



# DOOSAN CORPORATION

## Financial Statements

For the Years Ended December 31, 2024 and 2023

With the Independent Auditor's Report

Doosan Corp.

**Doosan Corporation**  
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**December 31, 2024 and 2023**

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## Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of  
Doosan Corporation

### Opinion

We have audited the separate financial statements of Doosan Corporation (the Company), which comprise the separate statement of financial position as at December 31, 2024, and the separate income statement, separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of Doosan Corporation as at December 31, 2024, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting as of December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*, and our report dated March 21, 2025 expressed an unqualified opinion.

### Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the separate financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*(a) Impairment test on investments in subsidiaries*

The Company's investments in subsidiaries as at December 31, 2024, amount to ₩ 3,481,996 million. The Company performs an impairment assessment for investments in subsidiaries for which there are indications of impairment, and recognizes impairment loss when the recoverable amount is less than the carrying amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

As at December 31, 2024, the investments in Doosan Portfolio Holdings Co., Ltd. amount to ₩ 253,944 million, which is significant in monetary terms. Indications suggesting asset impairment, such as the market value of shares falling below their book value, have been identified. The estimation of the recoverable amount of these investments in a subsidiary includes projections of future cash flows, which are subject to changes based on management's expectations for future business and discount rates. These changes can have a significant impact on the financial statements. Therefore, we identified the estimation of recoverable amount of investments in Doosan Portfolio Holdings Co., Ltd. as a key audit matter.

The relevant information is described in Note 11 to the Company's separate financial statements. The Company engaged an independent external expert to assess the fair value of investments in Doosan Portfolio Holdings Co., Ltd.

The main audit procedures we have performed for accounting treatment for the impairment assessment on investments in Doosan Portfolio Holdings Co., Ltd. are as follows:

- We obtained understanding of and assessed internal controls related to impairment testing of investment in subsidiaries.
- We assessed the appropriateness of the identification of the investment in subsidiaries with indication of impairment in accordance with the Company's accounting policies.
- We assessed qualification and independence of management's experts who participated in assessing the recoverable amount.
- We made inquiry and conducted inspection to assess the appropriateness of the valuation model used in estimating the recoverable amount.
- We confirmed that future cash flow estimates are consistent with the business plan approved by management.
- We compared the current year actual results with the prior year forecasts.
- We assessed the reasonableness of the key assumptions used in estimating the recoverable amount.
- We reviewed the accuracy of the calculation of the recoverable amount.

**Other Matters**

The separate financial statements of the Company for the year ended December 31, 2023, were audited by EY Han Young who expressed an unqualified opinion on those statements on March 20, 2024.

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such separate financial statements may differ from those generally accepted and applied in other countries.

## **Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sung-woo Choi, Certified Public Accountant.

*Samuel PricewaterhouseCoopers*

Seoul, Korea  
March 21, 2025

This report is effective as of March 21, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**Doosan Corporation**  
**Separate Statements of Financial Position**  
**December 31, 2024 and 2023**

<i>(in millions of Korean won)</i>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,10,35	₩ 148,682	₩ 232,028
Short-term financial instruments	4,5,10,33	54,068	34,567
Short-term investment securities	4,6,10	1,497	2,757
Trade receivables	4,7,10,34	271,660	187,457
Other receivables	4,7,10,34	47,173	19,364
Due from customers for contract work		-	861
Current derivative assets	4,9,10	39,354	1,118
Inventories	8	136,620	109,016
Other current assets		33,324	38,804
Non-current assets held for sale	36	70,924	-
		<u>803,302</u>	<u>625,972</u>
<b>Non-current assets</b>			
Long-term financial instruments	4,5,10,33	11,782	19,278
Long-term investment securities	4,6,10	17,928	22,562
Investments in subsidiaries, joint ventures and associates	11,33	3,507,439	3,507,620
Property, plant and equipment	12,33	268,721	270,551
Intangible assets	13	34,304	68,657
Investment properties	14	314,097	301,845
Long-term other receivables	4,7,10	29,576	17,519
Deposits	4,10	36,466	38,135
Deferred tax assets	30	29,911	38,714
Other non-current assets		-	3,765
		<u>4,250,224</u>	<u>4,288,646</u>
<b>Total assets</b>		<u>₩ 5,053,526</u>	<u>₩ 4,914,618</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	4,10,34	₩ 207,315	₩ 137,980
Other payables	4,10,34	81,912	85,634
Due to customers for contract work		-	4,293
Short-term borrowings	4,10,15	538,000	228,000
Current portion of bonds	4,10,15	132,921	102,964
Current portion of long-term borrowings	4,10,15	129,811	451,381
Current portion of long-term asset-backed loans	4,10,15	21,599	86,371
Current lease liabilities	4,10,16	28,687	28,651
Current derivative liabilities	9,10	4,905	-
Current provisions	18	-	1,458
Current tax liabilities	30	2,301	11,200
Other current liabilities		83,102	71,166
Non-current liabilities held for sale	36	14,323	-
		<u>1,244,876</u>	<u>1,209,098</u>
<b>Non-current liabilities</b>			
Long-term other payables	4,10	5,757	12,845
Bonds	4,10,15	128,588	132,713
Long-term borrowings	4,10,15	277,500	132,437
Long-term asset-backed loans	4,10,15	-	21,593
Non-current lease liabilities	4,10,16	157,279	185,453
Net defined benefit liabilities	17	48,784	25,345
Non-current derivative liabilities	9,10	93,497	74,830
Non-current provisions	18	1,354	2,840
Other non-current liabilities		86,748	87,261
		<u>799,507</u>	<u>675,317</u>
<b>Total liabilities</b>		<u>2,044,383</u>	<u>1,884,415</u>
<b>Equity</b>			
Issued capital	1,19	123,738	123,738
Capital Surplus	19,20	794,500	794,292
Other components of equity	21	(1,131,784)	(1,140,873)
Accumulated other comprehensive income	22	11,814	20,761
Retained earnings	23	3,210,875	3,232,285
<b>Total equity</b>		<u>3,009,143</u>	<u>3,030,203</u>
<b>Total liabilities and equity</b>		<u>₩ 5,053,526</u>	<u>₩ 4,914,618</u>

The above separate statements of financial position should be read in conjunction with the accompanying notes.

**Doosan Corporation**  
**Separate Income Statements**  
**Years Ended December 31, 2024 and 2023**

(in millions of Korean won)

	Notes	2024	2023
<b>Revenue</b>			
Merchandise and finished goods	25,34	₩ 759,406	₩ 659,517
Others	25,34	271,693	261,558
Dividend	25,34	35,396	22,695
		<u>1,066,495</u>	<u>943,770</u>
<b>Cost of sales</b>			
Merchandise and finished goods	26,34	558,389	514,029
Others	26,34	204,305	190,174
Selling and administrative expenses	26,27,34	222,190	218,682
		<u>984,884</u>	<u>922,885</u>
<b>Operating income</b>		<u>81,611</u>	<u>20,885</u>
Finance income	10,28	104,464	32,034
Finance costs	10,28	132,050	102,682
Other non-operating income	29	33,689	15,612
Other non-operating expenses	29	47,778	129,237
Profit (loss) before tax		39,936	(163,388)
Income tax expense (income)	30	15,784	(48,766)
<b>Profit (loss) from continuing operations</b>		<u>24,152</u>	<u>₩ (114,622)</u>
<b>Discontinued operations</b>			
	36	(910)	2,749
<b>Profit (loss)</b>		<u>₩ 23,242</u>	<u>₩ (111,873)</u>
<b>Earnings (losses) per share attributable to the Owners of the Parent</b>	31		
Basic earnings (losses) per ordinary share from continuing operations (in Korean won)		₩ 1,349	₩ (6,457)
Basic earnings (losses) per ordinary share (in Korean won)		1,296	(6,295)
Diluted earnings (losses) per ordinary share from continuing operations (in Korean won)		1,324	(6,457)
Diluted earnings (losses) per ordinary share (in Korean won)		1,272	(6,295)
Basic earnings (losses) per old-type preferred share from continuing operations (in Korean won)		1,401	(6,406)
Basic earnings (losses) per old-type preferred share (in Korean won)		1,346	(6,245)
Diluted earnings (losses) per old-type preferred share from continuing operations (in Korean won)		1,401	(6,406)
Diluted earnings (losses) per old-type preferred share (in Korean won)		1,346	(6,245)

The above separate income statements should be read in conjunction with the accompanying notes.



**Doosan Corporation**  
**Separate Statements of Comprehensive Income**  
**Years Ended December 31, 2024 and 2023**

(in millions of Korean won)

	Notes	2024	2023
<b>Profit (loss)</b>		<u>₩ 23,242</u>	<u>₩ (111,873)</u>
<b>Other comprehensive income</b>	22		
<i>Items not to be subsequently reclassified to profit or loss</i>			
Losses on remeasurements of net defined benefit liabilities	17	(9,326)	(8,549)
Gains on revaluation of land	12	-	971
Losses on valuation of financial assets at fair value through other comprehensive income	6	(3,869)	(1,336)
<i>Items to be subsequently reclassified to profit or loss</i>			
Losses on valuation of derivatives designated as cash flow hedges	9	<u>(4,632)</u>	<u>(2,685)</u>
<b>Total other comprehensive income</b>		<u>(17,827)</u>	<u>(11,599)</u>
<b>Total comprehensive income (loss)</b>		<u>₩ 5,415</u>	<u>₩ (123,472)</u>

The above separate statements of comprehensive income should be read in conjunction with the accompanying notes.

**Doosan Corporation**  
**Separate Statements of Changes in Equity**  
**Years Ended December 31, 2024 and 2023**

(in millions of Korean won)

	Issued capital	Capital Surplus	Other components of equity	Accumulated other comprehensive income	Retained earnings	Total equity
<b>Balance at January 1, 2023</b>	₩ 123,738	₩ 794,036	₩ (1,146,547)	₩ 23,811	₩ 3,388,479	₩ 3,183,517
<b>Total comprehensive loss</b>						
Loss	-	-	-	-	(111,873)	(111,873)
Losses on remeasurements of net defined benefit liabilities	-	-	-	-	(8,549)	(8,549)
Gains on revaluation of land	-	-	-	971	-	971
Losses on valuation of financial assets at fair value through other comprehensive income	-	-	-	(1,336)	-	(1,336)
Losses on valuation of derivatives designated as cash flow hedges	-	-	-	(2,685)	-	(2,685)
<b>Total comprehensive loss</b>	-	-	-	(3,050)	(120,422)	(123,472)
<b>Transactions with owners</b>						
Cancellation of share options	-	256	(256)	-	-	-
Share-based payment transaction	-	-	5,930	-	-	5,930
Payment of dividends	-	-	-	-	(35,772)	(35,772)
<b>Total transactions with owners</b>	-	256	5,674	-	(35,772)	(29,842)
<b>Balance at December 31, 2023</b>	₩ 123,738	₩ 794,292	₩ (1,140,873)	₩ 20,761	₩ 3,232,285	₩ 3,030,203

**Doosan Corporation**  
**Separate Statements of Changes in Equity**  
**Years Ended December 31, 2024 and 2023**

(in millions of Korean won)

	Issued capital	Capital Surplus	Other components of equity	Accumulated other comprehensive income	Retained earnings	Total equity
<b>Balance at January 1, 2024</b>	₩ 123,738	₩ 794,292	₩ (1,140,873)	₩ 20,761	₩ 3,232,285	₩ 3,030,203
<b>Total comprehensive income (loss)</b>						
Profit	-	-	-	-	23,242	23,242
Losses on remeasurements of net defined benefit liabilities	-	-	-	-	(9,326)	(9,326)
Gains (losses) on revaluation of land	-	-	-	(446)	446	-
Losses on valuation of financial assets at fair value through other comprehensive income	-	-	-	(3,869)	-	(3,869)
Losses on valuation of derivatives designated as cash flow hedges	-	-	-	(4,632)	-	(4,632)
<b>Total comprehensive income (loss)</b>	-	-	-	(8,947)	14,362	5,415
<b>Transactions with owners</b>						
Cancellation of share options	-	208	(208)	-	-	-
Share-based payment transaction	-	-	9,297	-	-	9,297
Payment of dividends	-	-	-	-	(35,772)	(35,772)
<b>Total transactions with owners</b>	-	208	9,089	-	(35,772)	(26,475)
<b>Balance at December 31, 2024</b>	₩ 123,738	₩ 794,500	₩ (1,131,784)	₩ 11,814	₩ 3,210,875	₩ 3,009,143

The above separate statements of changes in equity should be read in conjunction with the accompanying notes.

**Doosan Corporation**  
**Separate Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

<i>(in millions of Korean won)</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows used in operating activities</b>			
Cash generated from operating activities	35	₩ 29,606	₩ 79,635
Profit (loss)		23,242	(111,873)
Adjustments		103,537	174,201
Changes in operating assets and liabilities		(97,173)	17,307
Interest received		11,383	11,370
Interest paid		(78,590)	(72,958)
Dividends received		27,812	22,334
Income taxes paid		(10,233)	(75,835)
<b>Cash flows used in operating activities</b>		<b>(20,022)</b>	<b>(35,454)</b>
<b>Cash flows used in investing activities</b>			
Cash inflows from investing activities			
Disposal of short-term financial instruments		47,062	16,880
Disposal of long-term financial instruments		4,000	-
Disposal of short-term investment securities		3,288	10,236
Disposal of long-term investment securities		-	1,861
Disposal of property, plant and equipment		476	470
Disposal of intangible assets		30	6,802
Disposal of investment properties		-	72
Decrease in long-term loans		385	517
Increase in government grants		8,566	2,216
Disposal of non-current assets held for sale		22,417	-
Other investing activities		1,131	959
		<b>87,355</b>	<b>40,013</b>
Cash outflows from investing activities			
Increase in short-term loans		(14,262)	-
Acquisition of short-term financial instruments		(46,842)	(2,173)
Acquisition of long-term financial instruments		(480)	(8,350)
Acquisition of long-term investment securities		(626)	(1,470)
Acquisition of investments in subsidiaries and associates		(28,494)	(30,359)
Acquisition of property, plant and equipment		(62,302)	(60,013)
Acquisition of intangible assets		(8,669)	(11,240)
Increase in long-term loans		(5,897)	(9,314)
		<b>(167,572)</b>	<b>(122,919)</b>
<b>Cash flows used in investing activities</b>		<b>(80,217)</b>	<b>(82,906)</b>
<b>Cash flows from (used in) financing activities</b>			
Cash inflows from financing activities			
Proceeds from short-term borrowings		667,000	495,913
Proceeds from issuing bonds		128,394	92,697
Proceeds from long-term borrowings		285,000	164,000
		<b>1,080,394</b>	<b>752,610</b>
Cash outflows from financing activities			
Repayments of short-term borrowings		(357,000)	(443,000)
Repayments of current portion of long-term borrowings		(462,500)	(88,764)
Repayments of current portion of long-term asset-backed loans		(86,860)	-
Repayments of bonds		(103,000)	(189,056)
Repayments of lease liabilities		(28,663)	(29,037)
Payment of dividends		(35,772)	(35,772)
		<b>(1,073,795)</b>	<b>(785,629)</b>
<b>Cash flows from (used in) financing activities</b>		<b>6,599</b>	<b>(33,019)</b>
Effects of exchange rate changes on cash and cash equivalents		10,294	1,630
<b>Decrease in cash and cash equivalents</b>		<b>(83,346)</b>	<b>(149,749)</b>
Cash and cash equivalents at the beginning of period		232,028	381,777
<b>Cash and cash equivalents at the end of period</b>		<b>₩ 148,682</b>	<b>₩ 232,028</b>

The above separate statements of cash flows should be read in conjunction with the accompanying notes.

# Doosan Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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#### 1. General Information

Doosan Corporation (the Company) was incorporated on December 18, 1933, under the name of Sohwa-Kirin Beer, Ltd. to manufacture and sell beer. The Company has changed its name to Dongyang Beer, Ltd. in February 1948 and again to OB Beer, Ltd. in February 1996 and finally to Doosan Corporation on September 1, 1998.

Since June 1973, the Company's shares have been listed in the Korea Exchange. After several capital issues, the Company's issued capital as at December 31, 2024, is ₩ 123,738 million, including ₩ 24,447 million of preferred shares.

The Company's ordinary shares as at December 31, 2024, are owned as follows:

	Number of ordinary shares	Percentage of ownership (%)
Related parties	6,607,745	39.99
Treasury shares	3,000,866	18.16
Others	6,915,224	41.85
	<u>16,523,835</u>	<u>100.00</u>

In addition, 31.89% of preferred shares are owned by the largest shareholder and others and 55.59% of preferred shares are owned by others.

#### 2. Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 2.1 Basis of Preparation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Company's financial position, financial performance or cash flows, is not presented in the accompanying financial statements.

The financial statements of the Company have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property – measured at fair value
- Non-current assets held for sale – measured at fair value less costs to sell
- Contingent consideration – measured at fair value, and
- Defined benefit plans – plan assets measured at fair value

The preparation of financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

**2.2 Changes in Accounting Policies and Disclosures**

*2.2.1 New and amended standards adopted by the Company*

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2024.

