit assets, net	19	438,566	464,758
Deferred tax assets		3,266,694	3,334,266
Other non-current assets	14	135,118	173,195
<b>Total non-current assets</b>		<b>58,102,621</b>	<b>54,733,095</b>
<b>Total assets</b>		<b>₩ 102,301,317</b>	<b>100,945,394</b>

(continued)

**POSCO HOLDINGS INC. and its subsidiaries**  
**Interim condensed consolidated statements of financial position, continued**  
**as of September 30, 2024 (Unaudited) and December 31, 2023**

<i>(in millions of Won)</i>	<b>Notes</b>	<b>September 30, 2024 (unaudited)</b>	<b>December 31, 2023</b>
<b>Liabilities</b>			
Trade accounts and notes payable	21,33	₩ 5,639,015	5,782,825
Short-term borrowings and current installments of long-term borrowings	15,21	11,765,917	10,959,217
Other payables	16,21,33	2,948,709	2,737,478
Other short-term financial liabilities	17,21	249,563	163,626
Current income tax liabilities		252,453	319,096
Liabilities directly associated with the assets held for sale	8	171,889	141,890
Provisions	18	357,284	419,744
Other current liabilities	20,25,26	1,237,961	1,337,642
<b>Total current liabilities</b>		<b>22,622,791</b>	<b>21,861,518</b>
Long-term borrowings, excluding current installments	15,21	14,144,926	15,011,163
Other payables	16,21	827,978	873,565
Other long-term financial liabilities	17,21	92,490	153,782
Defined benefit liabilities, net	19	83,791	38,754
Deferred tax liabilities		2,752,010	2,760,234
Long-term provisions	18	470,005	468,009
Other non-current liabilities	20	102,914	114,472
<b>Total non-current liabilities</b>		<b>18,474,114</b>	<b>19,419,979</b>
<b>Total liabilities</b>		<b>41,096,905</b>	<b>41,281,497</b>
<b>Equity</b>			
Share capital	22	482,403	482,403
Capital surplus	22	1,648,737	1,663,334
Other components of equity	23	338,109	67,256
Treasury shares	24	(1,550,862)	(1,889,658)
Retained earnings		54,384,827	53,857,514
<b>Equity attributable to owners of the controlling company</b>		<b>55,303,214</b>	<b>54,180,849</b>
<b>Non-controlling interests</b>		<b>5,901,198</b>	<b>5,483,048</b>
<b>Total equity</b>		<b>61,204,412</b>	<b>59,663,897</b>
<b>Total liabilities and equity</b>	<b>₩</b>	<b>102,301,317</b>	<b>100,945,394</b>

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

**POSCO HOLDINGS INC. and its subsidiaries**  
**Interim condensed consolidated statements of comprehensive income**  
**for each of the three-month and nine-month periods**  
**ended September 30, 2024 and 2023 (Unaudited)**

	Notes	For the three-month period ended September 30 (unaudited)		For the nine-month period ended September 30 (unaudited)	
		2024	2023	2024	2023
<i>(in millions of Won, except per share information)</i>					
<b>Revenue</b>	25,26,33	₩ 18,321,368	18,960,831	54,882,999	58,463,080
<b>Cost of sales</b>	26,30	(16,814,861)	(17,049,781)	(60,552,662)	(53,144,751)
<b>Gross profit</b>		1,506,507	1,911,050	4,330,337	5,318,329
Selling and administrative expenses	21,27,30				
Other administrative expenses		(717,936)	(660,505)	(2,101,583)	(1,917,000)
Selling expenses		(45,404)	(54,329)	(150,565)	(174,181)
<b>Operating profit</b>		743,167	1,196,216	2,078,189	3,227,148
Share of profit of equity-accounted investees, net	9	68,226	101,216	242,406	282,931
Finance income and costs	21,28				
Finance income		771,393	578,348	3,293,716	3,239,157
Finance costs		(767,946)	(993,392)	(3,179,318)	(3,704,869)
Other non-operating income and expenses	21,29,30				
Other non-operating income		54,897	36,086	181,593	349,037
Other non-operating expenses		(178,408)	(87,358)	(473,221)	(531,134)
<b>Profit before income tax</b>		691,329	831,116	2,143,365	2,862,270
Income tax expense	31	(194,510)	(280,614)	(492,511)	(695,498)
<b>Profit</b>		496,819	550,502	1,650,854	2,166,772
<b>Other comprehensive income (loss)</b>					
Items that will not be reclassified subsequently to profit or loss:					
Capital adjustment arising from investments in subsidiaries under equity method		-	(11,946)	984	(10,199)
Foreign currency translation differences		(58,584)	18,846	57,058	56,927
Remeasurements of defined benefit plans	19	2,391	10,828	4,205	(6,338)
Net changes in fair value of equity investments at fair value through other comprehensive income	21	49,494	62,306	(27,453)	212,172
Items that are or may be reclassified subsequently to profit or loss:					
Capital adjustment arising from investments in subsidiaries under equity method		(109,145)	49,535	89,548	261,809
Foreign currency translation differences		(233,651)	36,059	282,237	214,529
Gains or losses on valuation of derivatives	21	(421)	(1,361)	(443)	(2,541)
<b>Other comprehensive income (loss), net of tax</b>		(349,916)	164,267	406,136	726,359
<b>Total comprehensive income</b>	₩	146,903	714,769	2,056,990	2,893,131
<b>Profit attributable to:</b>					
Owners of the controlling company	₩	452,654	488,201	1,523,303	1,904,353
Non-controlling interests		44,165	62,301	127,551	262,419
<b>Profit</b>	₩	496,819	550,502	1,650,854	2,166,772
<b>Total comprehensive income attributable to:</b>					
Owners of the controlling company	₩	171,597	626,868	1,849,384	2,569,048
Non-controlling interests		(24,694)	87,901	207,606	324,083
<b>Total comprehensive income</b>	₩	146,903	714,769	2,056,990	2,893,131
<b>Earnings per share (in Won)</b>	32				
Basic earnings per share (in Won)		5,980	6,434	20,092	25,101
Diluted earnings per share (in Won)	₩	5,694	6,434	17,578	25,101

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



**POSCO HOLDINGS INC. and its subsidiaries**  
**Interim condensed consolidated statements of changes in equity**  
**for each of the nine-month periods ended September 30, 2024 and 2023 (Unaudited)**

(in millions of Won)

	Attributable to owners of the controlling company						Non-controlling interests	Total
	Share capital	Capital surplus	Other equity items	Treasury shares	Retained earnings	Subtotal		
<b>Balance as of January 1, 2023</b>	₩ 482,403	1,400,832	(443,990)	(1,892,308)	52,965,179	52,512,116	5,745,285	58,257,401
<b>Comprehensive income:</b>								
Profit	-	-	-	-	1,904,353	1,904,353	262,419	2,166,772
Other comprehensive income (loss)								
Remeasurements of defined benefit plans, net of tax	-	-	-	-	(2,978)	(2,978)	(3,360)	(6,338)
Capital adjustment arising from investments in equity-accounted investees, net of tax	-	-	242,802	-	-	242,802	8,808	251,610
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	211,817	-	355	212,172	-	212,172
Foreign currency translation differences, net of tax	-	-	214,529	-	-	214,529	56,927	271,456
Gains or losses on valuation of derivatives, net of tax	-	-	(1,830)	-	-	(1,830)	(711)	(2,541)
<b>Total comprehensive income</b>	-	-	667,318	-	1,901,730	2,569,048	324,083	2,893,131
<b>Transactions with owners of the controlling company, recognized directly in equity:</b>								
Year-end dividends	-	-	-	-	(151,698)	(151,698)	(94,287)	(245,985)
Interim dividends	-	-	-	-	(379,381)	(379,381)	-	(379,381)
Changes in ownership interest in subsidiaries	-	212,033	-	-	-	212,033	(9,933)	202,100
Interest of hybrid bonds	-	-	-	-	-	-	(8,925)	(8,925)
Repayment of hybrid bonds	-	-	-	-	-	-	(339,408)	(339,408)
Disposal of treasury shares	-	4,083	-	5,864	-	9,947	-	9,947
Share based payment	-	3,084	-	-	-	3,084	-	3,084
Others	-	(887)	(65,299)	-	(1,796)	(67,982)	4,665	(63,317)
<b>Total transactions with owners of the controlling company</b>	-	218,313	(65,299)	5,864	(532,875)	(373,997)	(447,888)	(821,885)
<b>Balance as of September 30, 2023</b>	₩ 482,403	1,619,145	158,029	(1,886,444)	54,334,034	54,707,167	5,621,480	60,328,647

(continued)

**POSCO HOLDINGS INC. and its subsidiaries**  
**Interim condensed consolidated statements of changes in equity, continued**  
**for each of the nine-month periods ended September 30, 2024 and 2023 (Unaudited)**

(in millions of Won)

	Attributable to owners of the controlling company						Non-controlling interests	Total
	Share capital	Capital surplus	Other equity items	Treasury shares	Retained earnings	Subtotal		
<b>Balance as of January 1, 2024</b>	₩ 482,403	1,663,334	67,256	(1,889,658)	53,857,514	54,180,849	5,483,048	59,663,897
<b>Comprehensive income:</b>								
Profit	-	-	-	-	1,523,303	1,523,303	127,551	1,650,854
Other comprehensive income (loss)								
Remeasurements of defined benefit plans, net of tax	-	-	-	-	4,789	4,789	(584)	4,205
Capital adjustment arising from investments in equity-accounted investees, net of tax	-	-	66,519	-	-	66,519	24,013	90,532
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	(26,145)	-	(705)	(26,850)	(603)	(27,453)
Foreign currency translation differences, net of tax	-	-	282,237	-	-	282,237	57,058	339,295
Gains or losses on valuation of derivatives, net of tax	-	-	(614)	-	-	(614)	171	(443)
<b>Total comprehensive income</b>	-	-	321,997	-	1,527,387	1,849,384	207,606	2,056,990
<b>Transactions with owners of the controlling company, recognized directly in equity:</b>								
Year-end dividends	-	-	-	-	(189,691)	(189,691)	(85,674)	(275,365)
Interim dividends	-	-	-	-	(379,381)	(379,381)	-	(379,381)
Changes in subsidiaries	-	-	-	-	-	-	57,399	57,399
Changes in ownership interest in subsidiaries	-	(15,916)	-	-	-	(15,916)	264,520	248,604
Acquisition of treasury shares	-	-	-	(92,311)	-	(92,311)	-	(92,311)
Retirement of treasury shares	-	-	-	431,107	(431,107)	-	-	-
Share based payment	-	(2,567)	-	-	-	(2,567)	-	(2,567)
Others	-	3,886	(51,144)	-	105	(47,153)	(25,701)	(72,854)
<b>Total transactions with owners of the controlling company</b>	-	(14,597)	(51,144)	338,796	(1,000,074)	(727,019)	210,544	(516,475)
<b>Balance as of September 30, 2024</b>	₩ 482,403	1,648,737	338,109	(1,550,862)	54,384,827	55,303,214	5,901,198	61,204,412

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

**POSCO HOLDINGS INC. and its subsidiaries**  
**Interim condensed consolidated statements of cash flows**  
**for each of the nine-month periods ended September 30, 2024 and 2023 (Unaudited)**

(in millions of Won)	Notes	For the nine-month period ended	
		September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
<b>Cash flows from operating activities</b>			
Profit	₩	1,650,854	2,166,772
Adjustments for:			
Depreciation		2,629,545	2,502,740
Amortization		352,394	369,038
Finance income		(2,155,923)	(1,724,525)
Finance costs		1,937,285	2,186,124
Income tax expense		492,511	695,498
Impairment loss on property, plant and equipment		179,400	152,469
Gain on disposal of property, plant and equipment		(14,079)	(5,747)
Loss on disposal of property, plant and equipment		56,291	90,104
Impairment loss on goodwill and other intangible assets		362	4,792
Gain on disposal of investments			
in subsidiaries, associates and joint ventures		(9,590)	(196,562)
Loss on disposal of investments			
in subsidiaries, associates and joint ventures		42,539	8,776
Share of profit of equity-accounted investees		(242,406)	(282,931)
Gain on disposal of assets held for sale		(705)	-
Loss on disposal of assets held for sale		34,830	103,366
Expenses related to post-employment benefit		183,381	150,464
Impairment loss on trade and other receivables		70,037	27,144
Loss (gain) on valuation of inventories		(62,047)	102,855
Increase to provisions		40,815	63,234
Others, net		(8,356)	(36,346)
		<u>3,526,284</u>	<u>4,210,493</u>
Changes in operating assets and liabilities	35	(450,846)	(1,695,289)
Interest received		423,968	316,526
Interest paid		(847,985)	(804,486)
Dividends received		541,054	484,552
Income taxes paid		(429,491)	(398,969)
Net cash provided by operating activities	₩	<u>4,413,838</u>	<u>4,279,599</u>

(continued)

**POSCO HOLDINGS INC. and its subsidiaries**  
**Interim condensed consolidated statements of cash flows, continued**  
**for each of the nine-month periods ended September 30, 2024 and 2023 (Unaudited)**

<i>(in millions of Won)</i>	Notes	For the nine-month period ended	
		September 30, 2024	September 30, 2023
		(unaudited)	(unaudited)
<b>Cash flows from investing activities</b>			
Acquisitions of short-term financial instruments	₩	(10,755,681)	(37,117,290)
Proceeds from disposal of short-term financial instruments		14,529,930	35,902,804
Increase in loans		(705,255)	(536,420)
Collection of loans		645,503	706,250
Acquisitions of securities		(1,110,904)	(328,351)
Proceeds from disposal of securities		645,082	153,581
Acquisitions of long-term financial instruments		(3,442)	(4,029)
Acquisitions of investment in associates and joint ventures		(166,147)	(386,572)
Proceeds from disposal of investment in associates and joint ventures		46,266	13,646
Acquisitions of investment property		(1,857)	(56,018)
Proceeds from disposals of investment property		372	520
Acquisitions of property, plant and equipment		(5,680,476)	(4,545,134)
Proceeds from disposal of property, plant and equipment		30,397	(15,187)
Acquisitions of intangible assets		(266,216)	(269,671)
Proceeds from disposal of intangible assets		3,527	27,722
Proceeds from disposal of assets held for sale		23,531	1,446
Collection of lease receivables		22,391	38,930
Disposal of net assets due to changes in consolidated entities		9,831	-
Cash flow from business combination		-	(150,201)
Cash inflow from insurance claim		-	4,391
Others, net		(2,884)	(7,331)
Net cash used in investing activities		<u>(2,736,032)</u>	<u>(6,566,914)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		4,788,074	7,433,578
Repayment of borrowings		(6,149,738)	(4,773,516)
Proceeds from (repayment of) short-term borrowings, net		1,163,905	(548,790)
Capital contribution from non-controlling interests		308,777	228,473
Payment of cash dividends		(655,132)	(624,667)
Acquisition of treasury shares		(92,311)	-
Repayment of hybrid bonds		-	(340,000)
Payment of interest of hybrid bonds		-	(10,043)
Repayment of lease liabilities		(145,157)	(154,912)
Others, net		114,696	83,229
Net cash provided by (used in) financing activities		<u>(666,886)</u>	<u>1,293,352</u>
<b>Effect of exchange rate fluctuation on cash held</b>		<u>47,132</u>	<u>87,680</u>
<b>Net increase(decrease) in cash and cash equivalents</b>		1,058,052	(906,283)
<b>Cash and cash equivalents at beginning of the period</b>		<u>6,670,879</u>	<u>8,053,282</u>
<b>Cash and cash equivalents at end of the period</b>	₩	<u><u>7,728,931</u></u>	<u><u>7,146,999</u></u>

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

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**September 30, 2024 and 2023 (Unaudited)**

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**1. General Information**

General information about POSCO HOLDINGS INC. (the “Company”), the controlling company, and its subsidiaries in the scope of consolidation, such as 57 domestic subsidiaries including POSCO INC. and 138 foreign subsidiaries including POSCO America Corporation, and 119 associates and joint ventures (collectively referred to as the “Group”) in accordance with KIFRS 1110 is as follows:

(a) The controlling company

POSCO HOLDINGS INC., the controlling company, was established on April 1, 1968, under the Commercial Code 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 subsidiaries, etc. through ownership of their shares.

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 September 30, 2024, the shares of POSCO HOLDINGS INC. are listed on the Korea Exchange, while its ADRs are listed on the New York Stock Exchanges.

(b) Consolidated subsidiaries acquired or newly established during the nine-month period ended September 30, 2024 are as follows:

<u>Company</u>	<u>Date of inclusion</u>	<u>Ownership (%)</u>	<u>Reason</u>
POSCO CNGR Nickel Solution	January 2024	60.00	New establishment
POSCO CVC Scale-Up Fund	May 2024	60.00	New establishment
SK Solar Plant	July 2024	100.00	Acquisition
POSCO ZT AIR SOLUTION	August 2024	75.10	New establishment
RNR logistics	September 2024	100.00	Acquisition

(c) A consolidated subsidiary over which Company has lost control during the nine-month period ended September 30, 2024 is as follows:

<u>Company</u>	<u>Date of exclusion</u>	<u>Reason</u>
POSCO INTERNATIONAL POWER (PNGLAE) LTD.	June 2024	Divestiture

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
**September 30, 2024 and 2023 (Unaudited)**

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**2. Basis of Preparation**

**Statement of compliance**

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’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 Group incurred after December 31, 2023. These interim condensed consolidated financial statements do not include all of the disclosures required for full annual financial statements.

**Use of estimates and judgments**

(a) Judgments, assumptions and estimation uncertainties

The preparation of the interim condensed consolidated financial statements in conformity with KIFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 Group’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.

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
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**2. Basis of Preparation (cont'd)**

(b) Measurement of fair value

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

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

- Level 1 - 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 Group 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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**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 Group in these interim condensed consolidated financial statements are the same as those applied to the consolidated 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 Group's interim condensed consolidated financial statements.

(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 Group's interim condensed consolidated 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 Group's interim condensed consolidated financial statements.



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**4. Trade Accounts and Notes Receivable**

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

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>		
Trade accounts and notes receivable	₩ 9,506,171	9,382,640
Due from customers for contract work	1,682,824	1,916,238
Less: Allowance for doubtful accounts	(316,034)	(283,575)
	<u>₩ 10,872,961</u>	<u>11,015,303</u>
<b>Non-current</b>		
Trade accounts and notes receivable	₩ 80,980	89,839
Less: Allowance for doubtful accounts	(46,495)	(47,323)
	<u>₩ 34,485</u>	<u>42,516</u>

The Group discounted accounts receivable in accordance with accounts receivable factoring agreements with financial institutions for the nine-month period ended September 30, 2024 and the year ended December 31, 2023. This transaction is a transaction with the right to appeal because the Group is obligated to pay the amount to the bank, etc. if the trade receivables are not recovered at maturity, and the transaction is accounted for as secured borrowing. As of September 30, 2024 and December 31, 2023, the book value of the accounts receivable from the transaction is ₩113,535 million and ₩132,942 million, respectively, and the amount is included in the short-term borrowings.

**POSCO HOLDINGS INC. and its subsidiaries**  
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**5. Other Receivables**

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

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>		
Short-term Loans	₩ 330,357	223,011
Other accounts receivable	1,604,232	1,433,423
Accrued income	274,659	237,154
Deposits	96,956	125,854
Others	28,590	15,349
Lease receivables	19,337	23,948
Less: Allowance for doubtful accounts	(110,220)	(111,210)
	<u>₩ 2,243,911</u>	<u>1,947,529</u>
<b>Non-current</b>		
Long-term Loans(* 1)	₩ 1,354,464	1,204,645
Other accounts receivable	187,943	186,492
Accrued income	165,895	184,739
Deposits	276,293	308,185
Lease receivables	62,896	78,994
Less: Allowance for doubtful accounts	(527,344)	(510,610)
	<u>₩ 1,520,147</u>	<u>1,452,445</u>

(\*1) The Group recognized an allowance for doubtful accounts of ₩258,332 million 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. and its subsidiaries**  
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**6. Other Financial Assets**

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

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>		
Derivatives assets	₩ 166,763	166,873
Debt securities	933,238	295,619
Deposit instruments(* 1)	4,464,439	4,400,267
Short-term financial instruments(* 1)	2,967,571	6,540,407
Equity securities	9,439	-
	<u>8,541,450</u>	<u>11,403,166</u>
<b>Non-current</b>		
Derivatives assets	135,235	134,269
Equity securities(* 2)	1,803,699	1,793,531
Debt securities	103,083	87,778
Other securities(* 2)	711,633	669,687
Deposit instruments(* 1)	23,637	23,060
	<u>₩ 2,777,287</u>	<u>2,708,325</u>

(\*1) As of September 30, 2024 and December 31, 2023, financial instruments amounting to ₩92,992 million and ₩101,888 million, respectively, are restricted in use for financial arrangements, pledge and others.

(\*2) As of September 30, 2024 and December 31, 2023, ₩188,216 million and ₩181,617 million of equity and other securities, respectively, have been provided as collateral for borrowings, construction projects and others.

**7. Inventories**

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

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Finished goods	₩ 2,606,535	2,615,009
Merchandise	1,195,584	1,049,467
Semi-finished goods	2,613,462	3,039,516
Raw materials	3,496,581	3,237,691
Fuel and materials	1,073,066	921,742
Construction inventories	232,338	256,558
Materials-in-transit	2,680,611	2,965,306
Others	90,400	87,802
	<u>13,988,577</u>	<u>14,173,091</u>
Less: Allowance for inventories valuation(* 1)	<u>(289,556)</u>	<u>(347,577)</u>
	<u>₩ 13,699,021</u>	<u>13,825,514</u>

(\*1) For the nine-month period ended September 30, 2024 and the year ended December 31, 2023, the reversed inventory valuation losses are ₩62,047 million and ₩128,510 million, respectively.

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**8. Assets Held for Sale**

Details of assets held for sale as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>September 30, 2024 (* 1)</u>	<u>December 31, 2023 (* 2)</u>
<b>Asset</b>		
Cash and cash equivalents	₩ 988	-
Account receivables and other receivables	3,619	728
Inventories	-	39,054
Other financial assets	-	119,881
Property, plant and equipment	175,205	149,612
Intangible assets	-	97,372
Others	10,195	298
	<u>₩ 190,007</u>	<u>406,945</u>
<b>Liability</b>		
Other payables	₩ 169,960	22,180
Provisions	1,929	119,710
	<u>₩ 171,889</u>	<u>141,890</u>

(\*1) POSCO Future M Co., Ltd. a subsidiary of the Group, decided to transfer 51% shares of P&O Chemical Co., Ltd., previously accounted for as a subsidiary, to the second-largest shareholder, OCI Co., Ltd., and recognized ₩180,578 million of assets held for sale and ₩171,889 million of liabilities held for sale.

(\*2) POSCO Canada Ltd., a subsidiary of the Group, decided to invest in kind in the assets and liabilities of Greenhills Mine and the shares of Elkview Mine Limited Partnership, which were respectively accounted for as investment stock in joint ventures and financial assets at fair value through profit or loss, in a partnership to be established by the principal operator and major shareholder, Teck Coal Partnership, during the year ended December 31, 2023, and recognized ₩401,804 million of assets held for sale and ₩141,890 million of liabilities Held-for-sale.

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**September 30, 2024 and 2023 (Unaudited)**

**9. Investments in Associates and Joint ventures**

(a) Details of investments in associates as of September 30, 2024 and December 31, 2023 are as follows:

(in millions of Won)

Company	September 30, 2024				December 31, 2023
	Number of shares	Ownership (%)	Acquisition cost	Book value	Book value
<b>[Domestic]</b>					
Samcheok Blue Power Co.,Ltd.(*1)	4,507,138	34.00	₩ 455,584	₩ 365,104	323,521
Chun-cheon Energy Co., Ltd.(*1)	17,308,143	49.10	86,541	15,093	15,040
Pocheon-Hwado Highway Corp.(*1)	7,109,230	27.89	35,546	19,316	23,998
CHUNGJU ENTERPRISE CITY DEVELOPMENT Co.,Ltd	944,920	29.53	4,725	12,669	13,967
DaeSung SnM Co., Ltd.(*2)	-	-	-	-	20,296
PCC Amberstone Private Equity Fund 1(*3)	6,130,967,757	8.80	6,131	7,278	8,904
Others (48 companies)(*1)				127,575	122,366
				<u>547,035</u>	<u>528,092</u>
<b>[Foreign]</b>					
South-East Asia Gas Pipeline Company Ltd.	135,219,000	25.04	132,907	285,543	287,282
AES Mong Duong Power Company Limited(*1)	-	30.00	164,303	250,265	230,699
9404-5515 Quebec Inc.	284,463,243	25.85	328,509	376,266	346,724
AMCI (WA) PTY LTD	49	49.00	209,664	57,828	60,225
NCR LLC	-	22.05	247,077	230,665	253,121
KOREA LNG LTD.	2,400	20.00	135,205	61,183	58,759
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	648,530,000	40.00	120,072	107,877	105,300
PT. Wampu Electric Power(*1)	8,708,400	20.00	10,054	16,785	15,632
POSCO SeAH Steel Wire(Nantong) Co., Ltd.	50	25.00	4,723	9,618	8,642
Others (31 companies)(*1)				228,252	209,118
				<u>1,624,282</u>	<u>1,575,502</u>
				<u>₩ 2,171,317</u>	<u>2,103,594</u>

(\*1) As of September 30, 2024 and December 31, 2023, investments in associates amounting to ₩678,876 million and ₩650,116 million, respectively, are provided as collateral in relation to the associates' borrowings.

(\*2) During the nine-month period ended September 30, 2024, DaeSung SnM Co., Ltd. was excluded from associates due to the divestiture.

(\*3) As of September 30, 2024, the entities are classified as associates since the Group has significant influence over the investees although the Group's percentage of ownership is less than 20%, considering the structure of the entities' Board of Directors and others.

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

(b) Details of investments in joint ventures as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	September 30, 2024			December 31, 2023	
	Number of shares	Ownership (%)	Acquisition cost	Book value	Book value
<b>[Domestic]</b>					
POSCO MC MATERIALS	11,568,000	60.00	₩ 115,680	₩ 152,483	155,748
SNNC	18,130,000	49.00	90,650	77,788	100,692
Others (7 companies)				11,266	8,323
				<u>241,537</u>	<u>264,763</u>
<b>[Foreign]</b>					
Roy Hill Holdings Pty Ltd(* 1)	13,117,972	12.50	1,528,672	1,373,598	1,400,009
POSCO-NPS Niobium LLC	325,050,000	50.00	364,609	429,008	419,192
KOBRASCO	2,010,719,185	50.00	32,950	113,305	99,768
Nickel Mining Company SAS	3,234,698	49.00	157,585	82,576	87,967
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	-	25.00	61,961	125,500	111,001
DMSA/AMSA(* 1)	-	3.89	346,880	1,714	16,572
PT NICOLE METAL INDUSTRY(* 2)	106,935,294	49.00	412,688	406,087	284,351
HBIS-POSCO Automotive Steel Co.Ltd	-	50.00	235,251	183,282	208,765
Others (8 companies)				18,893	24,282
				<u>2,733,963</u>	<u>2,651,907</u>
			₩	<u>2,975,500</u>	<u>2,916,670</u>

(\*1) As of September 30, 2024 and December 31, 2023, the investments in joint ventures are provided as collateral in relation to the joint ventures' borrowings.

(\*2) During the nine-month period ended September 30, 2024, the Company acquired ₩119,327 million of additional investment in joint ventures by participating in PT NICOLE METAL INDUSTRY's capital increase.

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

(c) Changes in investments in associates and joint ventures for the nine-month period ended September 30, 2024 and the year ended December 31, 2023 are as follows:

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

(in millions of Won)

Company	December 31, 2023			Share of profits (losses)	Other increase (decrease)(* 1)	September 30,
	Book value	Acquisition	Dividends			2024 Book value
<b>[Domestic]</b>						
Samcheok Blue Power Co.,Ltd.	₩ 323,521	25,680	(8,208)	24,104	7	365,104
SNNC	100,692	-	-	(22,903)	(1)	77,788
Chun-cheon Energy Co., Ltd	15,040	-	-	(10,813)	10,866	15,093
Pocheon-Hwado Highway Corp.	23,998	-	-	(4,682)	-	19,316
CHUNGJU ENTERPRISE CITY DEVELOPMENT Co.,Ltd	13,967	-	-	(117)	(1,181)	12,669
DaeSung SnM Co., Ltd.	20,296	-	-	(1,522)	(18,774)	-
PCC Amberstone Private Equity Fund 1	8,904	175	-	(238)	(1,563)	7,278
POSCO MC MATERIALS	155,748	-	(1,800)	(1,465)	-	152,483
Others (55 companies)	130,689	10,127	(4,158)	5,075	(2,892)	138,841
	<u>792,855</u>	<u>35,982</u>	<u>(14,166)</u>	<u>(12,561)</u>	<u>(13,538)</u>	<u>788,572</u>
<b>[Foreign]</b>						
South-East Asia Gas Pipeline Company Ltd.	287,282	-	(41,843)	33,329	6,775	285,543
AES Mong Duong Power Company Limited	230,699	-	(15,431)	27,675	7,322	250,265
9404-5515 Quebec Inc.	346,724	-	(17,764)	38,416	8,890	376,266
AMCI (WA) PTY LTD	60,225	-	-	(15,470)	13,073	57,828
NCR LLC	253,121	4,275	-	(28,497)	1,766	230,665
KOREA LNG LTD.	58,759	-	(14,463)	14,415	2,472	61,183
Nickel Mining Company SAS	87,967	-	-	(8,485)	3,094	82,576
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	105,300	-	-	(2,029)	4,606	107,877
PT. Wampu Electric Power	15,632	-	-	822	331	16,785
POS-SeAH Steel Wire(Nantong) CO., Ltd.	8,642	-	-	408	568	9,618
Roy Hill Holdings Pty Ltd	1,400,009	-	(253,262)	167,301	59,550	1,373,598
POSCO-NPS Niobium LLC	419,192	-	(22,045)	22,304	9,557	429,008
KOBRASCO	99,768	-	(5,761)	29,095	(9,797)	113,305
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	111,001	-	-	9,785	4,714	125,500
DMSA/AMSA	16,572	-	-	(15,625)	767	1,714
PT NICOLE METAL INDUSTRY	284,351	119,908	-	460	1,368	406,087
HBIS-POSCO Automotive Steel Co.Ltd	208,765	-	-	(34,523)	9,040	183,282
Others (39 companies)	233,400	2,343	(25,478)	15,586	21,294	247,145
	<u>4,227,409</u>	<u>126,526</u>	<u>(396,047)</u>	<u>254,967</u>	<u>145,390</u>	<u>4,358,245</u>
₩	<u>5,020,264</u>	<u>162,508</u>	<u>(410,213)</u>	<u>242,406</u>	<u>131,852</u>	<u>5,146,817</u>

(\*1) Other increase (decrease) represents the changes in investments in associates and joint ventures due to disposals and change in capital adjustments effect from translations of financial statements of foreign investees and others for the nine-month period ended September 30, 2024.