*(a) Amendments to Korean IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants*

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. In addition, covenants that an entity is required to comply with after the end of the reporting period would not affect classification of a liability as current or non-current at the reporting date. When an entity classifies a liability that is subject to the covenants which an entity is required to comply with within twelve months of the reporting date as non-current at the end of the reporting period, the entity shall disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. The amendments do not have a significant impact on the separate financial statements.

*(b) Amendments to Korean IFRS 1007 Statement of Cash Flows, Korean IFRS 1107 Financial Instruments: Disclosures – Supplier finance arrangements*

When applying supplier finance arrangements, an entity shall disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments do not have a significant impact on the separate financial statements.

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*(c) Amendments to Korean IFRS 1116 Leases – Lease Liability in a Sale and Leaseback*

When subsequently measuring lease liabilities arising from a sale and leaseback, a seller-lessee shall determine lease payments or revised lease payments in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not have a significant impact on the separate financial statements.

*(d) Amendments to Korean IFRS 1001 Presentation of Financial Statements – Disclosure of Cryptographic Assets*

The amendments require an additional disclosure if an entity holds cryptographic assets, or holds cryptographic assets on behalf of the customer, or issues cryptographic assets. The amendments do not have a significant impact on the separate financial statements.

*2.2.2 New standards and interpretations not yet adopted by the Company*

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company.

*(a) Amendments to Korean IFRS 1021 The Effects of Changes in Foreign Exchange Rates and 1101 First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability*

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments should be applied for annual periods beginning on or after January 1, 2025, and earlier application is permitted. The amendments do not have a significant impact on the separate financial statements.

*(b) Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1107 Financial Instruments: Disclosures*

Korean IFRS 1109 *Financial Instruments* and Korean IFRS 1107 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and
- update the disclosures for equity instruments designated at fair value through other

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comprehensive income (FVOCI).

The amendments do not have a significant impact on the separate financial statements.

*(c) Annual Improvements to Korean IFRS -Volume 11*

Annual Improvements to Korean IFRS -Volume 11 should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Company does not expect the amendments to have a significant impact on the separate financial statements.

- Korean IFRS 1101 *First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter*
- Korean IFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance*
- Korean IFRS 1109 *Financial Instruments: Derecognition of lease liabilities and definition of transaction price*
- Korean IFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Korean IFRS 1007 *Statement of Cash Flows: Cost method*

**2.3 Investments in Subsidiaries, Joint Ventures and Associates**

The Company has elected to use book value under previous generally accepted accounting principles as deemed cost for subsidiaries, joint ventures and associates at the date of transition to Korean IFRS. After the date of transition, investments in subsidiaries, joint ventures and associates are measured at cost.

The Company determines whether an impairment loss is recognized in respect of investments in subsidiaries, joint ventures and associates in accordance with Korean IFRS 1036 *Financial Instruments: Recognition and Measurement*. If there is an indication of impairment, the total carrying amount of the subsidiaries, joint ventures and associates (including goodwill) is compared to the recoverable amount (the greater between fair value less cost to sell and value in use) in accordance with Korean IFRS 1036 *Asset Impairment*. The recognized impairment loss is not allocated to any assets (including goodwill) that are part of the carrying amount of the associates, joint ventures and associates. The reversal of impairment loss is recognized in accordance with Korean IFRS 1036 as the recoverable amount of the investment assets increases subsequently.

**2.4 Investment in Joint Operation**

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint operation. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.



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When the Company performs an activity under a joint operation, the Company recognizes, as a co-operative, its own interest in the joint operation as follows:

- Own assets. Include own shares of assets that are jointly owned.
- Own debt. Including own shares of jointly-generated debt.
- The own share of output from joint sales.
- The own share of the output of the joint sales.
- Own expenses. Include own share of the costs incurred jointly.

The Company accounts for assets, liabilities, income and expenses of its own interests in joint operation in accordance with the standards that apply to certain assets, liabilities, income and expenses.

When the Company transacts with a joint operation in which the Company is a co-operative (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Company's separate financial statements only to the extent of other parties' interests in the joint operation.

If the co-operative, the Company, conducts transactions such as joint sales and purchases of assets, the Company does not recognize its portion of the profit or loss until the assets are resold to a third party.

## **2.5 Operating Segments**

The Company's operating segments are disclosed in a manner consistent with the business segment reporting provided to the chief operating decision-maker, and the information is disclosed in consolidated financial statement Note in accordance with Korean IFRS 1108 *Operating Segments*.

## **2.6 Goodwill**

Goodwill resulting from an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units (CGUs) (or group of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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**2.7 Assets Held for Sale and Discontinued Operation**

*2.7.1 Assets held for sale*

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower between their previous carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale or as held for distribution.

Assets and liabilities classified as held for sale or for distribution are presented separately as current items in the statement of financial position.

*2.7.2 Assets scheduled for distribution to owners (or disposal group)*

The Company also applied the accounting policies related to the types, presentation and measurement of non-current assets (or disposal groups) classified as held for sale to non-current assets (or disposal groups) that are classified as scheduled for distribution to owners who exercise their qualifications as owners.

In addition, if all owners with the same kind of equity instruments are treated equally in distributing these non-cash assets to owners who exercise their qualifications as owners free of charge and the assets are ultimately not controlled by the same party or parties before and after the distribution, the Company recognizes any dividend payable at the time of declaring the distribution (when approved in the shareholders' meeting). The dividend payable is measured at the fair value of the non-cash assets to be distributed at the end of each reporting period and at the settlement date, and the change in the carrying amount of the dividend payable is recognized in other components of equity in the separate financial statement as an adjustment to the amount of the distribution.

In settling the dividend payable, the Company shall recognize any difference between the carrying amount of the non-cash assets distributed and the carrying amount of the dividend payable as profit or loss.

*2.7.3 Discontinued operation*

Disposal entity is a discontinued operation if:

- It is a separate main business line or business area.
- It is a part of a single plan to dispose of separate major business lines or business areas.
- It is a subsidiary acquired solely for sale.

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The Company excludes the profit or loss from the results of the continuing operation and displays the profit or loss as a single amount in the income statement. Additional details of discontinued operation are disclosed in Note 36.

**2.8 Revenue from Contracts with Customers**

*2.8.1 Identifying performance obligations*

The Company's major businesses include manufacturing of copperplate and fuel cell and service such as IT system development/operating.

*2.8.2 Variable consideration*

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

*2.8.3 Allocation of the transaction price*

The Company allocates the transaction price on the basis of the stand-alone selling price to the various performance obligations identified in a single contract. The Company uses the 'adjusted market assessment approach' to estimate the stand-alone selling price of each performance obligation and, in exceptional transactions, the 'expected cost plus a margin approach' to predict expected costs and add appropriate profit margins.

**2.9 Leases**

The Company determines whether the contract itself is a lease or the contract contains lease at the time of agreement, considering whether the contract exchange the control of the identified asset for a certain period of time with price of the contract.

**The Company as a lessee**

The Company applies a single method on every lease except short-term leases and leases of low-value assets. The Company recognizes lease liabilities that represent the obligation to pay the leases and right-to-use assets that represents right-to-use.

*2.9.1 Right-of-use assets*

The Company recognizes right-of-use assets on lease commencement date (the date when the underlying asset is usable). Right-of-use asset is measured as cost, and the Company applies cost model on subsequent measurement. To apply cost model, the Company deducts accumulated depreciation and accumulated loss of impairment, and recognizes adjustments base on remeasurement of lease liabilities. The cost of the right-of- use assets includes the amount of the perceived lease liabilities, the initial direct cost, and the lease payment paid before or after the lease commencement date with received lease incentive deducted. The right-of-use assets are depreciated

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on a flat basis over a short period of time between the lease period and the estimated useful life of the assets.

If the ownership of the underlying asset is transferred to the Company at the end of the lease term or if the Company is expected to exercise the purchase option at the cost of the right-of-use assets, depreciation is calculated using the estimated useful life of the underlying asset of the asset.

The right-of-use assets are also subject to damage and the relevant accounting policy is described in Note 2.19.

**2.9.2 Lease liabilities**

On lease commencement date, the Company recognizes lease liabilities at the present value of the lease to be paid over the lease period. The lease payment consists of a fixed fee (including a substantial fixed fee, and the lease incentive to receive is deducted), a variable lease payment that varies according to the index or rate, and an amount expected to be paid according to the residual value guarantee. Lease payment also includes the amount to be borne to terminate the lease if the Company is fairly certain to exercise buying options, considering exercise cost of the buying options and termination options to lease term.

A variable lease that does not varies according to the index of rate (unless not from the production of inventories) is recognized during the period of time when an event or condition that causes a lease happens.

When the Company evaluates the present value of lease payment, it uses the incremental borrowing interest rate of the lease commencement date because it cannot easily calculate the internal rate of return of the lease. After the lease commencement date, the amount of lease liabilities increases to reflect interest and decreases to reflect the lease payment paid. In addition, the book values of the lease liabilities are remeasured if there is a change in the lease term, a change in the lease payment (for example, a change in the future lease due to a change in the index or rate used to calculate the lease payment), or a change in the option assessment to buy the underlying asset.

**2.9.3 Short-term lease and leases of low-value assets**

The Company applies exemption rule for the recognition of short-term lease, which has a lease-term less than 12 months from the lease commencement date and do not include purchase options. In addition, the Company applies exemption rule for the recognition of leases of low-value assets on office equipment, etc., which is considered as low value assets. Lease payments of short-term lease and leases of low-value of assets are recognized as cost based on straight-line method through the lease term.

**The Company as a lessor**

The Company classifies leases that do not transfer most of the risks and compensation for the ownership of underlying assets as operating leases. Lease revenues are recognized based on straight-line method through the lease term and it can be classified as revenue in the income

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statements depending on the nature of the business. The direct cost of lease opening borne in the course of an operating lease is added to the carrying amount of the underlying asset and recognized as an expense over the lease period on the same basis as the lease income. Conditional rent is recognized as revenue at the time the rent is received.

**2.10 Foreign Currencies**

The separate financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the separate financial statements, the results and financial position of the Company are expressed in Korean won, which is the functional currency of the Company and the presentation currency for the separate financial statements.

In preparing the separate financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise, except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (See Note 2.24 below for hedging accounting policies)
- Exchange differences on monetary items forming part of the net investment in the foreign operation

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

**2.11 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

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**2.12 Post-employment Benefit Costs and Termination Benefits**

The Company operates a defined benefit pension plan. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets are reflected immediately in the separate statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are composed of service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest expense (income) and remeasurement component.

The Company presents the service cost and net interest expense (income) components in profit or loss, and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognized in the separate statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Contributions to defined contribution plans are recognized as an expense when employees have rendered service entitling them to the contributions.

**2.13 Share-based Payment Transactions of the Company**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in other components of equity.

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**2.14 Current and Deferred Tax**

The tax expense for the period consists of current and deferred tax.

*2.14.1 Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the separate statement of profit or loss and comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

*2.14.2 Deferred tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

*2.14.3 Current and deferred taxes for the year*

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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**2.15 Government Grants**

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants related to assets are presented in the separate statement of financial position by deducting the grant from the carrying amount of the asset. The related grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future-related costs are recognized in profit or loss in the period in which they become receivable.

**2.16 Property, Plant and Equipment**

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, other than land, for which revaluation model is applied after initial recognition. The cost of an item of property, plant and equipment is directly attributable to their purchase or construction, which includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are recognized in carrying amount of an asset or as a separate asset if it is probable that future economic benefits associated with the assets will flow to the Company and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred.

The Company does not depreciate land. Depreciation expense is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	<b>Useful lives</b>
Buildings	5 - 50 years
Structures	2 - 30
Machinery	2 - 15
Other property plant and equipment	2 - 10

If each part of an item of property, plant and equipment has a cost that is significant in relation to the total cost of the item, it is depreciated separately.



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The Company reviews the depreciation method, the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

## **2.17 Investment Properties**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, with any gains or losses arising on fair value fluctuation recognized in profit or loss.

Subsequent costs are recognized in carrying amount of an asset or as a separate asset if it is probable that future economic benefits associated with the assets will flow into the Company and the cost of an asset can be measured reliably. The carrying amount of the replaced part is derecognized. Routine maintenance and repairs are expensed as incurred.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

## **2.18 Intangible Assets**

### *2.18.1 Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at cost, less accumulated amortization, and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### *2.18.2 Internally generated intangible assets*

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Expenditure arising from development (or from the development phase of an internal project) is recognized as an intangible asset if, and only if, the development project is designed to produce new or substantially improved products, and the Company can demonstrate the technical and economic feasibility and measure reliably the resources attributable to the intangible asset during its

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development.

Subsequent to initial recognition, internally generated intangible assets are reported at cost, less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

*2.18.3 Intangible assets acquired in a business combination*

Intangible assets that are acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

*2.18.4 Derecognition of intangible assets*

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

*2.18.5 Amortization of intangible assets*

Intangible assets other than memberships with indefinite useful lives are amortized using the straight-line method with acquiring cost, except for residual value, with the amortization beginning when the asset is available for use. The estimated useful lives of the assets are as follows:

	<b>Useful lives</b>
Development costs	5 - 10 years
Industrial rights	5 - 10
Other intangible assets	4 - 15

**2.19 Impairment of Property, Plant, Equipment and Intangible Assets other than Goodwill**

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

Memberships with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount and the reduced amount is recognized

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in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

## **2.20 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost of inventories, except for those in transit, are measured under the weighted-average cost formula and consists of the purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories, less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized as an expense (cost of sales) in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories is recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

## **2.21 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The discount rate used is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage is recognized in profit or loss as borrowing cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during the period.

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**2.22 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*2.22.1 Financial assets*

**[Initial recognition and measurement]**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**[Subsequent measurement]**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

***Financial assets at amortized cost (debt instruments)***

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

***Financial assets at fair value through OCI (debt instruments)***

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the income statements and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

***Financial assets designated at fair value through OCI (equity instruments)***

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Korean IFRS 1032 *Financial Instruments: Presentation* and are not held for trading.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the income statements when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company can elect to classify irrevocably its non-listed equity investments under this category.

***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in profit or loss.

This category contains derivatives and listed equity instruments that do not make an irrevocable choice to account for changes in fair value in other comprehensive income. Dividends on listed equity instruments are recognized in profit or loss at the time the rights are established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

**[Derecognition]**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's separate statements of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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**[Impairment of financial assets]**

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**2.22.2 Financial liabilities**

**[Initial recognition and measurement]**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities as subsequently measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**[Subsequent measurement]**

The measurement of financial liabilities depends on their classification, as described below.

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as of fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Korean IFRS 1109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Korean IFRS 1109 are satisfied.

***Financial liabilities as subsequently measured at amortized cost***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

This category generally applies to interest-bearing loans and borrowings.

**[Derecognition]**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

***2.22.3 Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the separate statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

***2.22.4 Financial guarantee liabilities***

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee liabilities are initially measured at their fair values and, if not designated as financial liabilities at fair value through profit or loss, or unless the transfer of a financial asset does not meet the derecognition criteria or the continuing involvement approach is applied are subsequently measured at the higher of:

- The amount loss allowances determined in accordance with Korean IFRS 1109 5.5, and
- The amount initially recognized, less cumulative amortization recognized in accordance with the Korean IFRS 1115



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**2.23 Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**2.24 Derivative Financial Instruments and Hedge Accounting**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and others. Such derivative financial instruments are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured at the fair value. Derivatives are recognized as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges of the fair value of recognized assets or liabilities or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment, or
- Hedges of net investments in a foreign operation

At inception of the hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements.

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- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below.

*Fair value hedge*

Changes in the fair value of a hedging derivative is recognized in the income statements. However, any changes in the fair value of a hedging derivative of equity instrument that the Company elects to present in OCI are recognized in OCI. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the carrying value of the hedged item and is also recognized in the income statements.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

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*Cash flow hedge*

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statements of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to forward contracts is recognized as finance income or finance expenses.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the year. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

*Hedges of a net investments in foreign operations*

Hedges of a net investment in foreign operations, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for similarly to cash flow hedges. Any gains or losses on the hedging instrument relating to the effective portion of the hedge is recognized as OCI while the gains or losses relating to the ineffective portion are recognized in the income statements. On disposal of the foreign operation, gains and losses accumulated as equity are transferred to the income statements.

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**2.25 Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these separate financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Korean IFRS 1102 Share-based Payment, leasing transactions that are within the scope of Korean IFRS 1017 Leases and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Korean IFRS 1002 Inventories, or value in use in KIFRS 1036 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in their entirety, which are described in Note 10.

**2.26 Approval of Issuance of the Separate Financial Statements**

The separate financial statements 2024 were approved for issue by the Board of Directors on February 25, 2025 and will be finalized at the annual general meeting of shareholders on March 31, 2025.

**3. Critical Accounting Estimates and Key Sources of Estimation Uncertainties**

The preparation of financial statements requires the Company to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Company's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

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*a) Revenue recognition*

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as reasonable estimation and is subject to change as related factors change.