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

2) For the year ended December 31, 2023

(in millions of Won)

Company	December 31, 2022		Dividends	Share of profits (losses)	Other increase (decrease)(* 1)	December 31,
	Book value	Acquisition				2023 Book value
<b>[Domestic]</b>						
Samcheok Blue Power Co.,Ltd.	₩ 352,500	-	(10,020)	(18,802)	(157)	323,521
SNNC	182,414	-	-	(81,803)	81	100,692
QSONE Co.,Ltd.(* 2)	86,378	-	-	245	(86,623)	-
Chun-cheon Energy Co., Ltd	9,513	-	-	4,990	537	15,040
Pocheon-Hwado Highway Corp.	27,165	636	-	(3,803)	-	23,998
CHUNGJU ENTERPRISE CITY DEVELOPMENT Co.,Ltd	14,605	-	-	(638)	-	13,967
DaeSung SnM Co., Ltd	20,469	-	-	75	(248)	20,296
PCC Amberstone Private Equity Fund 1	9,326	-	(622)	562	(362)	8,904
POSCO MC MATERIALS	161,465	-	(9,000)	3,176	107	155,748
Others (55 companies)	160,553	16,439	(4,292)	1,966	(43,977)	130,689
	<u>1,024,388</u>	<u>17,075</u>	<u>(23,934)</u>	<u>(94,032)</u>	<u>(130,642)</u>	<u>792,855</u>
<b>[Foreign]</b>						
South-East Asia Gas Pipeline Company Ltd.	290,318	-	(59,295)	50,340	5,919	287,282
AES Mong Duong Power Company Limited	209,594	-	(33,839)	38,782	16,162	230,699
9404-5515 Quebec Inc.	331,261	-	(14,251)	16,494	13,220	346,724
FQM Australia Holdings Pty Ltd	98,103	-	-	(111,783)	13,680	-
Eureka Moly LLC	14,574	-	-	(15,020)	446	-
AMCI (WA) PTY LTD	57,830	-	-	(503)	2,898	60,225
NCR LLC	187,372	65,542	-	(6,999)	7,206	253,121
KOREA LNG LTD.	29,124	-	(21,106)	21,060	29,681	58,759
Nickel Mining Company SAS	90,636	-	-	(8,358)	5,689	87,967
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	98,933	15,640	-	(8,435)	(838)	105,300
PT. Wampu Electric Power	16,659	-	(1,624)	1,890	(1,293)	15,632
POS-SeAH Steel Wire(Nantong) Co., Ltd.	8,590	-	-	98	(46)	8,642
Roy Hill Holdings Pty Ltd	1,418,022	-	(367,445)	292,478	56,954	1,400,009
POSCO-NPS Niobium LLC	412,002	-	(35,543)	35,148	7,585	419,192
KOBRASCO	103,044	-	(36,471)	21,795	11,400	99,768
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	111,219	-	(12,386)	12,669	(501)	111,001
DMSA/AMSA	23,740	-	-	(7,681)	513	16,572
PT NICOLE METAL INDUSTRY	-	292,780	-	39	(8,468)	284,351
HBIS-POSCO Automotive Steel Co.Ltd	216,138	-	-	(6,765)	(608)	208,765
Others (37 companies)	255,004	-	(52,444)	38,461	(7,621)	233,400
	<u>3,972,163</u>	<u>373,962</u>	<u>(634,404)</u>	<u>363,710</u>	<u>151,978</u>	<u>4,227,409</u>
	<u>₩ 4,996,551</u>	<u>391,037</u>	<u>(658,338)</u>	<u>269,678</u>	<u>21,336</u>	<u>5,020,264</u>

(\*1) Other increase (decrease) represents the changes in investments in associates and joint ventures due to disposals and change in capital adjustments effect from translations of financial statements of foreign investees and others during the year ended December 31, 2023.

(\*2) During the year ended December 31, 2023, the Company acquired an additional 50% of the shares from an external shareholder of QSONE Co. Ltd., which was previously classified as an investment in an associate. As a result, the Company gained control of the company and consolidated it.



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**September 30, 2024 and 2023 (Unaudited)**

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

(d) The summarized financial information of associates and joint ventures as of and for the nine-month period ended September 30, 2024 and the year ended December 31, 2023 is as follows:

1) September 30, 2024

(in millions of Won)

<u>Company</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Equity (deficit)</u>	<u>Sales</u>	<u>Net income (loss)</u>
<b>[Domestic]</b>					
Samcheok Blue Power Co.,Ltd.	₩ 4,769,943	4,096,226	673,717	410,176	83,265
SNNC	694,179	517,354	176,825	496,903	(47,452)
Chun-cheon Energy Co., Ltd	567,390	444,324	123,066	333,777	4,961
Pocheon-Hwado Highway Corp.	698,069	590,278	107,791	15,250	(13,238)
CHUNGJU ENTERPRISE CITY DEVELOPMENT Co.,Ltd	15,450	2,850	12,600	-	(397)
PCC Amberstone Private Equity Fund 1	82,734	-	82,734	235	(2,709)
POSCO MC MATERIALS	385,213	129,630	255,583	164,456	(1,989)
<b>[Foreign]</b>					
South-East Asia Gas Pipeline Company Ltd.	1,506,664	366,328	1,140,336	301,116	133,095
AES Mong Duong Power Company Limited	1,616,496	827,907	788,589	320,975	92,250
9404-5515 Quebec Inc.	1,543,269	-	1,543,269	-	148,600
FQM Australia Holdings Pty Ltd	57,877	1,380,662	(1,322,785)	102,272	(405,269)
KOREA LNG LTD.	306,018	100	305,918	73,503	72,074
Nickel Mining Company SAS	497,558	270,597	226,961	149,703	(28,134)
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	295,884	25,684	270,200	58,770	(5,074)
PT. Wampu Electric Power	193,881	113,005	80,876	13,360	4,108
POS-SeAH Steel Wire(Nantong) Co., Ltd.	89,677	52,772	36,905	98,146	1,576
Roy Hill Holdings Pty Ltd	10,356,960	2,427,939	7,929,021	5,585,415	1,646,752
POSCO-NPS Niobium LLC	857,812	-	857,812	-	43,705
KOBRASCO	258,333	32,328	226,005	89,369	57,030
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	873,556	398,420	475,136	1,243,429	39,141
DM SA/AM SA	3,023,921	2,979,973	43,948	550,482	(401,745)
HBIS-POSCO Automotive Steel Co.Ltd	948,491	573,317	375,174	370,847	(70,396)
PT NICOLE METAL INDUSTRY	575,313	20,144	555,169	-	939

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

2) December 31, 2023

(in millions of Won)

Company	Assets	Liabilities	Equity (deficit)	Sales	Net income (loss)
<b>[Domestic]</b>					
Samcheok Blue Power Co.,Ltd.	₩ 4,228,568	3,669,074	559,494	14,002	(28,880)
SNNC	612,992	388,715	224,277	766,011	(168,553)
Chun-cheon Energy Co., Ltd	571,495	453,390	118,105	502,879	10,453
Pocheon-Hwado Highway Corp.	583,935	462,900	121,035	-	(1,824)
CHUNGJU ENTERPRISE CITY DEVELOPMENT Co.,Ltd	19,995	2,998	16,997	5,595	(2,160)
DaeSung SnM Co., Ltd	178,251	93,930	84,321	108,660	430
PCC Amberstone Private Equity Fund 1	105,145	3,923	101,222	12,134	6,391
POSCO MC MATERIALS	431,090	170,518	260,572	194,238	2,998
<b>[Foreign]</b>					
South-East Asia Gas Pipeline Company Ltd.	1,758,765	611,484	1,147,281	434,358	201,031
AES Mong Duong Power Company Limited	1,612,793	889,424	723,369	449,807	129,274
9404-5515 Quebec Inc.	1,430,295	-	1,430,295	-	63,809
FQM Australia Holdings Pty Ltd	180,931	1,219,922	(1,038,991)	453,626	(1,480,586)
KOREA LNG LTD.	94,661	136	94,525	108,081	105,300
Nickel Mining Company SAS	520,209	272,567	247,642	296,130	(26,786)
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	297,683	33,927	263,756	34,372	(21,081)
PT. Wampu Electric Power	206,942	131,822	75,120	20,166	9,452
POS-SeAH Steel Wire(Nantong) Co., Ltd.	82,568	48,727	33,841	117,208	522
Roy Hill Holdings Pty Ltd	10,929,518	3,007,919	7,921,599	8,146,546	2,826,424
POSCO-NPS Niobium LLC	838,180	-	838,180	-	64,687
KOBRASCO	224,406	25,475	198,931	63,338	43,591
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	659,704	242,566	417,138	1,647,395	50,675
DMSA/AMSA	3,058,209	2,632,239	425,970	1,106,369	(197,482)
HBIS-POSCO Automotive Steel Co.Ltd	826,886	398,751	428,135	340,341	(12,584)
PT NICOLE METAL INDUSTRY	389,077	2,237	386,840	-	79

**10. Joint Operations**

Details of significant joint operations that the Group is participating in as a party to a joint arrangement as of September 30, 2024 are as follows:

Joint operations	Operation	Ownership (%)	Location
Myanmar A-1/A-3 mine	Mine development and gas production	51.00	Myanmar
Offshore midstream	Gas transportation facility	51.00	Myanmar
Mt. Thorley J/V	Mine development	20.00	Australia
POSMAC J/V	Mine development	20.00	Australia

**POSCO HOLDINGS INC. and its subsidiaries**  
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**September 30, 2024 and 2023 (Unaudited)**

**11. Investment Property**

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

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

<i>(in millions of Won)</i>		<b>Beginning</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Impairment loss</b>	<b>Others(*1)</b>	<b>Ending</b>
Land	₩	787,304	1,710	(47,137)	-	(215)	35,433	777,095
Buildings		655,786	1,774	(34,399)	(21,584)	(456)	22,276	623,397
Structures		1,873	-	-	(684)	-	590	1,779
Right-of-use assets		171,331	-	(80)	(5,038)	-	3,454	169,667
	₩	<u>1,616,294</u>	<u>3,484</u>	<u>(81,616)</u>	<u>(27,306)</u>	<u>(671)</u>	<u>61,753</u>	<u>1,571,938</u>

(\*1) Includes reclassification resulting from changes in purpose of use, and adjusted foreign currency translation difference and others.

(b) For the year ended December 31, 2023

<i>(in millions of Won)</i>		<b>Beginning</b>	<b>Acquisitions</b>	<b>Business Combination(*1)</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Others(*2)</b>	<b>Ending</b>
Land	₩	308,523	54,891	473,301	(60)	-	(49,351)	787,304
Buildings		593,505	1,006	83,739	(303)	(28,902)	6,741	655,786
Structures		1,356	-	-	-	(1,049)	1,566	1,873
Right-of-use assets		170,647	216	-	(78)	(5,635)	6,181	171,331
	₩	<u>1,074,031</u>	<u>56,113</u>	<u>557,040</u>	<u>(441)</u>	<u>(35,586)</u>	<u>(34,863)</u>	<u>1,616,294</u>

(\*1) Represents increases in investment property due to business combination upon incorporation of QSONE Co.,Ltd. into a subsidiary during the year ended December 31, 2023.

(\*2) Includes reclassification resulting from changes in purpose of use, and adjusted foreign currency translation difference and others.

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
**September 30, 2024 and 2023 (Unaudited)**

**12. Property, Plant and Equipment**

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

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

<i>(in millions of Won)</i>		Beginning	Acquisitions	Business Combination(*1)	Disposals	Depreciation	Impairment loss(*2)	Others(*3)	Ending
Land	₩	3,290,244	19,476	503	(6,017)	-	-	(1,251)	3,302,955
Buildings		4,427,632	8,418	17	(3,010)	(257,144)	(3,567)	546,787	4,719,133
Structures		3,081,524	5,912	-	(3,318)	(227,671)	(8,603)	759,159	3,607,003
Machinery and equipment		16,539,192	130,514	2,116	(25,099)	(1,864,161)	(151,226)	2,974,948	17,606,284
Vehicles		79,595	13,228	-	(1,190)	(24,843)	-	15,233	82,023
Tools		128,865	23,956	-	(406)	(41,579)	(577)	19,933	130,192
Furniture and fixtures		189,887	19,577	-	(1,639)	(51,452)	(164)	17,812	174,021
Right-of-use assets		998,305	123,198	-	(16,426)	(128,246)	-	(221)	976,610
Bearer plants		137,331	-	-	(7)	(7,143)	-	5,753	135,934
Construction-in-progress		6,333,673	5,657,949	-	(3,127)	-	(15,263)	(4,164,277)	7,808,955
	₩	<u>35,206,248</u>	<u>6,002,228</u>	<u>2,636</u>	<u>(60,239)</u>	<u>(2,602,239)</u>	<u>(179,400)</u>	<u>173,876</u>	<u>38,543,110</u>

(\*1) Represents increases in property, plant and equipment upon inclusion of SK Solar Plant into a subsidiary by acquiring shares during the nine-month period ended September 30, 2024.

(\*2) The Group estimated the recoverable amount after calculating the net fair value of individual assets whose operation was suspended due to operation plan changes, such as steelmaking plant no. 1 and blast furnace no. 4 in Pohang, and recognized an impairment loss of ₩179,400 million on property, plant and equipment during the nine-month period ended September 30, 2024.

(\*3) Represents assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, reclassifications resulting from change in purpose of use, adjustments of foreign currency translation differences and others.

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**September 30, 2024 and 2023 (Unaudited)**

**12. Property, Plant and Equipment (cont'd)**

2) For the year ended December 31, 2023

(in millions of Won)

		Beginning	Acquisitions	Business Combination(* 1)	Disposals	Depreciation	Impairment loss(* 2,3)	Others(* 4)	Ending
Land	₩	3,103,165	83,489	32,565	(7,502)	-	(5,471)	83,998	3,290,244
Buildings		4,174,894	53,344	5,770	(14,619)	(326,280)	(28,614)	563,137	4,427,632
Structures		3,162,927	16,498	3,651	(6,915)	(261,970)	(28,483)	196,816	3,081,524
Machinery and equipment		16,422,830	211,181	-	(63,195)	(2,401,947)	(202,885)	2,573,208	16,539,192
Vehicles		52,131	34,004	-	(782)	(26,322)	-	20,564	79,595
Tools		90,961	40,170	-	(607)	(52,444)	(77)	50,862	128,865
Furniture and fixtures		173,345	36,975	655	(1,516)	(61,947)	(63)	42,438	189,887
Right-of-use assets		921,198	243,433	-	(15,095)	(170,386)	-	19,155	998,305
Bearer plants		141,720	-	-	-	(9,579)	-	5,190	137,331
Construction-in-progress		3,538,025	6,388,837	-	(2,269)	-	(8,420)	(3,582,500)	6,333,673
	₩	31,781,196	7,107,931	42,641	(112,500)	(3,310,875)	(274,013)	(28,132)	35,206,248

(\*1) Represents increases in property, plant and equipment upon reclassification of QSONE Co.,Ltd., which was previously an associate, into a subsidiary by acquiring additional shares during the year ended December 31, 2023.

(\*2) The Group estimated the recoverable amount after calculating the net fair value of individual assets whose operation was suspended due to operation plan changes, such as lithium production facilities in Gwangyang and Argentina, and recognized an impairment loss of ₩196,207 million on property, plant and equipment whose recoverable amount was less than the book value during the year ended December 31, 2023.

(\*3) The Group estimated the recoverable amount after calculating the value in use of the hydrogen peroxide manufacturing facility in Gwangyang, which had impairment indications due to changes in raw material prices and changes in production plans during the year ended December 31, 2023, and recognized an impairment loss of ₩ 46,535 million on property, plant and equipment whose recoverable amount was less than the book value.

(\*4) Represents assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, reclassifications resulting from change in purpose of use, adjustments of foreign currency translation differences and others.