*b) Impairment of non-financial assets*

Determining whether non-financial assets are impaired requires an estimation of the recoverable amount of the CGUs to which non-financial assets has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

*c) Defined benefit liabilities*

The Company's defined benefit liabilities are determined based on the actuarial valuation carried out at the end of each annual reporting period. Actuarial assumptions are the Company's best estimates of the variables, such as discount rates, rates of expected future salary increases and mortality rates.

*d) Provisions*

The Company provides warranty for products when it recognizes the relevant revenue. The Company calculates the guaranteed provision as the best estimate that is deemed necessary to enhance future and current warranty obligations at the end of each reporting period. The Company continues to market new products using complex technologies, and depending on the laws and practices, these accounting estimates may be changed to establish additional provisions in the future fiscal periods.

In addition, provisions for the expected cost of warranty obligations are recognized at the best estimate of the expenditure required to settle the Company's current and future obligations. Provisions are determined by the estimate based on past experience.

*e) Revaluation model on land and fair value model on investment properties*

As stated in Notes 12 and 14, the Company uses evaluation technique, including inputs that are not based on observable market data to approximate revalued amount of land classified as property, plant and equipment and fair value of investment properties. The Company's management believes that the evaluation technique and assumptions that are used for valuation on investment properties are fair.

*f) Deferred tax*

Recognition and measurement of deferred tax assets and liabilities require the management's judgment, in particular, whether to recognize if the scope of deferred tax assets is affected by management's judgment and assumption in the future.

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*g) Lease - Calculation of incremental borrowing rate*

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. So the incremental borrowing interest rate is observable. If there is no rate or if it needs to be adjusted to reflect the terms of the lease (for example, if the lease agreement is not our functional currency), it will reflect what the company 'should pay'.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

*h) Determining the lease term of contracts with extension and termination options – the Company as a lessee*

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

*i) Lease classification – the Company as a lessor*

The Company has sub-lease contracts for right-of-use assets classified as investment properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements for most sub-leasing contracts, such as the lease term not constituting a major part of the economic life of the right-of-use assets and the present value of the minimum lease payments not amounting to substantially all of the fair value of the right-of-use assets, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

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*j) Fair value*

When the values of financial instruments recorded in the consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

**4. Financial Risk Management**

The Company is exposed to various financial risks, such as market (foreign currency risk and interest rate risk), credit and liquidity related to the operations of the Company. The purpose of risk management policy is to minimize potential risks, which could have an adverse effect on financial performance.

Financial risk management activities are predominantly controlled by Treasury and International Finance department. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units and focuses on minimizing the impacts of the financial risks through periodic monitoring.

**4.1 Market Risk**

**4.1.1 Foreign currency risk**

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company's basis for foreign currency risk management is to reduce income/loss volatility. Foreign currency risk is managed by the Company's policy on foreign currencies and foreign currency management for speculative purpose is strictly prohibited.

The Company reduces exposure to foreign currency risk by matching the inflow and the outflow of foreign currencies (natural hedge) and manages foreign currency risk for the remaining exposure by using derivatives, such as currency forwards.

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The carrying amount of the Company's monetary assets and liabilities denominated in foreign currencies other than the Company's functional currency as at December 31, 2024 and 2023, is as follows:

(in millions of Korean won)		2024											
		USD		EUR		JYP		GBP		Others <sup>1</sup>		Total	
Financial assets in foreign currencies		₩	319,736	₩	322	₩	4,708	₩	3,819	₩	11,096	₩	339,681
Financial liabilities in foreign currencies			(124,568)		(17)		(1,524)		-		(55)		(126,164)
		₩	195,168	₩	305	₩	3,184	₩	3,819	₩	11,041	₩	213,517

(in millions of Korean won)		2023											
		USD		EUR		JYP		GBP		Others <sup>1</sup>		Total	
Financial assets in foreign currencies		₩	218,381	₩	1,320	₩	9,214	₩	4,401	₩	4,225	₩	237,541
Financial liabilities in foreign currencies			(78,320)		(2)		(1,746)		(230)		(50)		(80,348)
		₩	140,061	₩	1,318	₩	7,468	₩	4,171	₩	4,175	₩	157,193

<sup>1</sup> Others are foreign currencies excluding USD, EUR, JPY and GBP. These are the amount converted into Korean won.

A sensitivity analysis on the Company's profit before income tax expenses assuming a 10% increase and decrease in currency exchange rates for the years ended December 31, 2024 and 2023, is as follows:

(in millions of Korean won)	2024				2023			
	10% increase		10% decrease		10% increase		10% decrease	
Profit before income tax	₩	21,352	₩	(21,352)	₩	15,719	₩	(15,719)

The above-mentioned sensitivity analysis is based on monetary assets and liabilities denominated in foreign currencies other than the Company's functional currency as at December 31, 2024 and 2023.

#### 4.1.2 Interest rate risk

The Company's interest rate risk is related to borrowings and bank deposits with floating interest rates, and related interest income and expense are exposed to interest rate risk. The Company is exposed to interest rate risk mainly due to its borrowing with floating interest rates. The purpose of interest rate risk management is to minimize uncertainty and finance expenses arising from interest rate fluctuation.



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To manage its interest rate risk, the Company minimizes external borrowings using internal funds and reduces borrowings with high interest rates and maintains an appropriate balance between borrowings with floating interest rate and fixed-interest rate and short-term and long-term borrowings. The Company manages its interest rate risk preemptively through regular monitoring and adjustments to the changing domestic and overseas markets conditions and nature of its interest rates.

The carrying amount of the Company's financial assets and liabilities with variable rates exposed to interest rate risk as at December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Financial assets	₩	152,105	₩	193,112
Financial liabilities		(915,600)		(429,500)
	₩	(763,495)	₩	(236,388)

A sensitivity analysis on the Company's profit before income tax expenses assuming a 1% increase and decrease in interest rates for the years ended December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
	<b>100bp increase</b>	<b>100bp decrease</b>	<b>100bp increase</b>	<b>100bp decrease</b>
Profit before income tax	₩ (7,635)	₩ 7,635	₩ (2,364)	₩ 2,364

#### **4.1.3 Price risk**

The Company is exposed to equity price risks arising from its listed equity investments. The Company periodically measures the risk as the fair value or future cash flows of equity investments may fluctuate due to the changes in market prices. Important investments in the Company's portfolio are individually managed, and acquisition and disposal are approved by the Board of Directors.

#### **4.2 Credit Risk**

Credit risk refers to risk of financial losses to the Company when the counterparty defaults on the obligations of the contract. Credit risk arises from trade and other receivables, financial assets which are not equity securities, deposits in financial institution, financial derivatives and guarantee limit, and others. As well as from the Company's normal transactions and investing activities. To manage credit risk, the Company evaluates the creditworthiness of each customer or counterparty considering the financial status, past experience and other factors. The Company establishes credit limit for each customer and counterparty.

The Company evaluates the creditworthiness using open financial information and information provided by credit rating institution when the Company contracts with new customers. The Company decides credit transaction limit and is provided with collateral and guarantee based on evaluation.

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For some account receivables, the Company receives payment guarantees such as performance guarantees that can be demanded, if the counterparty fails to fulfill the contract, or letters of credit. Additionally, the Company has entered into export insurance contracts with entities such as the Korea Trade Insurance Corporation in relation to account receivables.

Also, the Company reevaluates customers' creditworthiness periodically, reassesses credit transaction limit and readjusts level of collateral. The Company reports the present condition of delayed collection and collection measures periodically to financial assets, which has delayed collection and takes measures by causes of delay.

The carrying amount for the financial assets exposed to credit risk as at December 31, 2024 and 2023, are as follows. The carrying amount indicates the maximum exposure to credit risk.

<i>(in millions of Korean won)</i>		<b>2024</b>	<b>2023</b>
Cash and cash equivalents	₩	148,682	₩ 232,028
Short-term and long-term financial instruments		65,850	53,845
Trade and other receivables		348,409	224,340
Deposits		36,466	38,135
Short-term and long-term investment securities (Excluding equity securities)	Financial assets at fair value through profit or loss	12,919	13,782
Derivative assets		39,354	1,118
	₩	<u>651,680</u>	<u>₩ 563,248</u>

**Doosan Corporation**  
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Details of trade receivables and due from customers for contract work exposed to credit risk, presented using expected credit loss model, as at December 31, 2024 and 2023, are as follows:

(In millions of Korean won)				2024												
				Trade receivables assessed for impairment on a collective basis <sup>2</sup>												
				Individually assessed trade receivables <sup>1</sup>	Within due	Not later than three months	Later than three monts and not later than six months	Later than six months and not later than one year	Later than one year	Subtotal	Total					
Carrying amount	₩	225,575	₩	62,976	₩	-	₩	-	₩	-	₩	-	₩	62,976	₩	288,551
Expected credit loss rate		7.49%		-		-		-		-		-				
Expected credit loss	₩	16,891	₩	-	₩	-	₩	-	₩	-	₩	-	₩	-	₩	16,891

<sup>1</sup> Trade receivables with indication of impairment that are individually identifiable, such as bankruptcy.

<sup>2</sup> Trade receivables that are not individually significant and are classified into groups according to their similar characteristics.

(In millions of Korean won)		2023														
		Trade receivables assessed for impairment on a collective basis <sup>2</sup>														
		Individually assessed trade receivables <sup>1</sup>		Within due	Not later than three months		Later than three months and not later than six months		Later than six months and not later than one year		Later than one year		Subtotal	Total		
Carrying amount	₩	122,656	₩	78,471	₩	2,639	₩	185	₩	436	₩	120	₩	81,851	₩	204,507
Expected credit loss rate		13.81%		0.01%		0.04%		0.54%		2.52%		76.67%				
Expected credit loss	₩	16,936	₩	9	₩	1	₩	1	₩	11	₩	92	₩	114	₩	17,050

<sup>1</sup> Trade receivables with indication of impairment that are individually identifiable, such as bankruptcy.

<sup>2</sup> Trade receivables that are not individually significant and are classified into groups according to their similar characteristics.

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**4.3 Liquidity Risk**

Annual repayment plans for the nominal value of the Company's major financial liabilities excluding derivative financial instruments as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)		2024											
		Nominal cash flows according to contract											
		Book value		Total		Not later than one year		Later than one year and not later than two years		Later than two years and not later than five years		Later than five years	
Financial liabilities	₩	1,705,283	₩	1,736,444	₩	1,145,449	₩	305,233	₩	256,791	₩	28,971	
Interest from financial liabilities		-		58,329		44,840		12,946		543		-	
	₩	1,705,283	₩	1,794,773	₩	1,190,289	₩	318,179	₩	257,334	₩	28,971	

(in millions of Korean won)		2023										
		Nominal cash flows according to contract										
		Book value	Total	Not later than one year	Later than one year and not later than two years	Later than two years and not later than five years	Later than five years					
Financial liabilities	₩	1,604,643	₩	1,650,336	₩	1,124,352	₩	327,425	₩	131,788	₩	66,771
Interest from financial liabilities		-		42,737		35,517		7,062		158		-
	₩	1,604,643	₩	1,693,073	₩	1,159,869	₩	334,487	₩	131,946	₩	66,771

The above-mentioned maturity analysis is based on an undiscounted cash flow according to the contract, which differs from the carrying amount of liabilities presented in the separate financial statements. It also includes the interest expenses on financial liabilities to be paid in the future. Meanwhile, apart from the aforementioned non-derivative financial liabilities, the maximum amount of the guarantee that the company may be liable for at the end of the current period due to claims by the guaranteed party under the financial guarantee contracts provided by the company is as stated in Note 32.

**4.4 Capital Risk**

Debt-to-equity ratio as at December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>		<b>2024</b>	<b>2023</b>
Total liabilities	₩	2,044,383	1,884,414
Total equity		3,009,143	3,030,203
Debt-to-equity ratio		67.94%	62.19%

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
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**5. Restricted Financial Instruments**

Restricted financial instruments as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>		<b>Description</b>
Short-term financial instruments	₩	54,068	₩	34,567	Deposits, mutual growth deposits, establishment of the right of pledge and others
Long-term financial instruments		782		14,278	Bank transaction deposits, deposits provided for business and establishment of the right of pledge and others
	₩	54,850	₩	48,845	

In addition, regarding the securitization of accounts receivable of the Company, the Company entrusted the deposit return receivables for the collection account (hereinafter referred to as the "collection account") opened to KOOKMIN BANK (hereinafter referred to as the "trustee") in order to receive payments related to the goods supply contract. The collection account cannot be paid without the request of the trustee, but if the Parent Company meets the advance conditions, such as withholding 1/3 of the instalment payment of beneficiary rights in the trust collection account managed by the trustee every month, the funds can be withdrawn twice a week. As at December 31, 2024 and 2023, the balance of the collection account is recognized as short-term financial instruments amounting to ₩ 14,744 million and ₩ 13,120 million respectively in the separate statements of financial position.

**6. Short-term and Long-term Investment Securities**

Details of short-term and long-term investment securities as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>		<b>2024</b>		<b>2023</b>	
Short-term investment securities	Financial assets at fair value through profit or loss	₩	1,497	₩	2,757
	Financial assets at fair value through other comprehensive income		6,006		11,037
Long-term investment securities	Financial assets at fair value through profit or loss		11,922		11,525
			17,928		22,562
		₩	19,425	₩	25,319

**Doosan Corporation**  
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Short-term and long-term investment securities as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)		Items	2024		2023	
Financial assets at fair value through other comprehensive income	Marketable equity securities	Preferred shares of Solus Advanced Materials Co., Ltd. and others	₩	5,771	₩	10,802
	Non-marketable equity securities	The Kang Won Ilbo and others		235		235
				6,006		11,037
	Non-marketable equity securities	TTC House, Inc. and others <sup>1</sup>		500		500
Financial assets at fair value through profit or loss	Contributions	Construction Guarantee and others		2,713		2,942
	Beneficiary certificates	Pangaea Ventures Fund IV and others		8,709		8,083
	Debt securities	Kodit 2021 the 1 <sup>st</sup> Securitization Specialty Co., Ltd. and others		1,497		2,757
				13,419		14,282
			₩	19,425	₩	25,319

<sup>1</sup> Although the Company has significant influence on the Board of Directors of the investee with its right to participation, shares acquired are classified as financial assets measured at fair value through profit or loss in accordance with Korean IFRS 1109, as it is deemed that such preferred shares, in substance, does not currently give the Company any access to gain on the equity investments in the investees (Note 11).

Changes in financial assets at fair value for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)		2024						
		Beginning balance	Acquisition	Disposal	Valuation	Transfer to assets held for sale	Ending balance	
Financial assets at fair value through other comprehensive income	₩	11,037	₩	-	₩	(5,031)	₩	6,006
Financial assets at fair value through profit or loss		14,282	625	(3,288)	2,063	(263)		13,419
	₩	25,319	₩	625	₩	(2,968)	₩	19,425

**Doosan Corporation**  
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(in millions of  
Korean won)

<i>Korean won)</i>	2023									
	Beginning balance		Acquisition		Disposal		Valuation		Ending balance	
Financial assets at fair value through other comprehensive income	₩	12,766	₩	-	₩	-	₩	(1,729)	₩	11,037
Financial assets at fair value through profit or loss		121,277		1,469		(12,130)		(96,334)		14,282
	₩	134,043	₩	1,469	₩	(12,130)	₩	(98,063)	₩	25,319

Changes in financial assets at fair value through other comprehensive income for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

		2024		
		Beginning balance	Valuation	Ending balance
Equity instruments at fair value through OCI	Accumulated other comprehensive income before income tax	₩ (8,467)	₩ (5,031)	₩ (13,498)
	Income tax effect	1,956	1,162	3,118
		₩ (6,511)	₩ (3,869)	₩ (10,380)

(in millions of Korean won)

		2023		
		Beginning balance	Valuation	Ending balance
Equity instruments at fair value through OCI	Accumulated other comprehensive income before income tax	₩ (6,738)	₩ (1,729)	₩ (8,467)
	Income tax effect	1,563	393	1,956
		₩ (5,175)	₩ (1,336)	₩ (6,511)

**Doosan Corporation**  
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**7. Trade and Other Receivables**

Details of trade and other receivables as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	2024			2023		
	Gross amount	Provision for impairment	Book value	Gross amount	Provision for impairment	Book value
<b>Current</b>						
Trade receivables	₩ 288,551	₩ (16,891)	₩ 271,660	₩ 204,507	₩ (17,050)	₩ 187,457
Non-trade receivables	20,282	(1,526)	18,756	16,894	(2,230)	14,664
Accrued income	9,857	-	9,857	2,164	-	2,164
Short-term loans	16,298	(5)	16,293	1,364	(5)	1,359
Financial lease payments receivables	2,267	-	2,267	1,177	-	1,177
	<u>337,255</u>	<u>(18,422)</u>	<u>318,833</u>	<u>226,106</u>	<u>(19,285)</u>	<u>206,821</u>
<b>Non-current</b>						
Long-term loans	17,049	-	17,049	10,147	-	10,147
Financial lease payments receivables	12,527	-	12,527	7,372	-	7,372
	<u>29,576</u>	<u>-</u>	<u>29,576</u>	<u>17,519</u>	<u>-</u>	<u>17,519</u>
	<u>₩ 366,831</u>	<u>₩ (18,422)</u>	<u>₩ 348,409</u>	<u>₩ 243,625</u>	<u>₩ (19,285)</u>	<u>₩ 224,340</u>



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Changes in allowance for doubtful accounts for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	<b>2024</b>				
	<b>Beginning balance</b>	<b>Provision (reversal)</b>	<b>Write off</b>	<b>Transfer to assets held for sale</b>	<b>Ending balance</b>
Trade receivables	₩ 17,050	₩ 23	₩ (35)	₩ (147)	₩ 16,891
Non-trade receivables	2,230	100	(804)	-	1,526
Short-term loans	5	-	-	-	5
	<u>₩ 19,285</u>	<u>₩ 123</u>	<u>₩ (839)</u>	<u>₩ (147)</u>	<u>₩ 18,422</u>

(in millions of Korean won)

	<b>2023</b>			
	<b>Beginning balance</b>	<b>Provision (reversal)</b>	<b>Write off</b>	<b>Ending balance</b>
Trade receivables	₩ 17,428	₩ (56)	₩ (322)	₩ 17,050
Non-trade receivables	2,119	111	-	2,230
Short-term loans	5	-	-	5
	<u>₩ 19,552</u>	<u>₩ 55</u>	<u>₩ (322)</u>	<u>₩ 19,285</u>

Allowance for doubtful accounts (reversal of allowance for doubtful accounts) on impaired trade receivables is included in selling and administrative expenses, Other non-operating expenses, or Profit (loss) from discontinued operations in the separate income statements.

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
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**8. Inventories**

Inventories as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	2024			2023		
	Acquisition cost	Valuation allowance	Book value	Gross amount	Valuation allowance	Book value
Merchandise	₩ 61	₩ (2)	₩ 59	₩ 50	₩ (11)	₩ 39
Finished goods	40,703	(7,461)	33,242	25,914	(6,779)	19,135
Work in process	21,520	(7,273)	14,247	24,107	-	24,107
Raw materials	83,188	(4,524)	78,664	61,454	(3,022)	58,432
Materials in transit	8,859	-	8,859	5,211	-	5,211
Others	1,549	-	1,549	2,159	(67)	2,092
	<u>₩ 155,880</u>	<u>₩ (19,260)</u>	<u>₩ 136,620</u>	<u>₩ 118,895</u>	<u>₩ (9,879)</u>	<u>₩ 109,016</u>

Provision for loss on valuation of inventories (reversal) recognized for the year ended December 31, 2024 and 2023, respectively, amounts to ₩ 10,560 million and ₩ (-) 373 million.

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

**9. Derivatives**

Details of derivatives and hedge accounting of the Company are as follows:

Derivative contracts	Purpose	Description
Foreign exchange forward	Cash flow hedge	The Company designated the currency forward contracts as hedging instrument to hedge the cash flow risk arising from changes in foreign currency of forecast sales
Put option Others	Held for trading	Changes in fair value are recognized in profit or loss

Details of gain (loss) on valuation of derivatives as at December 31, 2024 and 2023, are as follows:

*(in millions of Korean won, in thousands of foreign currencies)*

currencies)	2024						
	Buy		Sell		Asset (liabilities)	Gain (loss)	Accumulated other comprehensiv e income <sup>1</sup>
	Currency / Amount		Currency / Amount				
Foreign exchange forward	KRW	80,426	USD	58,400	₩ (4,905)	-	(4,905)
Put option <sup>2</sup>					(93,497)	(28,239)	-
Others <sup>3</sup>					39,354	48,926	-
Others					-	18	-
					₩ (59,048)	20,705	(4,905)

<sup>1</sup> The amounts are gain (loss) on valuation of derivatives designated as cash flow hedges before income tax, effect.

<sup>2</sup> The subsidiary, HyAxiom, Inc., issued convertible preferred shares to external investors, and the Company has entered into a shareholders' agreement with these external investors and granted them put options.

<sup>3</sup> This is the fair value valuation gain or loss of over-the-counter derivatives contracts that receive the amount settled according to changes in the fair value of the subordinated equity instruments issued by Sosius-Well to Sea Investment Co., Ltd.

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(in millions of Korean won, in  
thousands of foreign  
currencies)

currencies)	2023								
	Buy		Sell		Asset (liabilities)	Gain (loss)	Accumulated other comprehensiv e income <sup>1</sup>		
	Currency / Amount	Currency / Amount							
Foreign exchange forward	KRW	40,264	USD	30,500	₩ 1,118	₩ -	₩ 1,118		
Put option <sup>2</sup>					(65,258)	(2,204)	-		
Others <sup>3</sup>					(9,572)	(9,572)	-		
					₩ (73,712)	₩ (11,776)	₩ 1,118		

<sup>1</sup> The amounts are gain (loss) on valuation of derivatives designated as cash flow hedges before income tax, effect.

<sup>2</sup> The subsidiary, HyAxiom, Inc., issued convertible preferred shares to external investors, and the Company has entered into a shareholders' agreement with these external investors and granted them put options.

<sup>3</sup> This is the fair value valuation gain or loss of over-the-counter derivatives contracts that receive the amount settled according to changes in the fair value of the subordinated equity instruments issued by Sosius-Well to Sea Investment Co., Ltd.

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**10. Financial Instruments by Category**

Categories of financial instruments as at December 31, 2024 and 2023, are as follows:

(in millions of  
Korean won)

	2024					
	Financial assets at fair value through profit or loss	Financial assets at fair value other comprehensive income	Derivatives designated as hedging instruments	Financial assets at amortized cost	Book value	Fair value
Cash and cash equivalents	₩ -	₩ -	₩ -	₩ 148,682	₩ 148,682	₩ 148,682
Short-term and long-term financial instruments	-	-	-	65,850	65,850	65,850
Short-term and long-term investment securities	13,419	6,006	-	-	19,425	19,425
Trade and other receivables	-	-	-	348,408	348,408	348,408
Derivative assets	39,354	-	-	-	39,354	39,354
Deposits	-	-	-	36,465	36,465	36,465
	₩ 52,773	₩ 6,006	₩ -	₩ 599,405	₩ 658,184	₩ 658,184

(in millions of  
Korean won)

	2024					
	Financial liabilities at fair value through profit or loss	Derivatives designated as hedging instruments	Financial guarantee contract	Financial assets at amortized cost	Book value	Fair value
Trade and other payables	₩ -	₩ -	₩ 4,087	₩ 290,897	₩ 294,984	₩ 294,984
Borrowings, bonds and asset-backed loans	-	-	-	1,228,419	1,228,419	1,228,419
Lease liabilities	-	-	-	185,966	185,966	185,966
Derivative liabilities	93,497	4,905	-	-	98,402	98,402
	₩ 93,497	₩ 4,905	₩ 4,087	₩ 1,705,282	₩ 1,807,771	₩ 1,807,771

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
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(in millions of  
Korean won)

	2023					
	Financial assets at fair value through profit or loss	Financial assets at fair value other comprehensive income	Derivatives designated as hedging instruments	Financial assets at amortized cost	Book value	Fair value
Cash and cash equivalents	₩ -	₩ -	₩ -	₩ 232,028	₩ 232,028	₩ 232,028
Short-term and long-term financial instruments	-	-	-	53,845	53,845	53,845
Short-term and long-term investment securities	14,282	11,037	-	-	25,319	25,319
Trade and other receivables	-	-	-	224,340	224,340	224,340
Derivative assets	-	-	1,118	-	1,118	1,118
Deposits	-	-	-	38,135	38,135	38,135
	₩ 14,282	₩ 11,037	₩ 1,118	₩ 548,348	₩ 574,785	₩ 574,785

(in millions of  
Korean won)

	2023					
	Financial liabilities at fair value through profit or loss	Derivatives designated as hedging instruments	Financial guarantee contract	Financial assets at amortized cost	Book value	Fair value
Trade and other payables	₩ -	₩ -	₩ 1,377	₩ 235,081	₩ 236,458	₩ 236,458
Borrowings, bonds and asset-backed loans	-	-	-	1,155,459	1,155,459	1,155,459
Lease liabilities	-	-	-	214,103	214,103	214,103
Derivative liabilities	74,830	-	-	-	74,830	74,830
	₩ 74,830	₩ -	₩ 1,377	₩ 1,604,643	₩ 1,680,850	₩ 1,680,850

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
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Fair value measurements of financial instruments by fair value hierarchy levels as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

		2024			
		Level 1	Leve 2	Level 3	Total
<b>Financial assets at fair value through profit or loss:</b>					
Financial assets at fair value through profit or loss	₩	-	₩	-	₩ 52,773
Financial assets at fair value through other comprehensive income		5,771	-	235	6,006
Derivatives designated as hedging instruments		-	-	-	-
		5,771	-	53,008	58,779
<b>Financial liabilities at fair value through profit or loss:</b>					
Financial liabilities at fair value through profit or loss		-	-	93,497	93,497
Derivatives designated as hedging instruments		-	4,905	-	4,905
		-	4,905	93,497	98,402
	₩	5,771	₩ (4,905)	₩ (40,489)	₩ (39,623)

(in millions of Korean won)

		2023			
		Level 1	Leve 2	Level 3	Total
<b>Financial assets at fair value through profit or loss:</b>					
Financial assets at fair value through profit or loss	₩	-	₩	-	₩ 14,282
Financial assets at fair value through other comprehensive income		10,802	-	235	11,037
Derivatives designated as hedging instruments		-	1,118	-	1,118
		10,802	1,118	14,517	26,437
<b>Financial liabilities at fair value through profit or loss:</b>					
Financial liabilities at fair value through profit or loss		-	-	74,830	74,830
Derivatives designated as hedging instruments		-	-	-	-
		-	-	74,830	74,830
	₩	10,802	₩ 1,118	₩ (60,313)	₩ (48,393)

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
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The above table does not include information for those financial instruments, which are not measured at fair value because the carrying amount approximates fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique. The level of hierarchy of fair value is as follows:

**Significance of inputs**

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date.
Level 2	All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability.
Level 3	Unobservable inputs for the asset or liability

The fair value of financial instruments traded in active markets is based on quoted market prices at the dates of the separate financial statements. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily listed securities classified as financial assets at fair value.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required for fair value of an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the financial instrument is included in Level 3.

Assumptions used in the valuation of financial assets at fair value that have been categorized into Level 3 as at December 31, 2024, are as follows:

<b>Financial assets</b>	<b>Valuation techniques</b>	<b>Major assumptions</b>
Machinery	Expected selling price estimation method	Expected selling price
Financial Cooperative		
Engineering Guarantee Insurance	Expected selling price estimation method	Expected selling price
Gyeongnam-GNTECH	Net asset value assessment	Net asset value
Creative Economy Innovation Fund		
Others	Expected selling price estimation method	Expected selling price and others



# Doosan Corporation and Subsidiaries

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

Comprehensive income (loss) by categories of financial instruments for the years ended December 31, 2024 and 2023, is as follows:

(in millions of  
Korean won)

		2024					
		Profit or loss					
	Interest	Dividend	Financial guarantee	Valuation	Reversal (impairment)	Disposal	Foreign exchange
	₩ 11,655	₩ -	₩ -	₩ -	₩ (123)	₩ (18)	₩ 32,360
Financial assets at amortized cost							₩ -
Financial assets at fair value through profit or loss	-	3	-	2,063	-	-	-
Financial assets at fair value through other comprehensive income	-	153	-	-	-	-	(5,032)
	₩ 11,655	₩ 156	₩ -	₩ 2,063	₩ (123)	₩ (18)	₩ 32,360
Financial liabilities							(5,032)
Financial liabilities at amortized cost	₩ (81,584)	₩ -	₩ -	₩ -	₩ -	₩ (66)	₩ (12,282)
Financial guarantee contract	-	-	2,231	-	-	-	-
	₩ (81,584)	₩ -	₩ 2,231	₩ -	₩ -	₩ (66)	₩ (12,282)
							₩ -

<sup>1</sup> Other comprehensive income is before income tax effect.

**Doosan Corporation and Subsidiaries**  
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(in millions of  
Korean won)

		2023					
		Profit or loss					Other
	Interest	Dividend	Financial guarantee	Valuation	Reversal (impairment)	Disposal	comprehensive income <sup>1</sup>
<b>Financial assets</b>							
Financial assets at amortized cost	₩ 12,878	₩ -	₩ -	₩ -	₩ (55)	₩ -	₩ 3,788
Financial assets at fair value through profit or loss	-	45	-	(96,334)	-	(34)	-
Financial assets at fair value through other comprehensive income	-	149	-	-	-	-	(1,729)
	₩ 12,878	₩ 194	₩ -	₩ (96,334)	₩ (55)	₩ (34)	₩ 3,788
<b>Financial liabilities</b>							
Financial liabilities at amortized cost	₩ (75,618)	₩ -	₩ -	₩ -	₩ -	₩ (59)	₩ (917)
Others (financial guarantee liabilities and others)	-	-	1,219	-	-	-	-
	₩ (75,618)	₩ -	₩ 1,219	₩ -	₩ -	₩ (59)	₩ (917)

<sup>1</sup> Other comprehensive income is before income tax effect.

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Apart from the above financial instruments, comprehensive income (loss) by derivatives for the years ended December 31, 2024 and 2023, is as follows:

	2024			2023		
	Profit or loss		Other comprehensive income <sup>1</sup>	Profit or loss		Other comprehensive income <sup>1</sup>
	Valuation	Disposal		Valuation	Disposal	
Derivatives held for trading	₩ 20,705	₩ -	₩ -	₩ (11,776)	₩ -	₩ -
Derivatives designated as cash flow hedges	-	(4,917)	(6,023)	-	1,179	(3,497)
	₩ 20,705	₩ (4,917)	₩ (6,023)	₩ (11,776)	₩ 1,179	₩ (3,497)

<sup>1</sup> Other comprehensive income is before income tax effect.

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**11. Investments in Subsidiaries, Associates and Joint Ventures**

Details of investments in subsidiaries, associates and joint ventures as at December 31, 2024 and 2023, are as follows (in millions of Korean won, in percentage) :

	Location	Ownership interests		2024	2023
<b>Subsidiaries</b>					
Doosan Enerbility Co., Ltd <sup>1,2</sup>	Korea	30.4	₩	2,536,311	2,536,311
Oricom, Inc.	Korea	62.8		23,168	23,168
Doosan Bears, Inc.	Korea	100		15,559	15,559
Doosan Digital Innovation America, LLC.	USA	100		4,889	4,889
Doosan Information & Communications Beijing Co., Ltd.	China	100		3,230	3,230
Doosan Digital Innovation Europe Limited	UK	100		4,870	4,870
Doosan Business Research Institute Co., Ltd.	Korea	100		8,000	8,000
Doosan Logistics Solution Co., Ltd. <sup>3</sup>	Korea	100		89,400	49,400
Doosan Portfolio Holdings Co., Ltd. <sup>4</sup>	Korea	100		253,944	280,575
Doosan Investment Co., Ltd.	Korea	100		10,000	10,000
Doosan Shanghai Chemical Materials Co., Ltd.	China	100		-	-
Doosan Electro-Materials Singapore Pte. Ltd.	Singapore	100		-	-
Doosan (Hong Kong) Ltd.	China	100		-	-
Doosan Electro-Materials (Changshu) Co., Ltd.	China	100		45,964	45,964
Doosan Electro-Materials America, LLC	USA	100		8,837	8,837
Doosan Electro-Materials Vietnam Company Limited	Vietnam	100		12,300	12,300
HyAxiom, Inc. <sup>5</sup>	USA	100		255,460	255,460
Doosan Energy Solutions America, Inc.	USA	100		44,442	44,442
Doosan Robotics, Inc. <sup>6</sup>	Korea	68.2		89,662	91,850
Doosan Mobility Innovation, Inc. <sup>7</sup>	Korea	100		72,300	72,300
Doosan New Technology Investment Fund No.1 <sup>8</sup>	Korea	19.7		3,660	-
D-Pay 3rd Co., Ltd. <sup>9</sup>	Korea	-		-	-
Doosan Second Real Estate Securitization Specialty Ltd. <sup>9</sup>	Korea	-		-	-
				3,481,996	3,467,155
<b>Associates</b>					

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PT. SEGARA AKASA	Indonesia	30	71	71
Mastern General Private Security Investment Trust No.98 <sup>3</sup>	Korea	-	-	15,022
Versogen, Inc. <sup>10</sup>	USA	3.4	2,487	2,487
TTC House Inc. <sup>11</sup>	Korea	14.3	-	-
SemiFive Inc. <sup>10,12</sup>	Korea	4.7	20,359	20,359
			22,917	37,939
<b>Joint ventures</b>				
Sichuan Kelun-Doosan Biotechnology Company Limited	China	50	2,526	2,526
			₩ 3,507,439	3,507,620

<sup>1</sup> The (potential) share of the decision-making rights of the above subsidiaries for assessing whether they have control or not is less than half, but it has been determined that they have substantive control.