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**12. Property, Plant and Equipment (cont'd)**

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

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

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Acquisitions</u>	<u>Depreciation</u>	<u>Others</u>	<u>Ending</u>
Land	₩	363,789	1,178	(13,172)	11,527	363,322
Buildings and structures		151,366	53,384	(37,129)	(9,381)	158,240
Machinery and equipment		355,604	34,344	(37,009)	(4,646)	348,293
Vehicles		48,228	9,294	(14,685)	405	43,242
Ships		220,754	-	(18,042)	-	202,712
Others		29,895	22,834	(13,212)	(9,049)	30,468
	₩	<u>1,169,636</u>	<u>121,034</u>	<u>(133,249)</u>	<u>(11,144)</u>	<u>1,146,277</u>

2) For the year ended December 31, 2023

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Acquisitions</u>	<u>Depreciation</u>	<u>Others</u>	<u>Ending</u>
Land	₩	368,167	10,470	(15,582)	734	363,789
Buildings and structures		163,648	49,929	(52,697)	(9,514)	151,366
Machinery and equipment		319,021	73,761	(55,481)	18,303	355,604
Vehicles		18,652	38,410	(16,456)	7,622	48,228
Ships		215,496	28,178	(22,920)	-	220,754
Others		6,862	42,901	(12,885)	(6,983)	29,895
	₩	<u>1,091,846</u>	<u>243,649</u>	<u>(176,021)</u>	<u>10,162</u>	<u>1,169,636</u>

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

<i>(in millions of Won)</i>		<u>For the three-month periods ended September 30</u>		<u>For the nine-month periods ended September 30</u>	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	₩	12,880	19,465	37,192	39,103
Expenses related to short-term leases		11,584	12,857	40,028	37,822
Expenses related to leases of low-value assets		6,502	6,601	19,373	16,069
	₩	<u>30,966</u>	<u>38,923</u>	<u>96,593</u>	<u>92,994</u>

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**13. Goodwill and Other Intangible Assets**

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

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

(in millions of Won)

	Beginning	Acquisitions	Business Combination	Disposals	Amortization	Impairment loss	Others(* 2)	Ending
Goodwill	₩ 403,172	-	282	-	-	(282)	(4,339)	398,833
Intellectual property rights	3,029,651	229,808	-	(1)	(208,190)	-	78,336	3,129,604
Membership(* 1)	138,184	1,470	-	(3,707)	(141)	58	197	136,061
Development expense	126,818	2,015	-	-	(55,702)	-	18,062	91,193
Port facilities usage rights	182,411	-	-	-	(11,100)	-	-	171,311
Exploration and evaluation assets	163,446	33,625	-	-	-	-	(108,301)	88,770
Development assets	10,235	478	-	-	-	-	112,540	123,253
Customer relationships	196,895	-	-	-	(33,359)	-	(6,492)	157,044
Other intangible assets	463,972	52,585	-	(101,937)	(43,902)	(6)	1,678	372,390
	₩ 4,714,784	319,981	282	(105,645)	(352,394)	(230)	91,681	4,668,459

(\*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, adjustments of foreign currency translation difference and others.

(b) For the year ended December 31, 2023

(in millions of Won)

	Beginning	Acquisitions	Disposals	Amortization	Impairment loss(* 2)	Others(* 3)	Ending
Goodwill	₩ 442,487	-	-	-	(36,093)	(3,222)	403,172
Intellectual property rights	3,136,072	208,874	(5)	(321,752)	(89,986)	96,448	3,029,651
Membership(* 1)	132,942	7,360	(1,920)	(170)	11	(39)	138,184
Development expense	116,171	13,130	(97)	(73,319)	-	70,933	126,818
Port facilities usage rights	197,211	-	-	(14,800)	-	-	182,411
Exploration and evaluation assets	100,991	67,000	-	-	(1,204)	(3,341)	163,446
Development assets	78,970	27,831	-	-	-	(96,566)	10,235
Customer relationships	241,311	-	-	(44,478)	-	62	196,895
Other intangible assets	392,296	139,100	(625)	(43,674)	(2,055)	(21,070)	463,972
	₩ 4,838,451	463,295	(2,647)	(498,193)	(129,327)	43,205	4,714,784

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

(\*2) During the year ended December 31, 2023, POSCO Canada Ltd., a subsidiary, decided to make an investment in kind by investing Greenhills Mine, which had been recognized as a joint operation, to a new partnership established by Teck Coal Partnership, the main operator. POSCO Canada Ltd. estimated the recoverable amount considering the fair value and acquired shares of the new partnership, and recognized an impairment loss of ₩88,518 million since recoverable amounts are less than their carrying amounts.

(\*3) Represents assets transferred from construction-in-progress to intangible assets and assets transferred from property, plant and equipment, adjustments of foreign currency translation difference and others.

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**14. Other Assets**

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

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>		
Advance payments	₩ 506,502	593,300
Prepaid expenses	317,669	226,960
Firm commitment asset	9,426	3,418
Others	11,998	17,306
	<u>845,595</u>	<u>840,984</u>
<b>Non-current</b>		
Long-term advance payments	35,282	46,989
Long-term prepaid expenses	21,588	30,232
Others	78,248	95,974
	₩ <u>135,118</u>	<u>173,195</u>



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**15. Borrowings**

(a) Short-term borrowings and current portion of long-term borrowings and others as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	Lenders	Issuance date	Maturity date	Interest rate (%)		September 30, 2024	December 31, 2023
<b>Short-term borrowings</b>							
Bank overdrafts	JP Morgan and others	January, 2024~ September, 2024	October, 2024~ July, 2025	3.65 ~ 7.20	₩	51,881	69,160
Short-term borrowings	HSBC and others	October, 2023~ September, 2024	October, 2024~ September, 2025	0.40 ~ 62.00		6,293,361	4,890,120
						<u>6,345,242</u>	<u>4,959,280</u>
<b>Current portion of long-term liabilities</b>							
Current portion of long-term borrowings	Export-Import Bank of Korea and others	September, 2001~ June, 2024	October, 2024~ September, 2025	0.19 ~ 9.30		681,426	990,088
Current portion of debentures	KB Securities co.,Ltd. and others	July, 2019~ May, 2023	October, 2024~ September, 2025	1.64 ~ 5.26		4,704,644	3,255,375
Less: Current portion of discount on debentures issued						(5,314)	(2,217)
Current portion of exchangeable bonds(* 1)	Foreign currency exchangeable bonds	September, 2021	September, 2026			39,919	1,756,691
						<u>5,420,675</u>	<u>5,999,937</u>
					₩	<u>11,765,917</u>	<u>10,959,217</u>

(\*1) The issuance conditions of the exchangeable bonds issued by the Group are as follows. As of September 30, 2024, exchangeable bonds are reclassified as current liabilities because the bondholders' put option for redemption has become exercisable within 12 months.

	<b>Foreign currency exchangeable bonds</b>
Type of bond	Exchangeable bonds
Aggregate principal amount(* 1)	EUR 27,100,000
Interest rate	- Coupon rate : - - Yield to Maturity : (0.78%)
Maturity date	September 1, 2026
Redemption	1) 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 2) Prepayment : The issuer has call option and the bondholders have put option
Exchange rate	100%
Exchange price (Won/share)(* 2)	440,592
Underlying shares exchange	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.

(\*1) Due to put option exercised by bondholders, EUR 1,038,800,000 of EUR 1,065,900,000 in aggregate principal amount of exchangeable bonds was redeemed during the nine-month period ended September 30, 2024.

(\*2) The exchange price has changed due to cash dividends paid during the nine-month period ended September 30, 2024.

The Group 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.

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

**15. Borrowings (cont'd)**

(b) Long-term borrowings, excluding current portion and others, as of September 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>Interest rate (%)</u>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
Long-term borrowings	Export-Import Bank of Korea and others	September, 2001-September, 2024	October, 2025-March, 2040	1.00 - 8.50	₩	4,720,532	4,590,541
Less: Present value discount						(13,233)	(9,414)
Bonds	KB Securities co.,Ltd. and others	July, 2019-September, 2024	October, 2025-January, 2033	1.72 - 6.38		9,481,347	10,478,394
Less: Discount on debentures issued						(43,720)	(48,358)
					₩	<u>14,144,926</u>	<u>15,011,163</u>

(c) Assets pledged as collateral with regard to the borrowings as of September 30, 2024 are as follows:

<i>(in millions of Won)</i>	<u>Lenders</u>	<u>Book value</u>	<u>Pledged amount</u>
Property, plant and equipment and Investment property	Korea Development Bank and others	₩ 3,572,133	3,395,576
Trade accounts and notes receivable	Korea Development Bank and others	113,535	113,535
Financial instruments	Shinhan Bank and others	53,464	53,464
		₩ <u>3,739,132</u>	<u>3,562,575</u>

**16. Other Payables**

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

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>			
Accounts payable	₩	1,195,800	1,174,097
Accrued expenses		1,239,347	1,046,891
Dividend payable		2,875	3,261
Lease liabilities		164,736	163,952
Withholdings		345,951	349,277
	₩	<u>2,948,709</u>	<u>2,737,478</u>
<b>Non-current</b>			
Accounts payable	₩	9,542	14,143
Accrued expenses		8,229	8,073
Lease liabilities		733,087	760,368
Long-term withholdings		77,120	90,981
	₩	<u>827,978</u>	<u>873,565</u>

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
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**17. Other Financial Liabilities**

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

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Current</b>		
Derivative liabilities	₩ 46,108	38,631
Financial guarantee liabilities	5,987	5,114
Others(* 1)	197,468	119,881
	<u>₩ 249,563</u>	<u>163,626</u>
<b>Non-current</b>		
Derivative liabilities	₩ 18,149	81,291
Financial guarantee liabilities	9,708	7,858
Others	64,633	64,633
	<u>₩ 92,490</u>	<u>153,782</u>

(\*1) The Group recognized other financial liabilities in connection with the put option agreement which POSCO FUTURE MATERIALS CANADA INC. (formerly, POSCO CHEMICAL CANADA INC.), a subsidiary, entered into with GM Battery Raw Materials Corporation.

**POSCO HOLDINGS INC. and its subsidiaries**  
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**September 30, 2024 and 2023 (Unaudited)**

**18. Provisions**

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

<i>(in millions of Won)</i>	<b>September 30, 2024</b>		<b>December 31, 2023</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Provision for bonus payments	₩ 114,822	41,346	146,277	38,114
Provision for construction warranties	49,711	142,463	50,222	146,536
Provision for legal contingencies and claims(* 1)	14,940	53,440	20,893	52,169
Provision for the restoration	9,234	176,473	14,567	161,253
Others(* 2)	168,577	56,283	187,785	69,937
	<b>₩ 357,284</b>	<b>470,005</b>	<b>419,744</b>	<b>468,009</b>

(\*1) The Group recognized probable outflow of resources amounting to ₩46,943 million and ₩45,712 million as provisions for legal contingencies and asserted claim in relation to lawsuits against the Group as of September 30, 2024 and December 31, 2023, respectively.

(\*2) According to the *Act on the promotion of the development, use and diffusion of new and renewable energy*, POSCO INTERNATIONAL Corporation is obliged to supply a certain amount of power generated by new and renewable energy sources. In accordance with the Act, POSCO INTERNATIONAL Corporation estimated the cost required to fulfill its obligations, such as insufficient supply of power using new and renewable energy to be borne, and as of September 30, 2024 and December 31, 2023, the Group recognized ₩54,859 million and ₩64,166 million respectively, as provision.

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
**September 30, 2024 and 2023 (Unaudited)**

**18. Provisions (cont'd)**

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

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

<i>(in millions of Won)</i>	<b>Beginning</b>	<b>Increase</b>	<b>Utilization</b>	<b>Reversal</b>	<b>Others(*1)</b>	<b>Ending</b>
Provision for bonus payments	₩ 184,391	137,993	(158,828)	(7,943)	555	156,168
Provision for construction warranties	196,758	38,524	(31,182)	(5,763)	(6,163)	192,174
Provision for legal contingencies and claims	73,062	9,972	(8,559)	(4,635)	(1,460)	68,380
Provision for the restoration	175,820	16,375	(5,636)	(6,411)	5,559	185,707
Others	257,722	103,476	(112,100)	(55,864)	31,626	224,860
	₩ <u>887,753</u>	<u>306,340</u>	<u>(316,305)</u>	<u>(80,616)</u>	<u>30,117</u>	<u>827,289</u>

(\*1) Includes adjusted foreign currency translation differences and others.

2) For the year ended December 31, 2023

<i>(in millions of Won)</i>	<b>Beginning</b>	<b>Increase</b>	<b>Utilization</b>	<b>Reversal</b>	<b>Others(*1)</b>	<b>Ending</b>
Provision for bonus payments	₩ 169,432	181,221	(158,529)	(6,063)	(1,670)	184,391
Provision for construction warranties	205,974	42,653	(49,117)	(8,350)	5,598	196,758
Provision for legal contingencies and claims	106,341	16,327	(48,144)	(3,599)	2,137	73,062
Provision for the restoration	191,146	104,227	(9,887)	(80)	(109,586)	175,820
Others	423,013	189,227	(255,001)	(112,909)	13,392	257,722
	₩ <u>1,095,906</u>	<u>533,655</u>	<u>(520,678)</u>	<u>(131,001)</u>	<u>(90,129)</u>	<u>887,753</u>

(\*1) Includes transfer to liabilities held for sale and adjusted foreign currency translation differences and others.

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
**September 30, 2024 and 2023 (Unaudited)**

**19. 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 nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods		For the nine-month periods		
	ended September 30		ended September 30		
	2024	2023	2024	2023	
Expense related to post-employment benefit plans under defined contribution plans	₩	18,827	16,290	56,227	50,259

(b) Defined benefit plans

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

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>December 31, 2023</u>
Present value of funded obligations	₩	2,437,315	2,445,797
Fair value of plan assets(* 1)		(2,807,552)	(2,902,714)
Present value of non-funded obligations		15,462	30,912
Net defined benefit liabilities	₩	<u>(354,775)</u>	<u>(426,005)</u>

(\*1) As of September 30, 2024 and December 31, 2023, the Group recognized net defined benefit assets amounting to ₩438,566 million and ₩464,758 million, respectively, which represent the excess of each consolidated entity's plan assets over the present value of defined benefit obligations.

- 2) The amounts recognized in the interim condensed consolidated statements of comprehensive income for each of the three-month and the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	For the three-month periods		For the nine-month periods		
	ended September 30		ended September 30		
	2024	2023	2024	2023	
Current service costs	₩	66,208	59,180	199,556	173,013
Net interest costs		(5,590)	(7,926)	(16,175)	(22,549)
	₩	<u>60,618</u>	<u>51,254</u>	<u>183,381</u>	<u>150,464</u>

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
**September 30, 2024 and 2023 (Unaudited)**

**20. Other Liabilities**

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

<i>(in millions of Won)</i>		<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Current</b>			
Due to customers for contract work	₩	477,116	624,632
Advances received		372,291	304,441
Unearned revenue		84,654	69,062
Withholdings		273,270	297,442
Firm commitment liability		10,897	20,136
Others(* 1)		19,733	21,929
	₩	<u>1,237,961</u>	<u>1,337,642</u>
<b>Non-current</b>			
Unearned revenue	₩	4,915	8,889
Others(* 1)		97,999	105,583
	₩	<u>102,914</u>	<u>114,472</u>

(\*1) As of September 30, 2024 and December 31, 2023, the Group recognized the assumed liability amounting to ₩45,931 million and ₩56,325 million, respectively, related to unfavorable terms of a customer contract relative to market-terms upon the acquisition of Senex Energy Limited by Senex Holdings PTY LTD, a subsidiary.

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
**September 30, 2024 and 2023 (Unaudited)**

**21. Financial Instruments**

(a) Classification and fair value of financial instruments

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

① September 30, 2024

<i>(in millions of Won)</i>		Fair value				
	Book value	Level 1	Level 2	Level 3	Total	
<b>Financial assets</b>						
Fair value through profit or loss						
Derivative assets	₩ 279,097	-	279,097	-	279,097	
Short-term financial instruments	2,967,571	-	2,967,571	-	2,967,571	
Equity securities	75,265	33,601	-	41,664	75,265	
Debt securities	102,148	-	81,404	20,744	102,148	
Other securities	711,633	-	-	711,633	711,633	
Derivative hedging instruments(* 2)	22,901	-	22,901	-	22,901	
Fair value through other comprehensive income						
Equity securities	1,737,873	1,308,965	-	428,908	1,737,873	
Financial assets measured at amortized cost(* 1)						
Cash and cash equivalents	7,728,931	-	-	-	-	
Trade accounts and notes receivable	9,238,347	-	-	-	-	
Other receivables	3,005,623	-	-	-	-	
Debt securities	934,173	-	-	-	-	
Deposit instruments	4,488,076	-	-	-	-	
<b>₩</b>	<b>31,291,638</b>	<b>1,342,566</b>	<b>3,350,973</b>	<b>1,202,949</b>	<b>5,896,488</b>	
<b>Financial liabilities</b>						
Fair value through profit or loss						
Derivative liabilities	₩ 53,000	-	53,000	-	53,000	
Borrowings	39,919	39,919	-	-	39,919	
Other financial Liabilities	196,846	-	-	196,846	196,846	
Derivative hedging instruments(* 2)	11,256	-	11,256	-	11,256	
Financial liabilities measured at amortized cost(* 1)						
Trade accounts and notes payable	5,639,015	-	-	-	-	
Borrowings	25,870,924	-	26,008,560	-	26,008,560	
Financial guarantee liabilities	15,695	-	-	-	-	
Others	3,394,435	-	-	-	-	
Other financial Liabilities	65,256	-	-	-	-	
<b>₩</b>	<b>35,286,346</b>	<b>39,919</b>	<b>26,072,816</b>	<b>196,846</b>	<b>26,309,581</b>	

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

(\*2) The Group applies hedge accounting which uses forward contracts as hedging instrument in order to hedge the risk of changes in fair value of product prices regarding firm commitments or purchase commitments. Also, the Group applies cash flow hedge accounting which uses currency swap as hedging instrument in order to hedge the risk of interest rate and foreign exchange rate changes in foreign currency which influences cash flow from borrowings.