<sup>2</sup> Some shares of investments in subsidiaries are provided as collateral to KEB Hana Bank and others (Note 33).

<sup>3</sup> The Company invested ₩ 24,672 million through paid-in-capital increase and additionally acquired ₩ 15,328 million due to the in-kind contributions with beneficiary certificates of Mastern General Private Security Investment Trust No 98 for the year ended December 31, 2024.

<sup>4</sup> The Company recognized impairment loss amounting to ₩ 26,631 million for the year ended December 31, 2024. The Company determines whether an impairment loss is recognized in respect of investments in subsidiaries, joint ventures and associates in accordance with Korean IFRS 1036 *Impairment of Assets*. Discount rate and perpetual growth rate used in calculation for fair value measurements as at December 31, 2024, are 10.2% and 1%, respectively.

<sup>5</sup> During the year ended December 31, 2023, the subsidiary issued convertible preferred shares to external investors, and the Company has entered into a shareholders' agreement with the external investor, granting a put option on the shares. Considering the convertible preferred shares, the Company's equity interest as at December 31, 2023, is 86.21%, and the voting rights are 90.82%.

<sup>6</sup> For the year ended December 31, 2023, the Company's equity interest has changed due to a paid-in capital increase for the subsidiary's listing on the securities market.

<sup>7</sup> The Company's voting rights are 86.12% considering the convertible redeemable preferred shares with voting rights issued by the subsidiary.

<sup>8</sup> The Company established Doosan New Technology Investment Fund No.1 and invested ₩ 3,660 million out of the committed amount of ₩ 20,000 million during the year ended December 31, 2024. The Company holds 19.80% of equity interests of Doosan New Technology Investment Fund No.1 in accordance with the commitment and the Company's equity interest as at December 31, 2024, is 19.70%. Meanwhile, the Company decided that it had control over the entity considering the shares held by the subsidiary.

**Doosan Corporation**  
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<sup>9</sup> Although the Company does not hold a significant stake in a special-purpose company, considering the terms of the arrangement in which the structured entity was established, the Company decided that it had control over the activities of the structured entity that could have the most significant impact on the special-purpose company's earnings.

<sup>10</sup> Although the Company's ownership interest in the investee is less than 20%, the investee is classified as an associate considering the exercise of voting rights in the Board of Directors.

<sup>11</sup> Although the Company has significant influence on the Board of Directors of the investees, shares acquired are classified as financial assets measured at fair value through profit or loss in accordance with Korean IFRS 1109, as the existing ownership, in substance, does not currently give it access to returns associated with ownership interests (Note 6).

<sup>12</sup> The combined ownership interests with the subsidiary, Doosan Tesna Co., Ltd, is 7.04%.

Announced market prices of investments in subsidiaries, joint ventures and associates as at December 31, 2024 and 2023, are as follows:

*(in millions of Korean won)*

	<b>2024</b>		<b>2023</b>	
	<b>Book value</b>	<b>Fair value</b>	<b>Book value</b>	<b>Fair value</b>
<b>Subsidiaries</b>				
Doosan Enerbility Co., Ltd.	₩ 2,536,311	₩ 3,416,822	₩ 2,536,311	₩ 3,095,582
Oricom, Inc.	23,168	50,455	23,168	77,213
Doosan Robotics Co., Ltd.	89,662	2,311,660	91,850	5,131,620

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**12. Property, Plant and Equipment**

Changes in property, plant and equipment for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	2024					
	Land	Buildings and structures	Machinery	Others	Construction -in-progress	Total
Opening net book amount	₩ 45,593	₩ 107,978	₩ 56,988	₩ 23,019	₩ 36,973	₩ 270,551
Acquisition / capital expenditure	-	376	437	7,725	57,902	66,440
Transfer	-	32,295	34,365	5,088	(77,702)	(5,954)
Disposal	(2,038)	(8,795)	(2,285)	(693)	(3,793)	(17,604)
Depreciation	-	(13,916)	(10,089)	(9,516)	-	(33,521)
Transfer to assets held for sale <sup>1</sup>	-	(43)	(2,089)	(755)	-	(2,887)
Acquisition of government grants	(2,382)	(5,814)	-	(20)	-	(8,216)
Others	-	-	(88)	-	-	(88)
Closing net book amount	₩ 41,173	₩ 112,081	₩ 77,239	₩ 24,848	₩ 13,380	₩ 268,721
Acquisition cost	₩ 32,381	₩ 212,893	₩ 244,447	₩ 120,470	₩ 14,428	₩ 624,619
Accumulated depreciation (including accumulated impairment losses)	-	(95,046)	(166,684)	(95,592)	(1,048)	(358,370)
Government grants	(3,371)	(5,766)	(524)	(30)	-	(9,691)
Accumulated revaluation surplus	12,163	-	-	-	-	12,163

<sup>1</sup> Some property, plant and equipment were transferred to assets held for sale for the year ended December 31, 2024 (Note 36).

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(in millions of Korean won)

	2023					
	Land	Buildings and structures	Machinery	Others	Construction -in-progress	Total
Opening net book amount	₩ 33,614	₩ 116,277	₩ 40,102	₩ 23,677	₩ 40,741	₩ 254,411
Acquisition / capital expenditure	246	2,210	1,257	6,987	52,099	62,799
Acquisition of government grants	(989)	-	(605)	-	-	(1,594)
Transfer <sup>1</sup>	11,494	5,292	28,642	1,862	(52,108)	(4,818)
Disposal	-	(57)	(362)	(426)	(3,759)	(4,604)
Depreciation	-	(15,688)	(9,149)	(9,056)	-	(33,893)
Asset revaluation	1,228	-	-	-	-	1,228
Reversal of impairment loss (impairment loss)	-	(56)	(2,897)	(25)	-	(2,978)
Closing net book amount	₩ 45,593	₩ 107,978	₩ 56,988	₩ 23,019	₩ 36,973	₩ 270,551
Acquisition cost	₩ 33,838	₩ 191,874	₩ 249,739	₩ 118,899	₩ 38,022	₩ 632,372
Accumulated depreciation (including accumulated impairment losses)	-	(83,896)	(191,996)	(95,854)	(1,049)	(372,795)
Government grants	(989)	-	(755)	(26)	-	(1,770)
Accumulated revaluation surplus	12,744	-	-	-	-	12,744

<sup>1</sup> Some of the land and buildings are provided as collateral to The Korea Development Bank and others in relation to the borrowings (Note 33).



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Changes in right-of-use assets classified as property, plant and equipment for the years ended December 31, 2024 and 2023, are as follows:

	<i>(in millions of Korean won)</i>					
	<b>2024</b>					
	<b>Buildings and structures</b>		<b>Others</b>		<b>Total</b>	
Opening net book amount	₩	61,791	₩	2,353	₩	64,144
Acquisition / capital expenditure		362		811		1,173
Disposal <sup>1</sup>		-		(526)		(526)
Depreciation		(10,666)		(884)		(11,550)
Transfer to assets held for sale <sup>1</sup>		(43)		-		(43)
Closing net book amount	₩	51,444	₩	1,754	₩	53,198
Acquisition cost	₩	99,473	₩	5,245	₩	104,718
Accumulated depreciation		(48,029)		(3,491)		(51,520)

<sup>1</sup> The amount due to the termination of the lease contract and others.

(in millions of Korean won)	2023							
	Buildings and structures		Machinery		Others	Total		
Opening net book amount	₩	74,665	₩	589	₩	5,262	₩	80,516
Acquisition / capital expenditure		2,210		-		1,004		3,214
Disposal <sup>1</sup>		-		-		(219)		(219)
Depreciation		(12,442)		-		(1,004)		(13,446)
Transfer <sup>2</sup>		(2,642)		(589)		(2,690)		(5,921)
Closing net book amount	₩	61,791	₩	-	₩	2,353	₩	64,144
Acquisition cost	₩	99,154	₩	-	₩	5,590	₩	104,744
Accumulated depreciation		(37,363)		-		(3,237)		(40,600)

<sup>1</sup> The amount due to the termination of the lease contract.

<sup>2</sup> Transferred amount from buildings and structures to investment properties are included.

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Details of revaluation model, which the Company applies to measurement of the land, are as follows:

The Company choose the revaluation models as the measurement after recognition for land, and the revaluated amount is the fair value of the revaluation date. As at December 31, 2023, the fair value of land assets was determined from the appraisal that was undertaken by independently qualified valuers, the First Appraisal & Consulting Co., Ltd ("FACC") and Mirae & Saehan Appraisal Co., Ltd., on October 31, 2023.

FACC and Mirae & Saehan Appraisal Co., Ltd. are members of Korea Association of Property Appraisers and comprise of certified professionals that have a significant amount of industry experience.

In addition, if the land were stated at cost, the land would amount to ₩ 29,010 million (2023: ₩ 32,849 million) as at December 31, 2024. The fair value of land as at December 31, 2024, has no significant difference with revaluation amount as at December 31, 2023.

Fair value measurements of land assets by fair value hierarchy level as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Land	₩	- ₩	- ₩ 41,173 ₩	- ₩	- ₩	45,593

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Valuation technique and inputs used for fair value measurement of land assets (Level 3) are as follows:

Valuation technique	Significant inputs that are not based on observable market data (unobservable inputs)	Correlation between unobservable inputs and fair value arguments
Official Assessed Reference Land Price ("OARLP"): OARLP of similar parcels nearby the subject land and reflecting corrections necessary for differences between the subject and the comparable	Fluctuation rate of land price	Fair value increases (decreases), if rate of land price increases (decreases).
	Parcel conditions and others	Fair value increases (decreases), if correction of parcel conditions and others increases (decreases).
	Land conditions affecting the sales price and others	Fair value increases (decreases), if correction of land conditions affecting the sales price increases (decreases).
Trade Case Comparison method: When comparing the transaction case of an object that is similar to the target object, fair value is measured through the process of correcting the private information, correcting the timing, comparing the factors of the value formation and others	Private information correction	Fair value increases (decreases), if the private information correction increases (decreases).
	Point-in-time correction	Fair value increases (decreases), if the point-in-time correction increases (decreases).
	Value formation factor	Fair value increases (decreases), if the value forming factor increases (decreases).

Classification of depreciation for the years ended December 31, 2024 and 2023, is as follows:

(in millions of Korean won)	2024	2023
Cost of sales	₩ 27,171	₩ 25,593
Selling and administrative expenses	4,940	6,903
Profit (Loss) from Discontinued Operations	1,410	1,397
	₩ 33,521	₩ 33,893

Classification of depreciation for the years ended December 31, 2024 and 2023, incurred in right-of-use assets classified as property, plant and equipment is as follows:

(in millions of Korean won)	2024	2023
Cost of sales	₩ 8,270	₩ 8,306
Selling and administrative expenses	2,759	4,634
Profit (Loss) from Discontinued Operations	521	506
	₩ 11,550	₩ 13,446

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**13. Intangible Assets**

Changes in intangible assets for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	<b>2024</b>				
	<b>Goodwill</b>	<b>Industrial rights</b>	<b>Development costs</b>	<b>Other intangible assets</b>	<b>Total</b>
Opening net book amount	₩ 8,073	₩ 1,386	₩ 41,651	₩ 17,547	₩ 68,657
Acquisition / capital expenditure	-	390	6,233	2,046	8,669
Transfer	-	-	148	595	743
Disposal	-	(37)	-	(28)	(65)
Amortization	-	(288)	(4,646)	(2,452)	(7,386)
Impairment	-	-	(2,468)	-	(2,468)
Acquisition of government grants	-	-	(349)	-	(349)
Transfer to assets held for sale <sup>1</sup>	(6,058)	(134)	(26,058)	(1,247)	(33,497)
Closing net book amount	₩ 2,015	₩ 1,317	₩ 14,511	₩ 16,461	₩ 34,304
Acquisition cost	₩ 2,015	₩ 5,383	₩ 38,935	₩ 63,831	₩ 110,164
Accumulated depreciation (including accumulated impairment losses)	-	(4,066)	(24,424)	(47,370)	(75,860)
Government grants	-	-	-	-	-

<sup>1</sup> Some intangible assets were transferred to assets held for sale for the year ended December 31, 2024 (Note 36).

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(in millions of Korean won)

	2023				
	Goodwill	Industrial rights	Development costs	Other intangible assets	Total
Opening net book amount	₩ 8,073	₩ 714	₩ 36,406	₩ 17,410	₩ 62,603
Acquisition / capital expenditure	-	863	9,803	574	11,240
Transfer	-	-	254	2,134	2,388
Disposal	-	(22)	-	(70)	(92)
Amortization	-	(169)	(4,190)	(2,363)	(6,722)
Impairment	-	-	-	(138)	(138)
Acquisition of government grants	-	-	(622)	-	(622)
Closing net book amount	₩ 8,073	₩ 1,386	₩ 41,651	₩ 17,547	₩ 68,657
Acquisition cost	₩ 8,073	₩ 5,701	₩ 98,002	₩ 66,917	₩ 178,693
Accumulated depreciation (including accumulated impairment losses)	-	(4,315)	(53,482)	(49,359)	(107,156)
Government grants	-	-	(2,869)	(11)	(2,880)

The carrying amount of membership with indefinite useful lives in other intangible assets is ₩ 11,297 million (2023: ₩ 10,865 million) as at December 31, 2024.

In addition, expenditure on research and development, which was recognized as expenses, amounted to ₩ 19,327 million (2023: ₩ 16,828 million) for the year ended December 31, 2024.

Before impairment test, the carrying amount of goodwill was allocated to CGUs as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

CGUs	2024	2023	Description
Digital Innovation BU	₩ 2,015	₩ 2,015	Operation and development of software
Fuel Cell BU	-	6,058	Manufacturing and sale of fuel cell
	₩ 2,015	₩ 8,073	

The recoverable amount of CGU is determined based on value in use. The discount rate and the permanent growth rate used in calculating value in use as at December 31, 2024, are as follows:

(in percentage)

	Digital Innovation BU
Discount rate	10.48%

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Permanent growth rate 0.00%

Estimates for value in use calculation are as follows:

The Company uses cash flow projections based on financial budgets approved by the directors covering five years periods for a value in use calculation. The financial budgets are determined based on historical result and expectation of market growth. Cash flows beyond that five-year periods have been extrapolated using an expected growth rate, continuing the fifth-year cash flow. Perpetual growth rate does not exceed long-term average growth rate of market, and the discount rates used reflect relevant risks specific to the CGUs.

The result of recoverable amount of the Company calculated based on value in use calculation was not to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGUs. Therefore, no impairment loss is recognized based on the impairment test for the year ended December 31, 2024.

The recoverable amount may change according to changes in key assumptions. Accordingly, the Company's management regularly observes relevant turnovers and industrial trends.

Classification of amortization for the years ended December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Cost of sales	₩ 1,779	₩ 1,478
Selling and administrative expenses	3,576	3,476
Profit (Loss) from Discontinued Operations	2,031	1,768
	<u>₩ 7,386</u>	<u>₩ 6,722</u>

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**14. Investment Properties**

Changes in investment properties for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024			2023			
	Land	Buildings	Total	Land	Buildings	Construction in progress	Total
Beginning balance	₩ 198,342	₩ 103,503	₩ 301,845	₩ 188,763	₩ 109,775	₩ 7,824	₩ 306,362
Disposal	-	-	-	(22)	(22)	-	(44)
Transfers	-	-	-	-	2,642	-	2,642
Valuation <sup>1</sup>	17,578	(5,326)	12,252	9,601	(8,892)	(7,824)	(7,115)
Ending balance	₩ 215,920	₩ 98,177	₩ 314,097	₩ 198,342	₩ 103,503	₩ -	₩ 301,845

<sup>1</sup> Gain or loss on valuation of investment properties is included in other non-operating income and expenses in the separate income statements.

Some of the above investment properties, superficies and leasehold interest are established by the tenant on the land (Note 32).

In addition, lease income related to investment properties amounted to ₩ 23,476 million and ₩ 20,852 million for the years ended December 31, 2024 and 2023, respectively.

Changes in right-of-use assets classified as investment properties for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024	2023
Beginning balance	₩ 102,340	₩ 108,414
Transfers	-	2,642
Valuation <sup>1</sup>	(5,227)	(8,716)
Ending balance	₩ 97,113	₩ 102,340

<sup>1</sup> Gain or loss on valuation of investment properties is included in other non-operating income and expenses in the separate income statements.

Details of fair value model that the Company applies for measurement of investment properties are as follows:

The Company recognizes subsequent measurement of investment properties using fair value. The fair value of investment properties was determined from the appraisal that was undertaken by independently qualified valuers, the First Appraisal & Consulting Co., Ltd ("FACC") and Mirae & Saehan Appraisal Co., Ltd., on November 30, 2024.

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FACC and Mirae & Saehan Appraisal Co., Ltd. are members of Korea Association of Property Appraisers, and comprise of certified professionals who have a significant amount of industry experience.