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**21. Financial Instruments (cont'd)**

② December 31, 2023

(in millions of Won)

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Fair value through profit or loss					
Derivative assets	₩ 291,541	-	291,541	-	291,541
Short-term financial instruments	6,540,407	-	6,540,407	-	6,540,407
Equity securities	99,254	61,665	-	37,589	99,254
Debt securities	88,196	-	75,183	13,013	88,196
Other securities	669,687	-	270	669,417	669,687
Derivative hedging instruments(* 2)	9,601	-	9,601	-	9,601
Fair value through other comprehensive income					
Equity securities	1,694,277	1,539,205	-	155,072	1,694,277
Financial assets measured at amortized cost(* 1)					
Cash and cash equivalents	6,670,879	-	-	-	-
Trade accounts and notes receivable	9,155,853	-	-	-	-
Other receivables	2,750,036	-	-	-	-
Debt securities	295,201	-	-	-	-
Deposit instruments	4,423,327	-	-	-	-
₩	<u>32,688,259</u>	<u>1,600,870</u>	<u>6,917,002</u>	<u>875,091</u>	<u>9,392,963</u>
<b>Financial liabilities</b>					
Fair value through profit or loss					
Derivative liabilities	₩ 116,748	-	116,748	-	116,748
Borrowings	1,756,691	1,756,691	-	-	1,756,691
Other financial Liabilities	119,258	-	-	119,258	119,258
Derivative hedging instruments(* 2)	3,174	-	3,174	-	3,174
Financial liabilities measured at amortized cost(* 1)					
Trade accounts and notes payable	5,782,825	-	-	-	-
Borrowings	24,213,688	-	24,310,166	-	24,310,166
Financial guarantee liabilities	12,972	-	-	-	-
Others	3,241,459	-	-	-	-
Other financial Liabilities	65,256	-	-	-	-
₩	<u>35,312,071</u>	<u>1,756,691</u>	<u>24,430,088</u>	<u>119,258</u>	<u>26,306,037</u>

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

(\*2) The Group applies hedge accounting which uses forward contracts as hedging instrument in order to hedge the risk of changes in fair value of product prices regarding firm commitments or purchase commitments. Also, the Group applies cash flow hedge accounting which uses currency swap as hedging instrument in order to hedge the risk of interest rate and foreign exchange rate changes in foreign currency which influences cash flow from borrowings.

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**21. Financial Instruments (cont'd)**

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

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

(in millions of Won)

	Finance income and costs						Other comprehensive income (loss)
	Interest income (expense)	Gain and loss on valuation	Gain and loss on foreign currency	Gain and loss on disposal	Others	Total	
Financial assets at fair value through profit or loss	₩ -	109,930	-	92,375	819	203,124	-
Derivative assets	-	165,915	-	238,056	-	403,971	-
Financial assets at fair value through other comprehensive income	-	-	-	-	71,811	71,811	(27,453)
Financial assets measured at amortized cost	446,113	-	293,084	(57,778)	(3,834)	677,585	-
Financial liabilities at fair value through profit or loss	-	236,931	(56,301)	(6,258)	-	174,372	-
Derivative liabilities	-	25,903	-	(210,968)	-	(185,065)	(443)
Financial liabilities measured at amortized cost	(787,113)	-	(421,586)	-	(22,701)	(1,231,400)	-
	₩ (341,000)	538,679	(184,803)	55,427	46,095	114,398	(27,896)

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

(in millions of Won)

	Finance income and costs						Other comprehensive income (loss)
	Interest income (expense)	Gain and loss on valuation	Gain and loss on foreign currency	Gain and loss on disposal	Others	Total	
Financial assets at fair value through profit or loss	₩ -	364,273	-	161,168	555	525,996	-
Derivative assets	-	299,466	-	219,202	-	518,668	-
Financial assets at fair value through other comprehensive income	-	-	-	-	45,658	45,658	212,172
Financial assets measured at amortized cost	352,767	-	420,835	(56,032)	10,884	728,454	-
Financial liabilities at fair value through profit or loss	-	(429,985)	(93,331)	-	-	(523,316)	-
Derivative liabilities	-	41,412	-	(219,034)	-	(177,622)	(2,541)
Financial liabilities measured at amortized cost	(753,583)	-	(803,049)	-	(26,918)	(1,583,550)	-
	₩ (400,816)	275,166	(475,545)	105,304	30,179	(465,712)	209,631

(b) Financial risk management

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

**POSCO HOLDINGS INC. and its subsidiaries**  
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**22. Share Capital and Capital Surplus**

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

<i>(Share, in Won)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Authorized shares	200,000,000	200,000,000
Par value	₩ 5,000	5,000
Issued shares(* 1, 2)	82,624,377	84,571,230
Shared capital(* 3)	₩ 482,403,125,000	482,403,125,000

(\*1) As of September 30, 2024, the total number of American Depository Receipts (ADRs) outstanding in overseas stock market amounts to 20,116,948 and such ADRs are equivalent to 5,029,237 shares of common stock.

(\*2) Pursuant to the resolution of the Board of Directors' meeting on July 12, 2024, the Company decided to retire 1,946,853 shares using distributable profits, and the retirement of shares was completed on August 6, 2024. As a result, as of September 30, 2024, the Company's total number of issued shares has decreased from 84,571,230 to 82,624,377.

(\*3) As of September 30, 2024, the difference between the ending balance of common stock and the aggregate par value of issued common stock is ₩69,281 million due to retirement of 13,856,248 treasury stocks.

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

<i>(in millions of Won)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Share premium	₩ 463,825	463,825
Gain on disposal of treasury shares	808,994	808,994
Other capital surplus	375,918	390,515
	₩ <u>1,648,737</u>	<u>1,663,334</u>

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**23. Other components of equity**

Details of other equity items as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Accumulated comprehensive loss of investments in associates and joint ventures	₩ (114,445)	(180,964)
Changes in fair value of equity investments at fair value through other comprehensive income	127,134	153,279
Foreign currency translation differences	376,842	94,605
Gains or losses on valuation of derivatives	(1,258)	(644)
Others	(50,164)	980
	<u>₩ 338,109</u>	<u>67,256</u>

**24. Treasury Shares**

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

	<u>September 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
Acquisition of treasury shares	255,428	92,311	-	-
Disposal of treasury shares	-	-	(27,030)	(2,650)
Retirement of treasury shares	(1,946,853)	(431,107)	-	-
Ending	<u>7,003,598</u>	<u>₩ 1,550,862</u>	<u>8,695,023</u>	<u>₩ 1,889,658</u>

**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
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**25. Revenue**

(a) Disaggregation of revenue

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

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

(in millions of Won)

		Infrastructure					Others	Total
		Steel	Trading	Construction	Logistics and others	Secondary battery materials		
<b>Types of revenue</b>								
Revenue from sales of goods	₩	28,642,479	15,009,876	-	5,988	2,297,474	-	45,955,817
Revenue from services		663,205	2,186,302	94,133	240,144	3,424	9,425	3,196,633
Revenue from construction contract		-	-	5,451,805	-	20,975	-	5,472,780
Others		131,090	4,588	40,696	33,180	-	48,215	257,769
	₩	<u>29,436,774</u>	<u>17,200,766</u>	<u>5,586,634</u>	<u>279,312</u>	<u>2,321,873</u>	<u>57,640</u>	<u>54,882,999</u>
<b>Timing of revenue recognition</b>								
Revenue recognized at a point in time	₩	28,773,569	15,014,464	308,117	39,168	2,297,474	48,215	46,481,007
Revenue recognized over time		663,205	2,186,302	5,278,517	240,144	24,399	9,425	8,401,992
	₩	<u>29,436,774</u>	<u>17,200,766</u>	<u>5,586,634</u>	<u>279,312</u>	<u>2,321,873</u>	<u>57,640</u>	<u>54,882,999</u>

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

(in millions of Won)

		Infrastructure					Others	Total
		Steel	Trading	Construction	Logistics and others	Secondary battery materials		
<b>Types of revenue</b>								
Revenue from sales of goods	₩	29,949,006	15,904,486	-	15,062	2,905,453	-	48,774,007
Revenue from services		608,097	2,371,617	102,345	286,901	3,127	15,687	3,387,774
Revenue from construction contract		-	-	6,014,918	-	30,950	-	6,045,868
Others		129,499	3,846	10,449	36,212	-	75,425	255,431
	₩	<u>30,686,602</u>	<u>18,279,949</u>	<u>6,127,712</u>	<u>338,175</u>	<u>2,939,530</u>	<u>91,112</u>	<u>58,463,080</u>
<b>Timing of revenue recognition</b>								
Revenue recognized at a point in time	₩	30,078,505	15,908,332	54,700	51,274	2,905,453	75,425	49,073,689
Revenue recognized over time		608,097	2,371,617	6,073,012	286,901	34,077	15,687	9,389,391
	₩	<u>30,686,602</u>	<u>18,279,949</u>	<u>6,127,712</u>	<u>338,175</u>	<u>2,939,530</u>	<u>91,112</u>	<u>58,463,080</u>

**POSCO HOLDINGS INC. and its subsidiaries**  
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**25. Revenue (cont'd)**

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

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

(in millions of Won)

		Infrastructure				Secondary battery materials	Others	Total
		Steel	Trading	Construction	Logistics and others			
<b>Types of revenue</b>								
Revenue from sales of goods	₩	9,511,165	5,361,162	-	962	706,106	-	15,579,395
Revenue from services		230,462	597,703	36,070	74,161	908	4,635	943,939
Revenue from construction contract		-	-	1,692,966	-	7,367	-	1,700,333
Others		38,596	1,500	31,871	10,874	-	14,860	97,701
	₩	<u>9,780,223</u>	<u>5,960,365</u>	<u>1,760,907</u>	<u>85,997</u>	<u>714,381</u>	<u>19,495</u>	<u>18,321,368</u>
<b>Timing of revenue recognition</b>								
Revenue recognized at a point in time	₩	9,549,761	5,362,662	118,190	11,836	706,106	14,860	15,763,415
Revenue recognized over time		230,462	597,703	1,642,717	74,161	8,275	4,635	2,557,953
	₩	<u>9,780,223</u>	<u>5,960,365</u>	<u>1,760,907</u>	<u>85,997</u>	<u>714,381</u>	<u>19,495</u>	<u>18,321,368</u>

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

(in millions of Won)

		Infrastructure				Secondary battery materials	Others	Total
		Steel	Trading	Construction	Logistics and others			
<b>Types of revenue</b>								
Revenue from sales of goods	₩	9,627,210	5,186,527	-	2,088	1,074,456	-	15,890,281
Revenue from services		194,227	714,770	31,546	82,846	880	3,484	1,027,753
Revenue from construction contract		-	-	1,963,620	-	6,827	-	1,970,447
Others		43,864	1,160	4,165	11,289	-	11,872	72,350
	₩	<u>9,865,301</u>	<u>5,902,457</u>	<u>1,999,331</u>	<u>96,223</u>	<u>1,082,163</u>	<u>15,356</u>	<u>18,960,831</u>
<b>Timing of revenue recognition</b>								
Revenue recognized at a point in time	₩	9,671,074	5,187,687	6,800	13,150	1,074,456	11,873	15,965,040
Revenue recognized over time		194,227	714,770	1,992,531	83,073	7,707	3,483	2,995,791
	₩	<u>9,865,301</u>	<u>5,902,457</u>	<u>1,999,331</u>	<u>96,223</u>	<u>1,082,163</u>	<u>15,356</u>	<u>18,960,831</u>

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

(in millions of Won)

		<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Receivables</b>			
Account receivables	₩	9,238,250	9,155,853
<b>Contract assets</b>			
Due from customers for contract work		1,669,196	1,901,966
<b>Contract liabilities</b>			
Advance received		377,848	309,441
Due to customers for contract work		477,116	624,632
Unearned revenue		88,994	77,908

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**26. Contract under Input Method**

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

(in millions of Won)

	September 30, 2024		December 31, 2023	
	Construction segment	Others	Construction segment	Others
Accumulated cost	₩ 25,985,671	295,632	28,663,723	272,321
Accumulated contract profit	1,843,270	37,433	2,499,061	36,954
Accumulated contract loss	(702,433)	(11,613)	(688,962)	(8,916)
Accumulated contract revenue	27,126,508	321,452	30,473,822	300,359

(b) Details of due from customers for contract work and due to customers for contract work as of September 30, 2024 and December 31, 2023 are as follows:

(in millions of Won)

	September 30, 2024		December 31, 2023	
	Construction segment	Others	Construction segment	Others
Due from customers for contract	₩ 1,649,243	33,581	1,873,681	42,557
Due to customers for contract work	(470,178)	(6,938)	(608,339)	(16,293)
	₩ 1,179,065	26,643	1,265,342	26,264

(c) Details of the provisions for construction loss as of September 30, 2024 and December 31, 2023 are as follows:

(in millions of Won)

	September 30, 2024	December 31, 2023
Construction segment	₩ 54,772	48,825
Others	819	1,749
	₩ 55,591	50,574

(d) For the nine-month period ended September 30, 2024, the total contract revenues and the estimated total contract costs have changed and the impact of such changes on profit before income tax for the current and future periods are as follows:

(in millions of Won)

	Changes in total contract revenues	Changes in estimated total contract costs	Changes in profit (loss) of contract		
			Net income	Future income	Total
Construction segment	₩ 854,955	1,071,165	(255,039)	38,829	(216,210)
Others	8,903	4,400	3,569	934	4,503
	₩ 863,858	1,075,565	(251,470)	39,763	(211,707)

The above details of impact on profit for the current and future periods are calculated based on the total contract costs estimated considering the events that occurred for the period from the commencement date of the contract to September 30, 2024 and the estimated total contract revenue as of September 30, 2024. The estimated total contract costs and revenue are subject to change in future periods.

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**26. Contract under Input Method (cont'd)**

(e) Uncertainty of estimates

1) Total contract revenues

Total contract revenues are measured based on contractual amount initially agreed. However, the contract revenues can increase due to additional contract work, claims and incentive payments, or decrease due to penalty when the completion of contract is delayed due to the Group's fault. Therefore, this measurement of contract revenues is affected by the uncertainty of the occurrence of future events.

2) Total contract costs

Contract revenues are recognized based on the percentage of completion, which is measured on the basis of the gross cost amount incurred to date. Total contract costs are estimated based on estimates of future material costs, labor costs, outsourcing costs and others. There is uncertainty in estimates on future contract costs due to various internal and external factors such as fluctuation of market, the risk of business partner and the experience of project performance and others. The significant assumptions including uncertainty of the estimate of total contract costs are as follows:

	<b>Method of significant assumption</b>
Material cost	Assumption based on recent purchasing price and quoted market price
Labor cost	Assumption based on standard monthly and daily labor cost
Outsourcing cost	Assumption based on the past experience rate of similar project and market price

Management reviews the assumptions used in estimated contract costs at each reporting period end and adjusts them, if necessary.



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**27. Selling and Administrative Expenses**

(a) Other administrative expenses

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

(in millions of Won)	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
	₩			
Wages and salaries	297,320	288,681	873,799	837,310
Expenses related to post-employment benefits	24,759	19,410	71,209	67,333
Other employee benefits	77,473	65,096	226,982	194,549
Travel	11,890	11,915	34,320	32,797
Depreciation	43,174	41,615	127,215	117,541
Amortization	28,291	23,898	84,913	69,875
Communication	3,902	2,621	10,211	7,983
Electricity	3,723	3,632	10,679	9,439
Taxes and public dues	14,239	23,034	63,070	77,402
Rental	10,871	12,421	32,929	39,035
Repairs	4,608	4,069	12,526	11,318
Entertainment	3,106	3,764	9,851	11,088
Advertising	24,195	26,011	69,509	71,384
Research & development	52,253	44,999	156,263	120,936
Service fees	48,226	63,609	174,380	159,180
Vehicles maintenance	2,064	1,720	6,035	5,716
Industry association fee	2,217	2,115	8,603	9,856
Conference	5,497	5,014	15,893	14,762
Others	25,579	17,894	56,744	49,409
Bad debt expenses	34,549	(1,013)	56,452	10,087
₩	<u>717,936</u>	<u>660,505</u>	<u>2,101,583</u>	<u>1,917,000</u>

(b) Selling expenses

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

(in millions of Won)	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
	₩			
Freight and custody expenses	7,281	17,448	21,183	42,657
Operating expenses for distribution center	765	891	1,384	3,959
Sales commissions	17,222	8,159	58,979	48,879
Sales advertising	1,351	1,535	1,790	2,678
Sales promotion	2,329	2,305	7,536	6,781
Sample	744	760	1,869	1,754
Sales insurance premium	8,300	8,015	23,983	24,373
Contract cost	4,373	15,037	26,447	34,040
Others	3,039	179	7,394	9,060
₩	<u>45,404</u>	<u>54,329</u>	<u>150,565</u>	<u>174,181</u>

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**28. Finance Income and Costs**

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

<i>(in millions of Won)</i>	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
<b>Finance income</b>				
Interest income	₩ 144,378	126,731	446,113	352,767
Dividend income	49,416	16,773	72,630	46,213
Gain on foreign currency transactions	332,979	354,184	965,803	1,268,870
Gain on foreign currency translations	321,449	(152,643)	786,405	341,904
Gain on derivatives transactions	117,868	118,873	261,701	257,568
Gain on valuations of derivatives	(262,408)	91,311	252,873	406,524
Gain on disposal of financial assets at fair value through profit or loss	33,886	30,249	108,613	173,368
Gain on valuation of financial assets at fair value through profit or loss	27,748	(10,960)	154,385	379,237
Gain on valuation of financial liabilities at fair value through profit or loss	2,713	-	236,931	-
Others	3,364	4,030	8,262	12,706
	₩ <u>771,393</u>	<u>578,348</u>	<u>3,293,716</u>	<u>3,239,157</u>
<b>Finance costs</b>				
Interest expenses	₩ 268,101	252,638	787,113	753,583
Loss on foreign currency transactions	375,354	367,003	929,150	1,194,669
Loss on foreign currency translations	(17,473)	(24,285)	1,007,861	891,650
Loss on derivatives transactions	92,673	77,300	234,613	257,400
Loss on valuation of derivatives	(2,558)	8,193	61,055	65,646
Loss on disposal of trade accounts and notes receivable	19,429	14,796	57,778	56,032
Loss on disposal of financial assets at fair value through profit or loss	741	2,765	16,238	12,200
Loss on valuation of financial assets at fair value through profit or loss	17,317	(27,073)	44,455	14,964
Loss on valuation of financial liabilities at fair value through profit or loss	-	309,681	-	429,985
Others	14,362	12,374	41,055	28,740
	₩ <u>767,946</u>	<u>993,392</u>	<u>3,179,318</u>	<u>3,704,869</u>

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**29. Other Non-Operating Income and Expenses**

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

(in millions of Won)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
<b>Other non-operating income</b>				
Recovery of other bad debt expenses	₩ 3,184	2,529	6,875	3,084
Gain on disposals of investments				
in subsidiaries, associates and joint ventures(*1)	2,494	11,718	9,590	196,562
Gain on disposals of tangible assets	2,029	248	14,079	5,747
Gain on valuation of firm commitment	10,586	4,300	41,909	9,862
Reversal of other provisions	5,803	249	8,043	10,007
Premium income	175	1,612	782	10,542
Gain on bargain purchase(*1)	-	-	-	32,965
Gain on disposals of emission rights	(13,341)	1,796	2	25,855
Others	43,967	13,634	100,313	54,413
	₩ 54,897	36,086	181,593	349,037
<b>Other non-operating expenses</b>				
Other bad debt expenses	₩ 8,861	8,991	20,460	20,141
Loss on disposals of assets held for sale(*2)	18	896	34,830	103,366
Loss on disposals of investments				
in subsidiaries, associates and joint ventures	(55)	4,375	42,539	8,776
Loss on disposals of property, plant and equipment	19,951	22,438	56,291	90,104
Impairment loss on property, plant and equipment	116,278	9,212	179,400	152,469
Impairment loss on intangible assets	351	20	362	4,792
Loss on valuation of firm commitment	9,222	13,951	28,366	36,221
Idle tangible asset expenses	(422)	3,600	1,919	15,883
Increase to provisions	6,646	711	13,839	7,256
Donations	6,353	11,850	41,424	44,482
Others	11,205	11,314	53,791	47,644
	₩ 178,408	87,358	473,221	531,134

(\*1) During the nine-month period ended September 30, 2023, investments in QSONE Co.,Ltd., which had been previously classified as investments in associates, were reclassified as investments in subsidiaries. As a result, the Group recognized ₩184,556 million of gain on disposals of investment in associates and ₩32,965 million of gain on bargain purchase.

(\*2) During the nine-month period ended September 30, 2023, the Group disposed of CSP - Compania Siderurgica do Pecem, which was classified as assets held for sale, and recognized ₩102,470 million of loss on disposals of assets held for sale.

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**30. Expenses by Nature**

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

(in millions of Won)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
	Raw material used, changes in inventories and others	₩ 11,559,948	11,411,955	32,047,240
Employee benefits expenses	1,223,901	1,191,894	3,640,771	3,329,080
Outsourced processing cost	2,463,406	2,491,243	7,785,600	7,476,099
Electricity and water expenses	277,401	250,569	860,611	815,238
Depreciation(* 1)	941,483	856,916	2,629,545	2,502,740
Amortization	115,833	126,561	352,394	369,038
Freight and custody expenses	637,633	558,360	1,881,609	1,643,893
Sales commissions	17,222	8,159	58,979	48,879
Loss on disposal of property, plant and equipment	19,951	22,438	56,291	90,104
Impairment loss on property, plant and equipment	116,278	9,212	179,400	152,469
Impairment loss on intangible assets	351	20	362	4,792
Donations	6,353	11,850	41,424	44,482
Other expenses	376,848	912,797	3,743,804	2,464,593
₩	<u>17,756,608</u>	<u>17,851,974</u>	<u>53,278,030</u>	<u>55,767,067</u>

(\*1) Includes depreciation of investment property.

**31. Income Taxes**

The effective tax rates of the Group for each of the nine-month periods ended September 30, 2024 and 2023 are 22.98% and 24.30%, respectively.

In 2023, the Pillar Two legislation has been enacted in the Republic of Korea, where the controlling company of the Group is domiciled, and will be effective for the fiscal years starting on or after January 1, 2024. Accordingly, the Group calculated the Pillar Two income tax expense for the nine-month period ended September 30, 2024 as the Group 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 Group's assessment on the Pillar Two income taxes, the Group did not recognize any income tax expense for the nine-month period ended September 30, 2024 as the impact of the global minimum top-up tax on the interim condensed consolidated financial statements as of September 30, 2024 would not be significant. Furthermore, the Group 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 Group 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.

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**32. Earnings per Share**

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

		For the three-month periods ended September 30		For the nine-month periods ended September 30	
		2024	2023	2024	2023
		<i>(in Won, except per share information)</i>			
Profit attributable to controlling interest	₩	452,654,013,695	488,201,057,965	1,523,302,524,204	1,904,353,303,522
Weighted-average number of common shares outstanding(* 1)		75,699,376	75,876,207	75,816,833	75,867,296
Basic earnings per share	₩	5,980	6,434	20,092	25,101

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

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
	<i>(shares)</i>			
Total number of common shares issued	83,297,040	84,571,230	84,143,400	84,571,230
Weighted-average number of treasury shares	(7,597,664)	(8,695,023)	(8,326,567)	(8,703,934)
Weighted-average number of common shares outstanding	75,699,376	75,876,207	75,816,833	75,867,296

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

		For the three-month period ended September 30, 2024	For the nine-month period ended September 30, 2024
		<i>(in Won, except share information)</i>	
Profit for the period	₩	452,654,013,695	1,523,302,524,204
Gain or loss from revaluation of and exchange rate on exchangeable bonds		(8,425,258,347)	(138,904,137,256)
Adjusted weighted-average number of common shares outstanding(* 1)		78,013,947	78,757,791
Diluted earnings(loss) per share		5,694	17,578

(\*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 September 30, 2024	For the nine-month period ended September 30, 2024
	<i>(shares)</i>	
Weighted-average number of common shares outstanding	75,699,376	75,816,833
Weighted-average number of potential common shares	2,314,571	2,940,958
Adjusted weighted-average number of common shares	78,013,947	78,757,791

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**33. Related Party Transactions**

(a) Related parties of the Group as of September 30, 2024 are as follows:

Type	Company
Investments in associates and joint ventures	[Domestic] POSCO MC MATERIALS, Samcheok Blue Power Co.,Ltd., SNNC and others.
	[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.

(b) Significant transactions between the Group and its related parties for each of the nine-month periods ended September 30, 2024 and 2023 are as follows:

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

(in millions of Won)

	Sales and others(* 1)			Purchase and others	
	Sales	Dividends	Others	Purchase of material	Others
<b>Associates and joint ventures(* 1)</b>					
New Songdo International City Development, LLC	₩ 163,004	-	1,427	-	136
SNNC	84,760	-	12	273,107	1,342
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	37,595	-	-	782	-
Gunggi Green Energy	24,803	-	-	-	5,238
POS-SeAH Steel Wire(Tianjin) CO., Ltd.	10,106	-	-	-	-
POS SeAH Steel Wire(Nantong) Co., Ltd.	38,199	-	-	241	-
South-East Asia Gas Pipeline Company Ltd.	-	41,843	-	-	-
POSCO MC MATERIALS	99,021	1,800	-	5,324	303
Samcheok Blue Power Co., Ltd.	234,445	8,208	687	-	-
Pocheon-Hwado Highway Corp.	56,516	-	-	-	1
POSCO(Guangdong) Automotive Steel Co., Ltd	209,708	-	-	237,225	-
HBIS-POSCO Automotive Steel Co., Ltd	32,117	-	-	16,714	-
Roy Hill Holdings Pty Ltd	249	253,262	9,680	1,362,711	-
Others	83,752	105,101	3,957	145,873	242,498
	<b>₩ 1,074,275</b>	<b>410,214</b>	<b>15,763</b>	<b>2,041,977</b>	<b>249,518</b>

(\*1) As of September 30, 2024, the Group provides payment guarantees to related parties (see Note 34).

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**33. Related Party Transactions (cont'd)**

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

(in millions of Won)

	Sales and others(* 1)			Purchase and others	
	Sales	Dividends	Others	Purchase of material	Others
<b>Associates and joint ventures(* 1)</b>					
New Songdo International City Development, LLC	₩ 148,716	-	1,484	-	267
SNNC	121,654	-	87	453,382	1,317
Noeul Green Energy	6,499	-	12	-	1,315
POS-SeAH Steel Wire(Tianjin) CO., Ltd.	11,514	-	-	-	-
POS SeAH Steel Wire(Nantong) Co., Ltd.	31,586	-	-	74	-
South-East Asia Gas Pipeline Company Ltd.	-	40,971	-	-	-
POSCO MC MATERIALS	76,283	-	46	5,059	1,564
Samcheok Blue Power Co., Ltd.	410,672	7,494	-	-	-
Pocheon-Hwado Highway Corp.	93,754	-	-	-	-
Roy Hill Holdings Pty Ltd	-	257,174	-	1,261,855	-
Others	338,231	149,580	14,053	426,554	79,748
	₩ 1,238,909	455,219	15,682	2,146,924	84,211

(\* 1) As of September 30, 2023, the Group provides payment guarantees to related parties (see Note 34).

(c) The balances of receivables and payables arising from significant transactions between the Group and its related parties as of September 30, 2024 and December 31, 2023 are as follows:

1) September 30, 2024

(in millions of Won)

	Receivables(* 1)				Payables		
	Trade accounts and notes receivable	Loans	Others	Total	Trade accounts and notes payable	Others	Total
<b>Associates and joint ventures</b>							
New Songdo International City Development, LLC	₩ 38,624	-	1,674	40,298	-	29,876	29,876
Gunggi Green Energy	6,180	-	10,706	16,886	-	498	498
POSCO(Guangdong) Automotive Steel Co., Ltd	48,629	4,541	-	53,170	41,786	-	41,786
AMCI(WA)PTYLTD	-	140,976	-	140,976	-	-	-
HBIS-POSCO Automotive Steel Co., Ltd	19,446	-	-	19,446	1,664	4,615	6,279
POS-SeAH Steel Wire(Tianjin) CO., Ltd.	3,897	-	-	3,897	-	-	-
Samcheok Blue Power Co., Ltd.	173,141	-	136	173,277	-	76,917	76,917
Nickel Mining Company SAS	-	66,333	377	66,710	-	358	358
POS-SeAH Steel Wire(Nantong) Co., Ltd.	15,028	-	-	15,028	-	-	-
POSCO MC MATERIALS	15,289	-	77	15,366	762	282	1,044
Pocheon-Hwado Highway Corp.	11,161	-	-	11,161	-	3,175	3,175
UITrans LRT Co., Ltd.	1,139	51,051	8,873	61,063	-	2,554	2,554
Roy Hill Holdings Pty Ltd	27,521	-	8,538	36,059	204,841	-	204,841
SNNC	8,559	-	57	8,616	14,069	1,014	15,083
FQM Australia Holdings Pty Ltd	-	265,572	-	265,572	-	-	-
Others	17,775	15,918	125,294	158,987	4,635	9,490	14,125
	₩ 386,389	544,391	155,732	1,086,512	267,757	128,779	396,536

(\* 1) As of September 30, 2024, the Group recognizes an allowance for doubtful account for receivables above amounting to ₩419,390 million.

**POSCO HOLDINGS INC. and its subsidiaries**  
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**33. Related Party Transactions (cont'd)**

2) December 31, 2023

(in millions of Won)

	Receivables(*1)				Payables		
	Trade accounts and notes receivable			Total	Trade accounts and notes payable		Total
	notes receivable	Loans	Others		notes payable	Others	
<b>Associates and joint ventures</b>							
New Songdo International City Development, LLC ₩	15,260	-	1,497	16,757	-	39,089	39,089
Gunggi Green Energy	10,714	-	8,450	19,164	-	149	149
POSCO(Guangdong) Automotive Steel Co., Ltd	59,910	-	3	59,913	52,961	-	52,961
AMCI(WA)PTYLTD	-	110,540	-	110,540	-	-	-
HBISPOSCOAutomotiveSteelCo.,Ltd	21,912	-	103	22,015	1,805	8,837	10,642
POS-SeAH Steel Wire(Tianjin) CO., Ltd.	4,086	-	-	4,086	-	-	-
Samcheok Blue Power Co., Ltd.	162,759	-	213	162,972	-	9,605	9,605
Nickel Mining Company SAS	-	64,197	582	64,779	-	358	358
POS-SeAH Steel Wire(Nantong) Co., Ltd.	14,162	-	-	14,162	-	-	-
POSCO MC MATERIALS	13,835	-	82	13,917	1,156	-	1,156
Pocheon-Hwado Highway Corp.	33,944	-	-	33,944	-	7,712	7,712
UITrans LRT Co., Ltd.	-	46,335	8,395	54,730	-	2,398	2,398
Roy Hill Holdings Pty Ltd	88,217	-	22,002	110,219	263,440	-	263,440
SNNC	15,072	-	60	15,132	25,352	1,731	27,083
FQM Australia Holdings Pty Ltd	-	256,938	1,394	258,332	-	-	-
Others	17,499	16,589	124,849	158,937	4,837	5,599	10,436
₩	457,370	494,599	167,630	1,119,599	349,551	75,478	425,029

(\*1) As of December 31, 2023, the Group recognizes an allowance for doubtful account for receivables above amounting to ₩404,872 million.