Fair value measurements of investment properties by fair value hierarchy level as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024			2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Land	₩ -	₩ -	₩ 215,920	₩ -	₩ -	₩ 198,342
Buildings	-	-	98,177	-	-	103,503
	₩ -	₩ -	₩ 314,097	₩ -	₩ -	₩ 301,845



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Valuation techniques and inputs used for fair value measurement of investment properties (Level 3) are as follows:

Valuation techniques	Significant inputs that are not based on observable market data (unobservable inputs)	Correlation between unobservable inputs and fair value arguments
Official Assessed Reference Land Price ("OARLP"): OARLP of similar parcels nearby the subject land and reflating corrections necessary for differences between the subject and the comparable	Fluctuation rate of land price	Fair value increases (decreases), if rate of land price increases (decreases).
	Parcel conditions and others	Fair value increases (decreases), if correction of parcel conditions and others increases (decreases).
	Land conditions affecting the sales price and others	Fair value increases (decreases), if correction of land conditions affecting the sales price increases (decreases).
	Private information correction	Fair value increases (decreases), if the private information correction increases (decreases).
Trade case comparison method: When comparing the transaction case of an object that is similar to the target object, fair value is measured through the process of correcting the private information, correcting the timing, comparing the factors of the value formation and others	Point-in-time correction	Fair value increases (decreases), if point-in-time correction increases (decreases).
	Value formation factor	Fair value increases (decreases), if the value-forming factor increases (decreases).
Estimated cost price approach: Fair value is based on depreciation and replacement costs considered with structure, building materials, construction condition, building equipment, end use, present condition and management condition	Replacement cost	Fair value increases (decreases), if replacement cost increases (decreases).
Discounted cash flow method: Fair value is measured by estimating the appropriate market rent for the remaining lease period from the present time of the evaluation by comparing transaction cases and then discounting it to the present value	Private information correction	Fair value increases (decreases), if the private information correction increases (decreases).
	Point-in-time correction	Fair value increases (decreases), if point-in-time correction increases (decreases).
	Value formation factor	Fair value increases (decreases), if the value-forming factor increases (decreases).
	Discount rate	Fair value decreases (increases), if the discount rate increases (decreases).

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**15. Bonds and Borrowings**

**15.1 Bonds**

Bonds as at December 31, 2024 and 2023, are as follows:

*(in millions of Korean won)*

Category	Annual interest rate (%) <sup>1</sup>	2024	2023
The 306-2 <sup>th</sup>	-	₩ -	₩ 33,000
The 307-1 <sup>th</sup>	-	-	70,000
The 307-2 <sup>th</sup>	4.34	40,000	40,000
The 308	6.12	50,000	50,000
The 309	5.74	43,000	43,000
The 310-1 <sup>th</sup>	4.67	40,000	-
The 310-2 <sup>th</sup>	4.80	14,000	-
The 311-1 <sup>th</sup>	3.87	25,000	-
The 311-2 <sup>th</sup>	4.19	50,000	-
		<u>262,000</u>	<u>236,000</u>
Less: discount on bonds		<u>(491)</u>	<u>(323)</u>
		261,509	235,677
Less: reclassification current portion of long-term bonds		(132,921)	(102,964)
- Principal amount of bonds		133,000	103,000
- Discount on bonds		<u>(79)</u>	<u>(36)</u>
		<u>₩ 128,588</u>	<u>₩ 132,713</u>

<sup>1</sup> Nominal interest rate

**15.2 Short-term borrowings**

Short-term borrowings as at December 31, 2024 and 2023, are as follows:

*(in millions of Korean won)*

Category	Creditor	Annual interest rate (%)	2024	2023
General borrowings	Woori Bank and others	4.47~5.54	₩ 538,000	₩ 228,000

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**15.3 Long-term borrowings**

Long-term borrowings as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

Category	Creditor	Annual interest rate (%)		2024		2023
Borrowings in Korean won	Shinhan Bank and others	5.06~5.74	₩	407,500	₩	585,000
Less: present value discounts				(189)		(1,182)
				<u>407,311</u>		<u>583,818</u>
Less: reclassification of current portion of long-term borrowings				(129,811)		(451,381)
- Principal				130,000		451,875
- Present value discounts				(189)		(494)
			₩	<u>277,500</u>	₩	<u>132,437</u>

**15.4 Long-term Asset-backed loans**

The Company has transferred some of its future trade receivables and others to the securitization companies to carry out the asset-backed securitizations (ABS). Details of the long-term asset-backed loans as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

Category	Creditor	Annual interest rate (%)		2024		2023
Asset-backed loans	D-Pay 3rd Co., Ltd.	4.50~6.08	₩	21,670	₩	108,350
Less: present value discounts				(71)		(386)
				<u>21,599</u>		<u>107,964</u>
Less: reclassification of current portion of long-term asset-backed loans				(21,599)		(86,371)
- Principal				21,670		86,680
- Present value discounts				(71)		(309)
			₩	<u>-</u>	₩	<u>21,593</u>

The carrying amount of trade receivables and others recognized in the separate statement of financial position as at December 31, 2024 and 2023 are ₩ 26,168 million and ₩ 40,972 million, respectively, as it does not meet the requirement for derecognition of financial instruments in relation to the long-term asset-backed loans (Note 32).

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**16. Lease**

**16.1 Right-of-use assets**

Changes in right-of-use assets classified as property, plant and equipment and investment properties for the years ended December 31, 2024 and 2023 are described in Notes 12.2 and 14.2. The composition of depreciation expenses by accounts arising from right-of-use assets classified as property, plant and equipment for the years ended December 31, 2024 and 2023 is described in Note 12.6.

**16.2 Lease liabilities**

Changes in lease liabilities for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Beginning balance	₩	214,103	₩	238,510
Acquisition of lease assets		1,173		4,864
Payment of lease payments		(40,210)		(42,032)
Interest expense		11,548		12,996
Cancel contracts		(557)		(235)
Transferred to assets held for sale		(91)		-
Ending balance	₩	<u>185,966</u>	₩	<u>214,103</u>

The maturity analysis of lease liabilities as at December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>		<b>2024</b>				
		<b>Nominal cash flows according to contract</b>				
	<b>Total</b>	<b>Less than 1 year</b>	<b>1 ~ 2 years</b>	<b>2 ~ 5 years</b>	<b>Over 5 years</b>	
Lease liabilities	₩ 218,222	₩ 38,418	₩ 37,959	₩ 112,875	₩ 28,970	

<i>(in millions of Korean won)</i>		<b>2023</b>				
		<b>Nominal cash flows according to contract</b>				
	<b>Total</b>	<b>Less than 1 year</b>	<b>1 ~ 2 years</b>	<b>2 ~ 5 years</b>	<b>Over 5 years</b>	
Lease liabilities	₩ 257,666	₩ 39,886	₩ 39,145	₩ 111,865	₩ 66,770	

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Classification of expenses for the years ended December 31, 2024 and 2023, incurred in short-term lease and leases of low-value assets that are not included in right-of-use assets is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Cost of sales	₩	685	₩	320
Selling and administrative expenses		1,746		234
Profit (Loss) from Discontinued Operations		357		474
	₩	2,788	₩	1,028

Cash outflows from financing activities due to the repayment of lease liabilities are ₩ 40,210 million and ₩ 42,032 million for the years ended December 31, 2024 and 2023, respectively. Cash outflows from operating activities due to short-term and leases of low value fees are ₩ 2,431 million and ₩ 1,028 million for the years ended December 31, 2024 and 2023, respectively. Therefore, the total cash outflow of the lease is ₩ 42,641 million and ₩ 43,060 million for the years ended December 31, 2024 and 2023, respectively.

**16.3 Lease receivables**

The maturity analysis of lease receivables as at December 31, 2024 and 2023, are as follow:

<i>(in millions of Korean won)</i>		<b>2024</b>				
		<b>Nominal cash flows according to contract</b>				
	<b>Total</b>	<b>Less than 1 year</b>	<b>1 ~ 2 years</b>	<b>2 ~ 5 years</b>	<b>Over 5 years</b>	
Lease receivables	₩ 17,470	₩ 2,910	₩ 2,565	₩ 7,696	₩ 4,299	

<i>(in millions of Korean won)</i>		<b>2023</b>				
		<b>Nominal cash flows according to contract</b>				
	<b>Total</b>	<b>Less than 1 year</b>	<b>1 ~ 2 years</b>	<b>2 ~ 5 years</b>	<b>Over 5 years</b>	
Lease receivables	₩ 9,968	₩ 1,557	₩ 1,557	₩ 4,672	₩ 2,182	

**17. Net defined benefit liabilities**

The Company operates a defined benefit plan for employees, and the actuarial valuation of plan assets and the defined benefit obligations is performed by independent actuary using the projected unit credit method.

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Details of net defined benefit liabilities as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Present value of defined benefit obligations	₩	191,952	₩	176,811
Fair value of plan assets		(143,168)		(151,466)
Net defined benefit liabilities	₩	48,784	₩	25,345

Post-employment benefits generated by defined benefit plan recognized in the separate income statements for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Current service costs	₩	16,060	₩	15,860
Past service costs		2,313		-
Net interest expense (interest expense – expected income)		1,227		705
	₩	19,600	₩	16,565

Classification of the post-employment benefits generated by defined benefit plan recognized in the separate income statements for the years ended December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Cost of sales	₩	7,631	₩	6,912
Selling and administrative expenses		11,065		8,837
Others		129		211
Profit (Loss) from Discontinued Operations		775		605
	₩	19,600	₩	16,565

Changes in the net defined benefit liabilities (assets) for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		
	<b>Defined benefit obligations</b>	<b>Plan assets</b>	<b>Net defined benefit liabilities</b>
Beginning balance	₩ 176,811	₩ (151,466)	25,345
Profit or loss:			
Current service cost	16,060	-	16,060
Past service cost	2,313	-	2,313
Interest expense (income)	7,089	(5,862)	1,227
	25,462	(5,862)	19,600
Remeasurements:			
Interest income on plan assets	-	72	72

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	<b>2024</b>		
	<b>Defined benefit obligations</b>	<b>Plan assets</b>	<b>Net defined benefit liabilities</b>
excluding interest recognized in profit or loss			
Actuarial loss arising from change in demographic assumptions	498	-	498
Actuarial loss arising from change in financial assumptions	11,383	-	11,383
Actuarial loss arising from experience adjustments	175	-	175
	<u>12,056</u>	<u>72</u>	<u>12,128</u>
Transfer in of affiliates	2,605	(1,193)	1,412
Transfer out of affiliates	(5,250)	3,376	(1,874)
Transferred to liabilities held for sale (Note 36)	(6,969)	5,568	(1,401)
Contributions by employer directly to plan assets	-	(4,360)	(4,360)
Post-employment benefits paid	(12,763)	10,697	(2,066)
Ending balance	<u>₩ 191,952</u>	<u>₩ (143,168)</u>	<u>48,784</u>

(in millions of Korean won)

	<b>2023</b>		
	<b>Defined benefit obligations</b>	<b>Plan assets</b>	<b>Net defined benefit liabilities (assets)</b>
Beginning balance	₩ 162,254	₩ (152,951)	₩ 9,303
Profit or loss:			
Current service cost	15,860	-	15,860
Interest expense (income)	8,427	(7,722)	705
	<u>24,287</u>	<u>(7,722)</u>	<u>16,565</u>
Remeasurements:			
Interest income on plan assets excluding interest recognized in profit or loss	-	1,049	1,049
Actuarial loss arising from change in demographic assumptions	176	-	176
Actuarial loss arising from change in financial assumptions	8,371	-	8,371
Actuarial loss arising from experience adjustments	1,463	-	1,463
	<u>10,010</u>	<u>1,049</u>	<u>11,059</u>
Transfer in of affiliates	1,996	(1,535)	461
Transfer out of affiliates	(4,714)	3,707	(1,007)
Contributions by employer directly to plan assets	-	(7,540)	(7,540)
Post-employment benefits paid	(17,022)	13,526	(3,496)
Ending balance	<u>₩ 176,811</u>	<u>₩ (151,466)</u>	<u>₩ 25,345</u>

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Assumptions used for actuarial valuation as at December 31, 2024 and 2023, are as follows:

	2024	2023
Discount rate (%)	3.59	4.12
Salary growth rate (%)		
Employee	4.0~6.0	3.8~5.0
Executive	2	2

Plan assets as at December 31, 2024 and 2023, are invested in principal-guaranteed fixed-income products.

The sensitivity of the defined benefit obligation to changes in the principal assumptions as at December 31, 2024 and 2023, is as follows:

(in millions of  
Korean won)

	2024				2023			
	Discount rate		Salary growth rate		Discount rate		Salary growth rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Amount	₩ (10,551)	₩ 11,873	₩ 11,632	₩ (10,551)	₩ (9,214)	₩ 10,338	₩ 10,335	₩ (9,382)
Ratio	(-)5.50%	6.19%	6.06%	(-)5.50%	(-)5.21%	5.85%	5.85%	(-)5.31%

The weighted average maturity of defined benefit obligations as at December 31, 2024 and 2023, is 6.1 years and 5.8 years, respectively. The Company expects to contribute ₩ 24,166 million for defined benefit plans in 2025.

In addition, the amount recognized for the defined contribution plan is ₩ 1,074 million and ₩ 1,121 million as at December 31, 2024 and 2023, respectively.



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**18. Provisions**

Changes in provisions for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024			2023			
	Provision for product warranties	Provision for restoration	Total	Provision for product warranties	Provision for restoration	Other provisions	Total
Beginning balance	₩ 2,963	₩ 1,335	₩ 4,298	₩ 4,147	₩ 1,315	₩ 5,346	₩ 10,808
Increase (decrease)	(595)	19	(576)	(526)	20	-	(506)
Utilized	(421)	-	(421)	(658)	-	(5,346)	(6,004)
Transferred to liabilities held for sale	(1,947)	-	(1,947)	-	-	-	-
Ending balance	₩ -	₩ 1,354	₩ 1,354	₩ 2,963	₩ 1,335	₩ -	₩ 4,298
Current	-	-	-	1,458	-	-	1,458
Non-current	-	1,354	1,354	1,505	1,335	-	2,840

The Company recognizes the expected expenses due to quality assurance, exchange refund, onerous contract, and pending lawsuit as provisions based on the warranty period and experience rate.

**19. Issued Capital and Share Premium**

Changes in issued capital and share premium for the years ended December 31, 2024 and 2023, are as follows:

(in shares and in millions of Korean won)	Number of shares issued			Issued capital			Share premium
	Ordinary shares	Preferred shares	Ordinary shares	Preferred shares	Total		
2023.01.01	16,523,835	4,889,500	₩ 99,291	₩ 24,447	₩ 123,738	₩ 322,462	
2023.12.31	16,523,835	4,889,500	₩ 99,291	₩ 24,447	₩ 123,738	₩ 322,462	
2024.01.01	16,523,835	4,889,500	₩ 99,291	₩ 24,447	₩ 123,738	₩ 322,462	
2024.12.31	16,523,835	4,889,500	₩ 99,291	₩ 24,447	₩ 123,738	₩ 322,462	

The Company's number of shares authorized is 400,000,000 shares with a par value of ₩ 5,000 per share. The amount of issued capital is not the same as total par value of shares issued due to retirement of shares.

The number of shares with the voting rights under limitation pursuant to Commercial Code of the Republic of Korea is 3,000,866 shares and 3,000,866 shares as at December 31, 2024 and 2023, respectively. The number of shares with the voting rights under limitation pursuant to Monopoly Regulation and Fair-Trade Act is 510,231 shares and 510,231 shares as at December 31, 2024 and

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2023, respectively. In addition, although the preferred shares in the Company do not contain voting right, if there is a resolution at the shareholders' meeting that the Company does not pay a certain dividend to the preferred shareholders, the preferred shares are deemed to have voting rights from the subsequent shareholders' meeting until the end of the shareholders' meeting where shareholders resolute to pay dividends to such preferred shareholders.

**20. Capital Surplus**

Details of capital surplus as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Share premium	₩	322,462	₩	322,462
Revaluation reserves		277,542		277,542
Other capital surplus		194,496		194,288
	₩	<u>794,500</u>	₩	<u>794,292</u>

**21. Other Components of Equity**

**21.1 Other Components of Equity**

Other components of equity as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Treasury shares	₩	(185,025)	₩	(185,025)
Losses on sales of treasury shares		(16,738)		(16,738)
Share options		18,290		9,201
Losses from capital reduction		(948,311)		(948,311)
	₩	<u>(1,131,784)</u>	₩	<u>(1,140,873)</u>

**21.2 Treasury shares**

The Company acquired registered ordinary shares and non-voting preferred shares, and recognized them as other components of equity for the stabilization of share price. Changes in treasury shares for the years ended December 31, 2024 and 2023, are as follows:

	<b>Number of treasury shares</b>			<b>Carrying amount of treasury shares</b>		
	<b>Ordinary shares</b>	<b>Preferred shares</b>	<b>Total</b>	<b>Ordinary shares</b>	<b>Preferred shares</b>	<b>Total</b>
2023.01.01	3,000,866	612,104	3,612,970	₩ 171,231	₩ 13,794	₩ 185,025
2023.12.31	3,000,866	612,104	3,612,970	₩ 171,231	₩ 13,794	₩ 185,025

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	Number of treasury shares			Carrying amount of treasury shares		
	Ordinary shares	Preferred shares	Total	Ordinary shares	Preferred shares	Total
2023.01.01	3,000,866	612,104	3,612,970	₩ 171,231	₩ 13,794	₩ 185,025
2024.01.01	3,000,866	612,104	3,612,970	₩ 171,231	₩ 13,794	₩ 185,025
2024.12.31	3,000,866	612,104	3,612,970	₩ 171,231	₩ 13,794	₩ 185,025

### 21.3 Share-based Payments

#### (a) Share options

The Company granted share options to its directors several times in the past. Share options are settled based on the Board of Directors' decision by issuance of new shares, treasury shares or cash settlement. Vesting condition offers two-year service after the resolution at the shareholders' meeting.