(d) Major financial transactions between the Group and its related parties for the nine-month period ended September 30, 2024 and the year ended December 31, 2023 are as follows:

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

(in millions of Won)

	Beginning	Lend	Collect	Others(*1)	Ending
<b>Associates and joint ventures</b>					
UITrans LRT Co., Ltd.	₩ 46,335	4,718	-	(2)	51,051
PT. Tanggamus Electric Power	4,826	-	(966)	345	4,205
Nickel Mining Company SAS	64,197	-	-	2,136	66,333
KRAKATAU POS-CHEM DONG-SUH CHEMICAL	2,579	-	(1,379)	120	1,320
Hyo-chun Co., Ltd.	2,382	-	-	-	2,382
AMCI (WA) PTY LTD	112,177	4,905	-	23,894	140,976
POS-AUSTEM WUHAN AUTOMOTIVE CO.,LTD	5,158	-	-	127	5,285
FQM Australia Holdings Pty Ltd	256,938	1,531	-	7,103	265,572
POHANG E&E Co., LTD	1,646	1,082	-	-	2,728
POSCO(Guangdong) Automotive Steel Co., Ltd.	14,332	47,610	(57,859)	458	4,541
₩	510,570	59,846	(60,204)	34,181	544,393

(\*1) Includes adjustments of foreign currency translation differences and others.



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**33. Related Party Transactions (cont'd)**

2) For the year ended December 31, 2023

<i>(in millions of Won)</i>	<u>Beginning</u>	<u>Lend</u>	<u>Collect</u>	<u>Others(*1)</u>	<u>Ending</u>
<b>Associates and joint ventures</b>					
UITrans LRT Co., Ltd.	₩ 36,510	9,825	-	-	46,335
PT. Tanggamus Electric Power	5,014	-	(270)	82	4,826
PT. Wampu Electric Power	3,988	-	(4,063)	75	-
Nickel Mining Company SAS	63,024	-	(2,322)	3,495	64,197
KRAKATAU POS-CHEM DONG-SUH CHEMICAL	3,802	-	(1,323)	100	2,579
POS-SeAH Steel Wire (Thailand) Co., Ltd.	7,604	-	(7,828)	224	-
AMCI (WA) PTY LTD	104,281	6,620	-	1,276	112,177
POS-AUSTEM WUHAN AUTOMOTIVE CO.,LTD	10,138	-	(5,321)	341	5,158
Hyo-chun Co., Ltd.	2,382	-	-	-	2,382
POS-AUSTEM Suzhou Automotive Co., Ltd	12,673	-	(13,219)	546	-
FQM Australia Holdings Pty Ltd	247,868	2,637	-	6,433	256,938
POHANG E&E Co., LTD	100	1,546	-	-	1,646
POSCO(Guangdong) Automotive Steel Co., Ltd.	35,131	-	(35,131)	-	-
	<u>₩ 532,515</u>	<u>20,628</u>	<u>(69,477)</u>	<u>12,572</u>	<u>496,238</u>

(\*1) Includes adjusted foreign currency translation differences and others.

(e) For each of the nine-month periods ended September 30, 2024 and 2023, there were additional investments in associates and joint ventures. (See Note 9 "Investments in Associates and Joint Ventures").

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

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Short-term benefits	₩ 123,032	147,078
Long-term benefits	7,754	6,903
Retirement benefits	19,865	23,183
	<u>₩ 150,651</u>	<u>177,164</u>

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

### **34. 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 consolidated 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).

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.

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 a provision, management considers whether the Group 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 the obligation.

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**34. Commitments and Contingencies (cont'd)**

(b) Details of guarantees

1) Contingent liabilities on outstanding guarantees provided by the Group as of September 30, 2024 are as follows:

(in millions of Won)	Guarantor	Guarantee beneficiary	Financial institution	Guarantee limit		Guarantee amount	
				Foreign currency	Won equivalent	Foreign currency	Won equivalent
	[The Company]						
	POSCO HOLDINGS INC.	POSCO Asia Co., Ltd.	Credit Agricole and others	USD	200,000,000	283,920	-
		POSCO Argentina S.A.U	HSBC and others	USD	4,864,400,000	6,155,142	600,844,618
	POSCO	POSCO MEXICO S.A. DE C.V.	Citibank and others	USD	40,000,000	52,784	40,000,000
		POSCO-VIETNAM Co., Ltd.	Shinhan Bank and others	USD	110,000,000	145,156	49,999,999
		POSCO COATED STEEL (THAILAND) CO., LTD.	HSBC and others	THB	4,800,000,000	195,600	2,736,000,000
		POSCO ASSAN TST STEEL INDUSTRY Inc	Citibank and others	USD	122,850,000	162,113	122,850,000
	POSCO INTERNATIONAL Corporation	POSCO INTERNATIONAL GLOBAL DEVELOPMENT PTE. LTD.	POSCO Asia Co., Ltd.	USD	180,000,000	237,528	150,000,000
		GOLDEN LACE POSCO INTERNATIONAL CO., LTD.	POSCO Asia Co., Ltd.	USD	13,200,000	17,419	11,000,000
		PT. Bio Inti Agrindo	BTPN and others	IDR	974,400,000,000	84,968	902,400,000,000
		POSCO ASSAN TST STEEL INDUSTRY Inc	Woori Bank Hong Kong and others	USD	13,650,000	18,013	13,650,000
		POSCO INTERNATIONAL Deutschland GmbH	Bank Mendes Gans Amsterdam				20,107,014
		POSCO INTERNATIONAL JAPAN Corp.				7,005,990	9,245
		POSCO INTERNATIONAL AMERICA CORP.				-	-
		POSCO INTERNATIONAL SINGAPORE PTE., LTD.				-	-
		POSCO INTERNATIONAL MALAYSIA SDN. BHD.				-	-
		POSCO INTERNATIONAL Italia S.R.L.				-	-
		POSCO INTERNATIONAL MEXICO S.A. de C.V.				-	-
		POSCO INTERNATIONAL AUSTRALIA HOLDINGS PTY				-	-
		POSCO International MEXICO E-MOBILITY S.A de C.V				-	-
		POSCO International POLAND E-MOBILITY Sp.z o.o.				-	-
		POSCO INTERNATIONAL E&P MALAYSIA SDN. BHD.	SC MALAYSIA	USD	50,000,000	65,980	-
		PT. KRAKATAU POSCO ENERGY	POSCO Asia Co., Ltd. and others	USD	5,000,000	6,598	5,000,000
		Posco International Mexico e-Mobility S.A DE C.V.	Export-Import Bank of Korea and others	USD	102,903,407	135,791	47,251,419
		PT POSCO INTERNATIONAL ENP INDONESIA	PT Bank Negara Indonesia	USD	31,054,800	40,980	30,379,000
	POSCO Eco & Challenge Co., Ltd.	POSCO E&C Vietnam Co., Ltd.	POSCO Asia Co., Ltd.	USD	750,000	990	750,000
	POSCO STEELEON CO., LTD.	Myanmar POSCO C&C Company, Limited.	POSCO Asia Co., Ltd.	USD	15,000,000	19,794	15,000,000
	POSCO FUTURE M CO., LTD.	ULTIUM CAM LIMITED PARTNERSHIP	Investissement Quebec	USD	13,989,947	18,457	9,952,170
			Strategic Innovation Fund	CAD	299,562,500	292,547	129,260,280
	POSCO WIDE Co., Ltd	POSCO	Seoul Guarantee Insurance	KRW	30	30	30
		POSCO FUTURE M CO., LTD.		KRW	68	68	68
	[Associates and joint ventures]						
	POSCO HOLDINGS INC.	Nickel Mining Company SAS	SMBC	EUR	46,000,000	67,807	46,000,000
	POSCO	POKUK Titanium	Shinhan Bank	USD	12,750,000	16,825	12,750,000
	POSCO INTERNATIONAL Corporation	GLOBAL KOMSCO Daewoo LLC	Hana Bank Bahrain	USD	6,650,000	8,775	6,650,000
	POSCO Eco & Challenge Co., Ltd.(**)	Chun-cheon Energy Co., Ltd	Kookmin Bank and others	KRW	149,200	149,200	126,360
	[Others]						
	POSCO Eco & Challenge Co., Ltd.(*)	Subcontractors for maintenance projects, etc.	Kookmin Bank and others	KRW	1,238,283	1,238,283	560,987
	POSCO WIDE Co., Ltd.	Korea Electric Power Corporation and others	Seoul Guarantee Insurance	KRW	8,157	8,157	8,157
	POSCO AUSTRALIA PTY LTD	Department of Trade and Investment (NSW Government) and others	Woori Bank and others				
	PT. Bio Inti Agrindo	KSU Mandob Sejatera	Bank Muamalat	AUD	18,422,062	16,809	18,422,062
	POSCO-TCS	AMATA NATURAL GAS DISTRIBUTIONCOMPANY LIMITED and others	SC Bank	IDR	80,000,000,000	6,976	30,933,333,333
		BUREAU OF INDIAN STANDARDS (BIS)	SC Bank	THB	54,569,000	2,224	54,569,000
		Gaill India and others	HSBC and others	USD	20,000	26	20,000
				INR	833,764,043	13,140	833,764,043
				USD	5,582,215,154	7,366,291	1,143,210,210
				KRW	1,395,738	1,395,738	695,482
				IDR	1,054,400,000,000	91,944	933,333,333,333
				INR	833,764,043	13,140	833,764,043
				THB	4,854,569,000	197,624	2,790,569,000
				EUR	46,000,000	67,807	46,000,000
				AUD	18,422,062	16,809	18,422,062
				CAD	299,562,500	292,547	129,260,280

(\*1) The above contingencies include PF contracts, which provide credit enhancement through payment guarantee in relation to the SOC projects as of September 30, 2024.

(\*2) The above contingencies include PF contracts, which guarantee the subcontractors' intermediate payment loans in relation to the maintenance projects and others as of September 30, 2024.

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**34. Commitments and Contingencies (cont'd)**

2) Details of credit enhancements by type of the Group's PF business as of September 30, 2024 are as follows:

① Maintenance projects and others

a. The information about maturity of the loans related to PF credit enhancements such as debt acceptance and fund supplementation is as follow:

(in millions of Won)

Provider	Projects(*1)	Borrower	Type	Credit enhancement measures	Agreed amount	Executed amount	Balance of the loans						
							Total	Within 3 months	3-6 months	6 months -1 year	1 year -2 years	2 years -3 years	After 3 years
<b>[The Company]</b>													
POSCO Eco & Challenge Co., Ltd.	Other projects	JB CLARK HILLS CORP	Main PF	Debt assumption	₩ 43,547	36,289	36,289	-	-	36,289	-	-	-
<b>[Associates and joint ventures]</b>													
POSCO Eco & Challenge Co., Ltd.	Other projects	New Songdo International City Development, LLC	Mortgage loan	Debt assumption	538,200	303,400	303,400	15,800	-	-	-	287,600	-
<b>[Others]</b>													
POSCO Eco & Challenge Co., Ltd.	Maintenance projects	Bangjae Shindonga Apartment Reconstruction and Maintenance Project Association, etc.	Main PF	Debt assumption	1,013,386	455,915	455,915	81,095	43,498	158,045	-	99,317	73,960
	Other projects	Civic Center PFV	Bridge loan	Debt assumption	45,000	45,000	45,000	-	45,000	-	-	-	-
	Other projects	Dion 1 & P	Main PF	Joint guarantee	36,000	8,400	8,400	-	-	-	8,400	-	-
	Other projects	Ecoily	Main PF	Debt assumption	53,300	22,800	22,800	-	-	-	22,800	-	-
POSCO DX	Other projects	Jeonmang school keeper co. and others	Main PF	Supplemental funding agreement	1,122,320	123,309	418,051	-	-	-	-	-	418,051
					2,270,006	655,424	950,166	81,095	88,498	158,045	31,200	99,317	492,011
					₩ 2,851,753	995,113	1,289,855	96,895	88,498	194,334	31,200	386,917	492,011

(\*1) The maintenance project mainly consists of reconstruction and condominium construction projects, and other projects consist of construction of office buildings, retail shops, warehouses and educational facilities.

b. Details of conditional debt acceptance and principal and interest repayment commitments in the event of non-compliance with completion guarantee covenant as of September 30, 2024 are as follows:

(in millions of Won)

Maintenance projects		Number of constructions		Contract amount	Contingency amount(*1)(*2)	Balance of loans
	All	23	₩	10,835,456	4,038,729	2,055,660
	Between the Group	23		6,914,233	2,635,525	1,184,274

(\*1) The overlapping amount with other credit enhancement measures such as the agreed debt acceptance upon loan origination amounts to ₩80,198 million for the maintenance projects.

(\*2) In the case of joint subcontracting projects, the total joint guarantee amount of the project participants has been disclosed. However, the final execution amount of guarantee for construction completion may vary depending on factors such as the reasons attributable to the project participants upon actual execution of guarantee for the responsibility completion.

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**34. Commitments and Contingencies (cont'd)**

c. Details of contingencies of claim for damages in the event of non-compliance with construction completion covenant as of September 30, 2024 are as follows:

<i>(in millions of Won)</i>		<u>Number of constructions</u>	<u>Contract amount</u>	<u>Contingency amount(*1)(*2)</u>	<u>Balance of loans</u>
Maintenance projects	All	1	₩ 305,519	76,000	20,000
	Between the Group	1	305,519	76,000	20,000
Other projects	All	36	10,983,042	8,493,300	6,374,327
	Between the Group	36	10,050,911	7,935,970	5,914,597
	All	37	11,288,561	8,569,300	6,394,327
	Between the Group	37	₩ 10,356,430	8,011,970	5,934,597

(\*1) The overlapping amount with other credit enhancement measures such as the agreed debt assumption upon loan origination amounts to ₩8,400 million for the maintenance projects.

(\*2) In the case of joint subcontracting projects, the total joint guarantee amount of the project participants has been disclosed. However, the final execution amount of guarantee for construction completion may vary depending on factors such as the reasons attributable to the project participants upon actual execution of guarantee for the responsibility completion.

② SOC projects

<i>(in millions of Won)</i>		<u>Credit enhancement measures</u>	<u>Number of constructions</u>	<u>Approved amount</u>	<u>Remaining balance after repayment</u>
<b>[Associates and joint ventures]</b>					
POSCO DX	UITrans LRT Co., Ltd(*1)	Providing funds and debt assumption	2	₩ 81,883	31,220
	Pocheon-Hwado Highway Corp.(*2)	Providing funds	1	24,923	22,323
POSCO Eco & Challenge Co., Ltd.	UITrans LRT Co., Ltd(*1)	Providing funds and debt assumption	2	205,051	157,807
	Pocheon-Hwado Highway Corp.(*2)	Providing funds	1	319,526	286,182
	POHANG E&E Co., LTD(*3)	Providing funds and supplemental funding agreement	2	71,930	47,664
	Pureun Tongyeong Enviro Co., Ltd.(*3)	Providing funds	1	22,714	11,195
	Pure Gimpo Co., Ltd(*3)	Providing funds	1	51,565	23,715
	Clean Iksan Co., Ltd(*3)	Providing funds	1	44,054	22,625
			11	821,646	602,731
<b>[Others]</b>					
POSCO DX	Western Inland highway CO.,LTD.	Providing funds	1	47,348	25,862
	Busan Sanseong Tunnel	Refinancing	1	7,621	13,504
POSCO Eco & Challenge Co., Ltd.	Western Seoul highway CO.,LTD. and others	Supplemental funding agreement	11	62,720	29,391
	Western Inland highway CO.,LTD. and others	Providing funds	42	2,752,922	1,364,594
	Pohang Youngil Bay New Port	Debt assumption	1	2,250	1,440
	Busan Sanseong Tunnel	Refinancing	1	35,296	26,750
			57	2,908,157	1,461,541
		68	₩ 3,729,803	2,064,272	

(\*1) The Group provides a funding commitment of ₩79,625 million (including other shares: ₩279,900 million) equivalent to the Group's share of the loan balance for the private investment project.