Changes in share options for the years ended December 31, 2024 and 2023, are as follows:

(in shares and in millions  
of Korean won)

	2024					
	Number of shares to be issued			Valuation amount		
	Beginning	Forfeited	Ending	Beginning	Forfeited	Ending
16 <sup>th</sup>	5,252	(5,252)	-	₩ 208	₩ (208)	₩ -

(in shares and in millions  
of Korean won)

	2023					
	Number of shares to be issued			Valuation amount		
	Beginning	Forfeited	Ending	Beginning	Forfeited	Ending
15 <sup>th</sup>	5,252	(5,252)	-	₩ 228	₩ (228)	₩ -
16 <sup>th</sup>	5,976	(724)	5,252	236	(28)	208
	<u>11,228</u>	<u>(5,976)</u>	<u>5,252</u>	<u>₩ 464</u>	<u>₩ (256)</u>	<u>₩ 208</u>

#### (b) Restricted Stock Unit

During the years ended December 31, 2024 and 2023, the Company granted the Company's executives the Restricted Stock Unit (hereinafter referred to as "RSU") by the resolution of the Board of Directors, and the details are as follows:

Category	Granted in 2024	Granted in 2023
Shares	Doosan Corporation ordinary shares	Doosan Corporation ordinary shares

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Total number of granted shares	87,863 shares	93,249 shares
Grant date	2024-05-02	2023-03-02
Fair value on the grant date	₩ 146,100	₩ 99,700
Exercise price	₩ 0	₩ 0
Vesting conditions	if they have served for 3 years or more (in case of those retiring after providing 2 years of service or more, shares are granted in proportion to the number of days of the retiree's tenure for 3 years on the share grant date).	

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Changes in RSU granted as at December 31, 2024 and 2023, are as follows:

<i>(in shares)</i>	<b>2024</b>	<b>2023</b>
Beginning balance	173,697	82,949
Granted	87,863	93,249
Cancellation	(6,869)	(2,501)
Ending balance	<u>254,691</u>	<u>173,697</u>

The share-based payment expenses recognized in the separate income statement in accordance with the RSU contract of the Company for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
RSU (equity-settled)	₩ 9,297	₩ 5,930

**22. Accumulated Other Comprehensive Income**

Accumulated other comprehensive income as at December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Gains on valuation of derivatives designated as hedges	₩ (3,774)	₩ 858
Losses on valuation of financial assets at fair value through other comprehensive income	(10,380)	(6,511)
Gains on revaluation of land	25,968	26,414
	<u>₩ 11,814</u>	<u>₩ 20,761</u>

**23. Retained Earnings**

Retained earnings as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Legal reserves	₩ 67,423	₩ 67,423
Unappropriated retained earnings	<u>3,143,452</u>	<u>3,164,862</u>
	<u>₩ 3,210,875</u>	<u>₩ 3,232,285</u>

The Commercial Code of the Republic of Korea requires the Company to appropriate an amount equal to a minimum of 10% of annual cash dividends declared as a legal reserve until the reserve equals 50% of its issued share capital.

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**24. Appropriation of retained earnings**

The appropriation of retained earnings for the year ended December 31, 2024, is expected at the shareholders' meeting on March 31, 2025. The appropriation date for the year ended December 31, 2023, was March 28, 2024.

The appropriation of retained earnings for the years ended December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Unappropriated retained earnings:				
Unappropriated retained earnings carried over from prior year	₩	3,129,090	₩	3,285,283
Profit (loss)		23,242		(111,873)
Remeasurements of net defined benefit liabilities		(9,326)		(8,548)
Reclassification from accumulated other comprehensive income to retained earnings		446		-
		<u>3,143,452</u>		<u>3,164,862</u>
Appropriation of retained earnings:				
Dividends		<u>(35,851)</u>		<u>(35,772)</u>
		<u>(35,851)</u>		<u>(35,772)</u>
Unappropriated retained earnings to be carried forward	₩	<u>3,107,601</u>	₩	<u>3,129,090</u>

Details of dividends for the year ended December 31, 2024, are as follows:

	<b>2024</b>		
	<b>Preferred shares (old)</b>	<b>Preferred shares (new)</b>	<b>Ordinary shares</b>
Par value per share (in Korean won)	₩ 5,000	₩ 5,000	₩ 5,000
Year-end (planned):			
Number of shares issued	3,996,462	893,038	16,523,835
Number of treasury shares	564,242	47,862	2,961,319
Shares eligible for dividends	3,432,220	845,176	13,562,516
Number of shares eligible for dividends	3,432,220	845,176	13,562,516
Rate of dividend per par value (in Korean won)	41%	40%	40%
Dividend per share	₩ 2,050	₩ 2,000	₩ 2,000
Dividend amount (planned) (in millions of Korean won)	<u>₩ 7,036</u>	<u>₩ 1,690</u>	<u>₩ 27,125</u>

The above dividend amount reflects the number of restricted stock units (RSU) granted by the Company in February 2025.

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Details of dividends paid by the Company for the year ended December 31, 2024, are as follows:

(in millions of Korean won)	2024			
	Preferred shares (old)	Preferred shares (new)	Ordinary shares	Total
Annual dividends for previous year:				
Shares eligible for dividends	3,432,220	845,176	13,522,969	
Number of shares eligible for dividends	3,432,220	845,176	13,522,969	
Dividend per share (in Korean won)	₩ 2,050	₩ 2,000	₩ 2,000	
	₩ 7,036	₩ 1,690	₩ 27,046	₩ 35,772

**25. Revenues**

**25.1 Disaggregation of Revenues**

Details of disaggregation of revenues for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)	2024	2023
Revenue from contracts with customers:		
Finished goods	₩ 712,570	₩ 615,835
Merchandises	46,836	43,682
Others	253,134	239,250
	<u>1,012,540</u>	<u>898,767</u>
Others:		
Dividend	35,396	22,695
Rental income and others	18,559	22,308
	<u>53,955</u>	<u>45,003</u>
	<u>₩ 1,066,495</u>	<u>₩ 943,770</u>

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**25.2 Disaggregation revenues from contracts with customers**

Disaggregation of revenues from contracts with customers for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Type of business:		
Electro-Materials BG	₩ 756,364	₩ 651,262
Digital Innovation BU	193,589	182,625
Others	62,587	64,880
	₩ 1,012,540	₩ 898,767
Timing of revenue recognition:		
At a point in time	₩ 759,529	₩ 661,524
Over time	253,011	237,243
	₩ 1,012,540	₩ 898,767

**25.3 Contract balances**

Receivables, contract assets and liabilities arising from contracts with customers as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Receivables in trade and other receivables	₩ 271,660	₩ 187,457
Contract assets <sup>1</sup>	8,428	861
Contract liabilities <sup>2</sup>	(7,767)	(10,055)

<sup>1</sup> Contract assets are included in due from customers for contract work and other receivables in the separate statements of financial position.

<sup>2</sup> Contract liabilities are included in due to customers for contract work and other current liabilities in the separate statements of financial position.

Contract assets are amounts unbilled that the Company has a right to receive as consideration in exchange for the goods or services transferred to the customer and are transferred to receivables upon billings. Contract liabilities are advances from customers for construction contracts performed over time and are recognized as revenue as the Company transfers the goods or services to the customer.

*Incremental costs of obtaining a contract recognized as an asset*

The Company recognized assets for the costs it spent to enter into a contract with the customer, such as brokerage fees, which would not have been incurred unless the contract was entered into.



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Details of incremental cost of obtaining a contract as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>		<b>December 31, 2024</b>		<b>December 31, 2023</b>
Incremental cost of obtaining a contract recognized as an asset as at December 31, 2024 and 2023	₩	277	₩	3,102
Amount of amortization recognized as expenses for the years ended December 31, 2024 and 2023		3,700		254

The incremental cost of obtaining a contract is amortized and recognized as expenses in the same manner as revenue recognized over the progress of the particular contract concerned.

**25.3 Change in the balance of construction contracts**

As a contract that recognizes revenue over time by applying the cost-based input method, changes in the balance of construction contracts for the years ended December 31, 2024 and 2023, are as follows :

<i>(in millions of Korean won)</i>		<b>2024</b>			
	<b>Project</b>	<b>January 1, 2024</b>	<b>Increase (decrease)</b>	<b>Recognized construction revenue</b>	<b>December 31, 2024</b>
Fuel Cell Power business segment	Housing Reconstruction and Renovation Project in Jamsil Jinju Apartment and others	₩ 12,800	₩ 416	₩ (11,120)	₩ 2,096
	Housing Reconstruction and Renovation Project in Imun 3rd Urban Regeneration Promotion Zone	10,368	386	(8,480)	2,274
	Housing Reconstruction and Renovation Project in Bukahyeon No.2 Urban Regeneration Promotion Zone	12,339	-	(4)	12,335
		₩ 35,507	₩ 802	₩ (19,604)	₩ 16,705

Meanwhile, in accordance with the decision to transfer the entire operations of the Fuel Cell Power business segment for the year ended December 31, 2024, the related assets and liabilities have been classified as assets and liabilities held for sale, and the related gains and losses have been classified as discontinued operations.

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		2023			
Project		January 1, 2023	Increase (decrease)	Recognized construction revenue	December 31, 2023
Fuel Cell Power business segment	Housing Reconstruction and Renovation Project in Jamsil Jinju Apartment and others	₩ 12,789	₩ -	₩ 11	₩ 12,800
	Housing Reconstruction and Renovation Project in Imun 3rd Urban Regeneration Promotion Zone	-	11,100	(732)	10,368
	Housing Reconstruction and Renovation Project in Bukahyeon No.2 Urban Regeneration Promotion Zone	-	13,200	(861)	12,339
		₩ 12,789	₩ 24,300	₩ (1,582)	₩ 35,507

Meanwhile, in accordance with the decision to transfer the entire operations of the Fuel Cell Power business segment for the year ended December 31, 2024 the related assets and liabilities have been classified as assets and liabilities held for sale, and the related gains and losses have been classified as discontinued operations.

**25.4 The effect of changing in accounting estimate that related contracts recognized revenue over a year by applying the cost-based input method**

Changes in profit or loss in the current and succeeding reporting years and the amount of due from/to customers for contract work (excluding foreign currency translation effect) resulting from changes in total contract revenue and in total estimated contract costs for construction contracts in progress as at December 31, 2024, are as follows:

(in millions of Korean won)

		2024					
		Provision for construction loss	Changes in total contract amount	Changes in total contract cost	Impact on profit or loss for the current year	Impact on profit or loss for the succeeding year	Changes in due from/to customers for contract work
Fuel Cell Power business segment	₩	-	₩ 801	₩ 260	₩ 190	₩ 351	₩ 190

The impacts on profit or loss for the current year and succeeding year are determined based on total estimated contract costs which are estimated based on the circumstances present from the start of the contract to the end of current year and the estimated contract revenue as at December 31, 2024. The total contract costs and contract revenue may change in the future.

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**26. Breakdown of Expenses by Nature**

Breakdown of expenses by nature for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Changes in inventories	₩ (42,461)	₩ 6,477
Purchases of raw materials and merchandise	446,308	265,315
Employee benefits expenses	249,380	244,185
Depreciation and amortization	37,467	37,450
Others	294,190	369,458
	<u>₩ 984,884</u>	<u>₩ 922,885</u>

**27. Selling and Administrative Expenses**

Selling and administrative expenses for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Salaries	₩ 90,874	₩ 93,777
Post-employment benefits	11,094	9,031
Employee benefits	18,099	16,401
Share-based payment expenses	9,316	5,610
Travel expenses	4,968	5,763
Utility expenses	588	607
Commission expenses	21,938	22,556
Sales commission	1,768	1,771
Training expenses	3,143	3,204
Freight expenses	11,251	10,743
Taxes and dues	4,172	4,094
Depreciation	4,940	6,743
Advertising expenses	7,092	11,334
Research and development	14,798	13,027
Bad debt expenses (reversal of)	(10)	(71)
Amortization	3,576	3,477
Others	14,583	10,615
	<u>₩ 222,190</u>	<u>₩ 218,682</u>

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**28. Finance Income and Costs**

Finance income and costs for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Finance income:				
Interest income	₩	11,638	₩	12,879
Dividend income		156		192
Gains on foreign currency transaction		16,130		13,387
Gains on foreign currency translation		25,365		4,357
Gains on valuation of derivatives		48,944		-
Financial guarantee income		2,231		1,219
		<u>104,464</u>		<u>32,034</u>
Finance costs:				
Interest expense	₩	81,580	₩	75,592
Losses on foreign currency transactions		13,344		12,182
Losses on foreign currency translations		8,064		2,672
Losses on valuation of derivatives		28,239		11,776
Losses on repayment of bonds		-		59
Losses on repayment of borrowings		66		-
Other financial costs		757		401
		<u>132,050</u>		<u>102,682</u>
Net finance income and costs	₩	<u>(27,586)</u>	₩	<u>(70,648)</u>

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**29. Other non-operating Income and Expenses**

Other non-operating income and expenses for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Other non-operating income:		
Gains on sales of investments in subsidiaries and associates	₩ 144	₩ -
Gains on sales of property, plant and equipment	396	660
Gains on revaluation of land	-	9
Gains on sales of intangible assets	-	6
Gains on sales of investment properties	-	49
Gains on sales of non-current assets held for sale	605	-
Gains on valuation of investment properties	25,647	10,050
Gains on valuation of long-term investment securities	2,061	363
Others	4,836	4,475
	<u>33,689</u>	<u>15,612</u>
Other non-operating expenses:		
Impairment loss of investments in subsidiaries and associates	₩ 26,632	₩ 4,978
Losses on sales of trade receivables	18	-
Other bad debt expenses	100	110
Losses on sales of property, plant and equipment	142	126
Losses on sales of intangible assets	2	-
Losses on sales of investment properties	-	22
Impairment loss of property, plant and equipment	-	2,978
Impairment loss of intangible assets	2,468	138
Losses on valuation of investment properties	13,395	17,165
Losses on valuation of long-term and short-term investment securities	2	96,700
Losses on sales of long-term and short-term investment securities	-	34
Donations	3,289	3,144
Others	1,730	3,842
	<u>47,778</u>	<u>129,237</u>
Net other non-operating income and expenses	₩ (14,089)	₩ (113,625)

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**30. Tax Expense**

Income tax expense for the years ended December 31, 2024 and 2023, consists of:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Current income taxes	₩	1,334	₩	(2,672)
Deferred tax due to temporary differences		8,802		(48,698)
Deferred tax charged directly to equity		5,355		3,468
Income tax expense (benefit) directly attributable to discontinued operations		276		(864)
Income tax expense related to the global minimum tax		17		-
Income tax expense	₩	15,784	₩	(48,766)

Changes in deferred tax assets and liabilities for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>				
	<b>Beginning balance</b>	<b>Changes</b>		<b>Ending balance</b>	
		<b>Profit or loss</b>	<b>Equity</b>		
Accrued revenues	₩ (378)	₩ 57	₩ -	₩ (321)	
Losses on valuation of inventories	2,282	2,540	-	4,822	
Investment securities	216	(280)	1,163	1,099	
Property, plant and equipment and investment properties	(29,575)	(3,585)	-	(33,160)	
Accrued expenses	15,308	3,554	-	18,862	
Post-employment benefit obligation	6,631	2,807	2,802	12,240	
Others	44,230	(19,251)	1,390	26,369	
	₩ 38,714	₩ (14,158)	₩ 5,355	₩ 29,911	

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	2023				
	Beginning balance	Changes		Ending balance	
		Profit or loss	Equity		
Accrued revenues	₩ (366)	₩ (12)	₩ -	₩	(378)
Losses on valuation of inventories	2,329	(47)	-		2,282
Investment securities	5,274	(5,451)	393		216
Property, plant and equipment and investment properties	(29,390)	64	(249)		(29,575)
Accrued expenses	14,736	572	-		15,308
Post-employment benefit obligation	2,842	1,278	2,511		6,631
Others	(5,409)	48,826	813		44,230
	₩ (9,984)	₩ 45,230	₩ 3,468	₩	38,714

Temporary differences, tax losses and tax credit carryforwards, which have not been recognized as deferred tax assets and expired or unused as at December 31, 2024 and 2023, are nil.