(\*2) The Group provides a funding commitment of ₩308,505 million (including other shares: ₩558,077 million) equivalent to the Group's share of the loan balance for the private investment project.

(\*3) The Group provides a funding commitment of ₩101,426 million (including other shares: ₩184,377 million) equivalent to the Group's share of the loan balance for the private investment project.

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**34. Commitments and Contingencies (cont'd)**

3) Other guarantees

- ① As of September 30, 2024, the payment guarantees that the Group provides to clients, such as contract performance guarantees, installment guarantees, and defect guarantees, by subscribing to insurance policies with guarantee insurance companies or issuing guarantee certificates are as follows:

(in millions of Won)

Provider of credit enhancement	Recipient of credit enhancement	Types of guarantees	Agreed amount	Executed amount	Guarantor
<b>[Subsidiaries]</b>					
POSCO Eco & Challenge Co., Ltd.	Ventanas Philippines Construction Inc	Guarantee on performance for contracts and others	₩ 10,301	10,301	TRADE INSURANCE CORPORATION and others
POSCO WIDE Co., Ltd	POSCO Eco & Challenge Co., Ltd.	Guarantee on performance and others	255	255	Seoul Guarantee Insurance
	POSCO DX	Guarantee on performance	6	6	Seoul Guarantee Insurance
	POSCO STEELEON CO.,LTD.	Guarantee on performance	45	45	Seoul Guarantee Insurance
	POSCO INTERNATIONAL Corporation	Guarantee on performance	134	134	Seoul Guarantee Insurance
			<u>10,741</u>	<u>10,741</u>	
<b>[Associates and joint ventures]</b>					
POSCO Eco & Challenge Co., Ltd.	PT.Tanggamus Electric Power	Letter of credit	2,691	2,691	Hana Bank
	PT. Wampu Electric Power	Letter of credit	2,375	2,375	Hana Bank
	Pocheon-Hwado Highway Corp.	Guarantee on performance for projects	23,315	23,315	Construction Guarantee Cooperative
			<u>28,381</u>	<u>28,381</u>	
<b>[Others]</b>					
POSCO Eco & Challenge Co., Ltd.	DAEWOO ENGINEERING & CONSTRUCTION Co., Ltd and others	Guarantee on performance for construction and others	7,610,135	7,607,678	Construction Guarantee Cooperative and others
POSCO WIDE Co., Ltd	Pureun Paju Co., Ltd. and others	Guarantee on performance and others	17,519	17,519	Seoul Guarantee Insurance
POSCO M-TECH	SAMA ALUMINIUM CO.,LTD	Guarantee on performance	83	83	Seoul Guarantee Insurance
Shinan Green Energy Co.,LTD.	Sinan-gun Jeollanam-do	Guarantee on performance	2,963	2,963	Seoul Guarantee Insurance
POSCO DX	Western Inland highway CO.,LTD. and others	Supplemental funding agreement and others	1,685	1,685	Seoul Guarantee Insurance
			<u>7,632,385</u>	<u>7,629,928</u>	
			<u>₩ 7,671,507</u>	<u>7,669,050</u>	

- ② As of September 30, 2024, the primary payment guarantees and other guarantees that the Group is provided from the guarantee institution are as follows:

(in millions of Won)

Provider	Types of guarantees	Agreed amount	Executed amount
Construction Guarantee Cooperative	Subcontractor Payment Guarantee and others	₩ 7,066,677	7,066,677
Engineering guarantee insurance	Guarantee on performance for EPC contracts and others	901,168	461,499
Seoul Guarantee Insurance	Construction performance guarantee and others	560,144	560,144
Korea Housing & Urban Guarantee Corporation	Housing Guarantee and others	5,201,956	5,196,705
Woori Bank and others	Guarantee on performance for contracts	1,986,365	791,897
Korea software financial cooperative	Guarantee on performance for contracts	121,221	121,221
Seoul Guarantee Insurance	Guarantee on performance for contracts	32,738	32,738
Construction Guarantee Cooperative	Guarantee on performance for contracts	4,997	4,997
		<u>₩ 15,875,266</u>	<u>14,235,878</u>

**POSCO HOLDINGS INC. and its subsidiaries**  
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**34. Commitments and Contingencies (cont'd)**

(c) Other commitments

Details of other commitments of the Group as of September 30, 2024 are as follows:

Company	Description
POSCO HOLDINGS INC.	<p>As of September 30, 2024, POSCO HOLDINGS INC. entered into a commitment with KOREA ENERGY AGENCY for long-term foreign currency borrowings, which are 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 borrowings depends on the success of the projects. POSCO HOLDINGS INC. is not liable for the repayment of full or part of the amount borrowed if the respective projects fail. POSCO HOLDINGS INC. has agreed to pay a certain portion of its profits under certain conditions, as defined by the borrowing agreements. As of September 30, 2024, the ending balance of the borrowing amounts to USD 1.02 million.</p> <p>POSCO HOLDINGS INC. has deposited 83,671 treasury shares for exchange with the Korea Securities Depository in relation to foreign currency exchangeable bonds as of September 30, 2024.</p>
POSCO	<p>POSCO entered into long-term contracts to purchase iron ore, coal, nickel and others. The long-term purchase contract period is more than two years for iron ore, three years for coal, and one year for nickel. These contracts provide for periodic price adjustments based on the market price. As of September 30, 2024, 30 million tons of iron ore and 9 million tons of coal remained to be purchased under such long-term contracts.</p> <p>POSCO entered into an agreement with Tangguh Liquefied Natural Gas (LNG) Consortium in Indonesia to purchase 550 thousand tons of LNG annually for 20 years commencing in August 2005. The purchase price is subject to change, based on changes of the monthly standard oil price (JCC) and with a price ceiling.</p> <p>POSCO has a long-term service contract for the transportation of raw material. As of September 30, 2024, there are 36 vessels under contract, and the average remaining contract period is about 6 years.</p> <p>POSCO 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. POSCO has extension option of extending the purchase contract by five years.</p>
POSCO INTERNATIONAL Corporation	<p>POSCO INTERNATIONAL Corporation operates a ship-to-ship business in which ships are chartered from ship's owners and leased out to shippers. The Company has entered into a ship purchase agreement with the ship owners and the shippers, which obliges the shippers to pay the agreed amount either at the end of the contract terms or at the agreed termination and to take over the ownership of the vessel from the ship owners. Only if the shipper fails to fulfill its obligation including payment obligation for the purchase of the vessel, the Company is obliged to take over the ship based on the condition that the shipper's contractual obligations and rights are transferred to the Company. As of September 30, 2024, the amount which is exposed to the ship purchase agreements entered into is USD 31 million.</p> <p>The Company invested in the Ambatovy Nickel Project (DMSA/AMSA) in Madagascar through the Korea Ambatovy Consortium (KAC) formed with Korea Mine Rehabilitation and Mineral Resources Corporation (KOMIR) and STX Corporation. SHERRITT INTERNATIONAL CORP., the operator, transferred a portion of the project's interests to Sumitomo and AHL (Ambatovy Holdings Limited) in December 2017, and transferred the remaining interests of the project to Sumitomo and AHL2 (Ambatovy Holdings II Limited) in August 2020. KAC has the rights and obligations to the 15.33% stake held by AHL and AHL2.</p>
POSCO Eco & Challenge Co., Ltd.	<p>As of September 30, 2024, according to the investor agreement for the construction of Samcheok Thermal Power Plant, POSCO Eco &amp; Challenge Co., Ltd. is obligated to make contributions for core capital, unqualified investment, excess expenses occurred for business, and acceleration of payment. Among them, the remaining amount of the core capital investment obligation is ₩17,509 million and the payment period is expected to be in the fourth quarter of 2024.</p>
POSCO FUTURE MATERIALS CANADA INC. (formerly, POSCO CHEMICAL CANADA INC.)	<p>In accordance with the GP Shareholders Agreement between POSCO FUTURE MATERIALS CANADA INC. and GM Battery Raw Materials Corporation (hereinafter referred to as GM), if, POSCO FUTURE M Co., LTD. (POSCO FUTURE MATERIALS CANADA INC.'s shareholders) fails to obtain approval for the export of national core technology under the 'Act On Prevention Of Divulgence And Protection Of Industrial Technology' in Korea within two years from the date of signing the agreement, GM may sell its shares of ULTIUM CAM GP INC. and ULTIUM CAM LIMITED PARTNERSHIP held by Posco Future Materials Canada Inc.. GM has the right to exercise this put option until the 27th month from the date of signing the agreement. When GM exercises the put option, Posco Future Materials Canada Inc. is required to immediately purchase GM's shares at a price of the fair market value of GM's shares or 125% of the total amount of capital contributions made by GM before the closing of the sale, whichever amount is greater. As of September 30, 2024, the Company recognized ₩196,845 million as other financial liabilities related to the terms of this agreement.</p>

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**34. Commitments and Contingencies (cont'd)**

(d) Litigation in progress

The Group is involved in 404 lawsuits amounting in total to ₩915.5 billion as defendant as of September 30, 2024, which arise from the ordinary course of business such as claim for confirmation of

employee status. The Group has recognized provisions amounting to ₩46.9 billion for 38 lawsuits based on its reliable estimate of outflow of resources. However, the Group has not recognized any provisions for the other lawsuits and claims since the Group believes that it does not have a present obligation as of September 30, 2024.

(e) Other contingencies

Other major contingencies for the Group as of September 30, 2024 are as follows:

Company	Description
POSCO HOLDINGS INC.	POSCO HOLDINGS INC. has provided 3 blank checks to Korea Energy Agency as collateral for long-term foreign currency borrowings.  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 INTERNATIONAL Corporation	As of September 30, 2024, POSCO INTERNATIONAL Corporation has provided 24 blank promissory notes and 18 blank checks to Korea Energy Agency and others as collateral for the guarantee on performance for contracts and others.
POSCO Eco & Challenge Co., Ltd.	As of September 30, 2024, POSCO Eco & Challenge Co., Ltd. has provided 38 blank checks and 4 blank promissory notes as collateral for agreements and outstanding loans.
POSCO DX	As of September 30, 2024, POSCO DX has provided 7 blank checks to financial institutions as collateral for the guarantee on performance for contracts and others.

**35. Cash Flows from Operating Activities**

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

<i>(in millions of Won)</i>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Trade accounts and notes receivable	₩ 57,694	(1,541,321)
Other receivables	(216,705)	250,895
Inventories	312,139	1,487,683
Other current assets	(26,464)	(145,844)
Other non-current assets	(21,825)	(39,956)
Trade accounts and notes payable	(245,564)	(476,744)
Other payables	(116,490)	(700,610)
Other current liabilities	37,423	(233,150)
Provisions	(186,254)	(227,116)
Right to use and profit	101,557	-
Payments of severance benefits	(309,176)	(219,124)
Plan assets	194,123	169,089
Other non-current liabilities	(31,304)	(19,091)
	<u>₩ (450,846)</u>	<u>(1,695,289)</u>



**POSCO HOLDINGS INC. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements, continued**  
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**36. Operating Segments**

- (a) The Group's operating businesses are organized based on the nature of markets and customers. During the nine-month period ended September 30, 2024, the Group changed its internal organization and internal reporting structures. As a result, operating segments were re-categorized according to the revised reporting materials provided to the management for decision-making.

Segment assets, liabilities and profit (loss) are generally measured based on separate financial statements in accordance with KIFRS of the subsidiaries that constitute reportable operating segments.

Meanwhile the Group has classified the business segment and the subsidiaries in each segments are as follows:

Operating segments		Main Business
Steel		Manufacture and sales of steel products
Green infrastructure	Trading	Supply and purchase transactions between domestic and foreign companies, power generation, and resource development
	Construction	Design, production and construction of steel mills and their facilities, commercial and residential facilities, etc.
	Logistics and others	Logistics, network and system integration business
Secondary battery Materials		EV battery materials such as lithium, nickel, negative/cathode materials, and hydrogen business
Others		POSCO HOLDINGS. INC., Controlling company and Investment business

- (b) The segment profit or loss does not reflect the consolidation adjustments allocated to each entity and is determined in the same way as the consolidated net income determined by KIFRS. Segment assets and liabilities are determined based on separate financial statements. There are various transactions between reporting segments, including disposal of property, plant and equipment and provision of construction services.
- (c) The information about reportable segments as of and for each of the nine-month periods ended September 30, 2024 and 2023 is as follows:

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

(in millions of Won)		Infrastructure				Secondary battery materials	Others	Total
		Steel	Trading	Construction	Logistics and others			
External revenues	₩	29,436,774	17,200,766	5,586,634	279,312	2,321,868	57,645	54,882,999
Internal revenues		17,125,375	15,402,898	1,889,536	2,763,952	746,939	1,485,193	39,413,893
Inter segment revenues		11,161,623	7,119,429	1,801,395	2,752,776	721,458	1,467,893	25,024,574
Total revenues		46,562,149	32,603,664	7,476,170	3,043,264	3,068,807	1,542,838	94,296,892
Segment profits		697,542	659,154	62,528	97,423	(65,415)	1,442,488	2,893,720

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

(in millions of Won)		Infrastructure			Secondary battery materials	Others	Total	
		Steel	Construction	Trading				Energy and others
External revenues	₩	30,686,602	18,279,949	6,127,712	338,175	2,939,530	91,112	58,463,080
Internal revenues		17,432,758	14,341,819	1,345,284	2,464,390	728,789	1,255,851	37,568,891
Inter segment revenues		11,693,650	6,790,495	1,263,327	2,462,010	725,224	1,241,031	24,175,737
Total revenues		48,119,360	32,621,768	7,472,996	2,802,565	3,668,319	1,346,963	96,031,971
Segment profits		1,374,771	682,697	138,130	119,966	20,848	897,578	3,233,990

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**36. Operating Segments (cont'd)**

(d) Reconciliations of total segment revenues, profit or loss, assets and liabilities, and other significant items to their respective consolidated financial statement line items are as follows:

<i>(in millions of Won)</i>		<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total profit for reportable segments	₩	2,893,720	3,233,990
Corporate fair value adjustments		(30,389)	160,686
Elimination of inter-segment profit		(1,212,477)	(1,227,904)
Income tax expense		492,511	695,498
Profit before income tax expense	₩	<u>2,143,365</u>	<u>2,862,270</u>

**37. Events After the Reporting Period**

- (a) Pursuant to the resolution of the Board of Directors on November 1, 2024, the Company decided to pay interim cash dividends of ₩2,500 per common share (total dividend: ₩189.1 billion).
- (b) Pursuant to the resolution of the Board of Directors on November 1, 2024, the Company decided to acquire ₩500 billion of the ₩600 billion in hybrid bonds to be issued by POSCO Future M Co., Ltd., the subsidiary for the purpose of strengthening financial soundness, etc. The issuance and acquisition of these hybrid bonds are scheduled for December 18, 2024.
- (c) Pursuant to the resolution of the Board of Directors on November 1, 2024, the Company decided to sell the shares of four companies including POSCO Maharashtra Steel Private Limited in order to support the follow-up actions of vertical spin-off and enhance the management efficiency of the steel business within the Group.
- (d) There was fire incident at 3FINEX plant of POSCO Co., Ltd., the subsidiary, on November 10, 2024. The extent of the damage and the details of the insurance coverage under the property insurance are currently being verified.