Realization of the future tax benefits related to deferred tax assets is dependent on many factors, including the Company's ability to generate taxable income within the period during which the temporary differences reverse, the outlook of the Korean economic environment and the overall future industry outlook. The Company periodically considers these factors in reaching its conclusion.

Temporary differences from investments in subsidiaries, joint ventures and associates, which are not recognized as deferred tax assets (liabilities), as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)	December 31, 2024	December 31, 2023	Remarks
Investments in subsidiaries	₩ (663,569)	₩ (683,873)	Able to control the timing of the reversal of the temporary difference

The aggregate deferred tax relating to items that are charged or credited directly to equity for the years ended December 31, 2024 and 2023, is as follows:

(in millions of Korean won)	2024	2023
Gains on valuation of financial assets at fair value through other comprehensive income	₩ 1,162	₩ 393
Gains on valuation of derivatives designated as hedges	1,391	813
Gains on revaluation of land	-	(249)
Remeasurements of net defined benefit liabilities	2,802	2,511
	₩ 5,355	₩ 3,468

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Reconciliation between profit before income tax and income tax expense for the years ended December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Profit (loss) before income tax	₩	39,936	₩	(159,775)
Income tax based on statutory tax rate	₩	9,225	₩	(36,908)
Add (deduct):				
Non-taxable income and non-deductible expense		(3,156)		35
Tax credits		(2,480)		(6,110)
Foreign tax credits		5,675		4,771
Additional income tax and tax paid for previous year		(4,117)		(7,451)
Temporary difference not recognized as deferred income tax		4,730		311
Others		5,907		(3,414)
Income tax expense	₩	15,784	₩	(48,766)
Average effective tax rate (Income tax expense / Profit before income tax)		39.52%		-

*Impact of Pillar Two income taxes*

Under the Pillar Two legislation, the Company is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

Except for China, all countries where the entities and permanent establishments within the Company are located have a GloBE effective tax rate that exceeds 15%.

Due to the additional tax incurred in China, the Company recognized Pillar Two income tax expense amounting to ₩ 17 million for the current period. The Company applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.



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**31. Earnings (Losses) per Share**

**31.1 Basic earnings (losses) per share**

Basic earnings (losses) per share for the years ended December 31, 2024 and 2023 are as follows:

(in Korean won)	2024			2023		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Basic earnings (losses) per ordinary share	₩ 1,349	₩ (53)	₩ 1,296	₩ (6,457)	₩ 162	₩ (6,295)
Basic earnings (losses) per old-type preferred share <sup>1</sup>	1,401	(55)	1,346	(6,406)	161	(6,245)

<sup>1</sup> The Company calculated earnings per share for old-type preferred share due to the nature of the share, which does not have preferred right on dividends and liquidation. Therefore, the share is considered as ordinary share, based on Korean IFRS 1033 *Earnings per share*.

Profit (loss) attributable to the ordinary equity holders of the Company for the years ended December 31, 2024 and 2023 is as follows:

(in millions of Korean won)	2024			2023		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Profit (loss)	₩ 24,152	₩ (910)	₩ 23,242	₩ (114,622)	₩ 2,749	₩ (111,873)
Less: Profit (loss) attributable to new-type preferred shares	(1,095)	-	(1,095)	5,320	-	5,320
Less: Profit (loss) attributable to old-type preferred shares	(4,810)	189	(4,621)	21,985	(553)	21,432
Profit (loss) attributable to the ordinary equity holders of the Company	₩ 18,247	₩ (721)	₩ 17,526	₩ (87,317)	₩ 2,196	₩ (85,121)

The weighted-average number of ordinary shares and old-type preferred shares outstanding used in basic earnings per share calculation for the years ended December 31, 2024 and 2023 are as follows:

(in shares)	2024		2023	
	Ordinary shares	Old-type preferred shares	Ordinary shares	Old-type preferred shares
Beginning outstanding shares	13,522,969	3,432,220	13,522,969	3,432,220
Weighted-average number of shares outstanding	13,522,969	3,432,220	13,522,969	3,432,220

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**31.2 Diluted earnings (losses) per share**

Diluted earnings (losses) per share for the years ended December 31, 2024 and 2023 are as follows:

(in Korean won)	2024			2023		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Diluted earnings (losses) per ordinary share	₩ 1,324	₩ (52)	₩ 1,272	₩ (6,457)	₩ 162	₩ (6,295)
Diluted earnings (losses) per old-type preferred share	1,401	(55)	1,346	(6,406)	161	(6,245)

Diluted profit (loss) attributable to the ordinary equity holders of the Company for the years ended December 31, 2024 and 2023 is as follows:

(in millions of Korean won)	2024			2023		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Profit (loss) attributable to the equity holders of the Company	₩ 18,247	₩ (721)	₩ 17,526	₩ (87,317)	₩ 2,196	₩ (85,121)
Diluted profit (loss) attributable to the ordinary equity holders of the Company	₩ 18,247	₩ (721)	₩ 17,526	₩ (87,317)	₩ 2,196	₩ (85,121)

Diluted weighted-average number of ordinary shares outstanding for the years ended December 31, 2024 and 2023 is as follows:

(in shares)	2024	2023
Weighted-average number of ordinary shares outstanding	13,522,969	13,522,969
Restricted Stock Unit (RSU)	254,691	-
Diluted weighted-average number of ordinary shares outstanding	13,777,660	13,522,969

As there are no potential ordinary shares for old-type preferred share, diluted earnings per share for old-type preferred share are equal to basic earnings per share for old-type preferred share.

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**31.3 Conditions for preferred shares dividends**

<i>(in Korean won and in shares)</i>		<b>Par value</b>	<b>Number of shares issued</b>	<b>Dividend conditions</b>
Old-type preferred shares	₩	5,000	3,996,462	Cash dividends available to ordinary shares plus 1% The Company should distribute 2% of par value of preferred shares annually.
New-type preferred shares		5,000	893,038	In case the Company distributes more than 2% of par value for ordinary shares, preferred shares are participated in dividends for the exceeded dividends.

**32. Contingencies and Commitments**

**32.1 Credit Lines for Borrowings**

Credit lines for borrowings of the Company as at December 31, 2024 are as follows:

*(Korean won in millions and foreign currency in thousands)*

	<b>Financial institutions</b>		<b>Credit line</b>
Operating borrowings and others	Woori Bank and others	KRW	1,183,000
Credit bond mortgage limit	Hana Bank and others	KRW	5,400
Facility borrowings and others	Korea Development Bank and others	KRW	72,100
		USD	20,000
L/C guarantees of payment	Shinhan Bank and others	USD	81,620
Asset-backed loan	D-Pay 3rd Co., Ltd.	KRW	21,670

**32.2 Financial Covenant**

The subscription agreement of unsecured bonds issued by the Company requires the Company to maintain a debt-to-equity ratio below 700%, establish collateral rights within 500% of its own equity and limit disposal of an asset within 100% of total asset based on the Company's separate financial statements. If the Company fails to meet certain requirements mentioned above, an acceleration clause included in the subscription agreement would be invoked for the immediate payment. As at December 31, 2024, the amount of bonds required to meet aforementioned debt covenant is ₩212,000 million.

As at December 31, 2024, ₩50,000 million in private equity bonds issued by the Company, ₩80,000 million in short-term borrowings and ₩21,670 million in asset-backed loans borrowed from China Bank and others is subject to commitment requiring the Company to maintain BBB0 of credit rating during the term of the borrowing agreement. If the Company fails to maintain the credit rating, an acceleration clause included in the borrowing agreement would be invoked.

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With regards to ₩50,000 million of short-term borrowings from Korea Securities Finance Corporation, 5,000,000 ordinary shares of Doosan Enerbility Co., Ltd., which are held by the Company, are provided as collateral and additional collateral shall be provided if the contractual ratio of security maintenance is not met.

### 32.3 Discounted Trade Receivables and Others

Meanwhile, in relation to the asset-backed loans, the Company recognizes financial instruments including trade receivables which do not meet the criteria for the derecognition of financial instruments at the carrying amount of ₩26,168 million and ₩40,972 million as at December 31, 2024 and 2023, respectively (Note 15).

### 32.4 Guarantees of Payment

Guarantees of payment provided by the Company for subsidiaries as at December 31, 2024 are as follows:

*(Korean won in millions and foreign currency in thousands)*

Provided to	Guaranteed amount		Description
Doosan Electro Materials (Changshu) Co., Ltd.	USD	13,000	Financial guarantee and others
HyAxiom, Inc.	KRW	444,125	Financial guarantee and others
	USD	147,316	
Doosan Energy Solutions America, Inc.	USD	61,092	Financial guarantee and others
DESA Service, LLC	USD	31,405	Financial guarantee and others
D-Pay 3rd Co., Ltd.	KRW	21,670	Financial guarantee and others
Doosan Logistics Solution Co., Ltd.	KRW	40,000	Financial guarantee and others
	EUR	10,000	
Doosan Portfolio Holdings Co., Ltd	KRW	72,000	Financial guarantee and others

In addition to the above, as a result of the spin-off completed in 2019, in accordance with Article 530-9, Paragraph 1 of *the Commercial Act*, the succeeding company after division (the Company) and the newly incorporated company (Doosan Fuel Cell Co., Ltd. and Solus Advanced Materials Co., Ltd. (formerly, Doosan Solus Co., Ltd.)) are obliged to repay in solidarity with respect to the debts to them having incurred before the division. As a result of the split-off completed in 2021, in accordance with Article 530-9, Paragraph 1 of *the Commercial Act*, both the succeeding company after division (the Company) and the newly incorporated company (Doosan Industrial Vehicle Co., Ltd.) are obliged to repay in solidarity with respect to the debts to them having incurred before the division.

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The Company is obligated to provide financial support to Doosan Portfolio Holdings Co., Ltd. up to the amount of the above Guaranteed amount, limited to credit transactions where debt guarantees are permitted under the Monopoly Regulation and Fair Trade Act. Meanwhile, during the current period, Doosan Industrial Vehicle Co., Ltd. absorbed and merged with Doosan Bobcat Korea Co., Ltd. and subsequently changed its name to Doosan Bobcat Korea Co., Ltd.

Details of payment guarantees provided by third parties to the Company as at December 31, 2024 are as follows:

*(Korean won in millions and foreign currency in thousands)*

<b>Provided by</b>	<b>Guaranteed amount</b>		<b>Description</b>
Seoul Guarantee Insurance	KRW	14,744	Performance guarantee
Machinery Financial Cooperative <sup>1</sup>	KRW	45,153	Performance guarantee
Korea Software Financial Cooperative <sup>1</sup>	KRW	6,955	Performance guarantee
Korea Development Bank and others	USD	12,620	Debt guarantee and others
Woori Bank and others	USD	21,578	Import L/C guarantee of payment and others

<sup>1</sup> As at December 31, 2024, the shares of the association held by the Company are provided as collateral.

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**32.5 Agreement between Shareholders**

The Company has entered into a contract between investors and shareholders in relation to the issuance of shares in the following subsidiaries as at December 31, 2024. Details are as follows:

	<b>Doosan Mobility Innovation Inc.</b>	<b>HyAxiom, Inc.<sup>1</sup></b>
Outstanding shares	279,670 redeemable convertible preference shares	159,922 convertible preference shares
Amount issued	₩29,000 million	USD 159,922 thousand
Investor's put option	In the event of a specific reason, an investor may request the Company to purchase all or part of redeemable convertible preferred shares the investor holds. A purchase request could be made at the higher of the amount of the issuance plus a certain level of return on investment and the appraisal amount of the accounting firm.	In the event of a specific reason, an investor may request the Company to purchase all or part of the convertible preference shares held by the investor in the amount of KRW calculated by the amount of issuance plus a certain level of return on investment.
Investor's tag-along right	If the majority of Doosan Mobility Innovation Inc. shares held by the Company are sold to a third party, the investor has the right to jointly sell the shares with the Company.	If all or part of shares in HyAxiom Inc. held by the Company are sold to a third party, the investor reserves the right to jointly sell the shares.

<sup>1</sup> In relation to this, as at December 31, 2024, the non-current derivative liabilities of ₩93,497 million is recognized in the separate statement of financial position (Notes 9 and 11).

**32.6 Other Commitments**

Doosan Property Co., Ltd., has contracted on selling Bundang Doosan Tower, located in 155, Jeongjail-ro Bundang-gu, Seongnam, Gyeonggi-do to Bundang Doosan Tower REIT Co., Ltd. as at January 8, 2021. The Company agreed to a five-year lease contract with Doosan Enerbility Co., Ltd., Doosan Bobcat Korea Co., Ltd., after the sale of Bundang Doosan Tower. In this regard, the Company has been responsible for a part of Bundang Doosan Tower for five years since the sale. If the Company fails to meet certain conditions, the lease agreement will be extended on the same terms once for 5 years. Meanwhile, Doosan Property Co., Ltd. was absorbed and merged into Doosan Cuvex Co.,Ltd., and was extinguished prior to the previous period.

The Company accounts for the aforementioned joint lease contract as joint operation in which the parties jointly control the lease arrangement also and have the right to assets and liabilities of the leased asset in accordance with Korean IFRS 1111 *Joint Arrangements*. As at December 31, 2024, the Company's ownership interests are 6.7%.

The Company sold Doosan Technology Institute located in Seonbok-dong, Suji-gu, Yongin-si, Gyeonggi-do during 2019, and has been responsible for the lease for 5 years after the sale.

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The Company sold Doosan Tower, located in 275, Jangchungdan-ro, Jung-gu, Seoul, during the 2020, and has been responsible for leasing offices and shopping malls of Doosan Tower for five years after the sale. Meanwhile, if the lessor notifies the Company for extending the lease term of Doosan Tower within 6 months from the 4th year of the commencement date of the lease term, the Company's obligation on lease agreement will be extended on the same terms once for 5 years.

The Company entered into an agreement with the Pangaea Ventures Fund IV, L.P. (total amount of investment commitment: USD 10,000 thousand), and the remaining investment commitment is USD 3,694 thousand as at December 31, 2024.

The Company entered into a lease contract for land located in Jungjang-ri, Anmyeon-eup, Taean-gun, Chungcheongnam-do. As at January 25, 2022, the Company has received a total rent of ₩90,000 million from the tenant for a total lease period of 25 years (i.e., a rent until January 25, 2047). The rent is amortized through straight-line method during the lease period and is recognized as rental income in the separate income statements. In this regard, other non-current liabilities (long-term unearned revenues) of ₩75,600 million and other current liabilities (unearned revenues) of ₩3,600 million are recognized for the year ended December 31, 2024. Meanwhile, superficies and leasehold interest are established by the tenant on the land.

During the year ended December 31, 2024, the Company established Doosan New Technology Investment Fund No.1 and invested a total of ₩3,660 million out of the agreed amount of ₩20,000 million. The Company holds a 19.80% of shares in Doosan New Technology Investment Fund No.1 according to the agreement, but it is considered to have control, including the shares held by subsidiaries.

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**33. Pledged Assets**

The Company pledged certain assets as collateral for its financial liabilities as at December 31, 2024 as follows:

(Korean won in millions and foreign currency in thousands)

Institution	Pledged assets	Related line item	Financial liabilities		Pledged amount	
Korea Development Bank	Time deposits, Jeung-pyeong, Ik-san, Gim-cheon plant and others		KRW	111,500	KRW	271,510
					USD	39,556
Woori Bank	Investments in subsidiaries	Long-term and short-term financial instruments, property, plant and equipment and investment in subsidiaries and others	KRW	246,596	KRW	300,000
Shinhan Bank	Investments in subsidiaries		KRW	100,000	KRW	120,000
Hana Bank and others	Investments in subsidiaries <sup>1</sup>		KRW	190,000	KRW	276,000
Korea Securities Finance Corporation	Investments in subsidiaries <sup>2</sup>		KRW	50,000	KRW	70,200
Hana Bank and others	Time deposits		KRW	12,141	KRW	13,209
Kookmin Bank	Gim-cheon plant <sup>3</sup>				KRW	4,725
				-	USD	9,437

<sup>1</sup> As at December 31, 2024, the collateral provided by the Company for the borrowings of ₩110,000 million from Hana Bank and others includes the collateral provided for the borrowings of ₩50,000 million from Doosan Hana 1st Inc., a special purpose corporation established for this transaction.

<sup>2</sup> As at December 31, 2024, ₩50,000 million borrowed by the Company from the Korea Securities Finance Corporation shall be provided with additional collateral if the contractual collateral maintenance ratio is not met (Note 28).

<sup>3</sup> As at December 31, 2024, the Company has provided the Gim-cheon plant as a subordinated collateral for the credit line agreement of ₩34,000 million from Kookmin Bank. As at December 31, 2024, there is no outstanding balance on the credit line.

The Company pledged certain assets as collateral for third parties as at December 31, 2024, which are as follows:

As at December 31, 2024, 14,999,677 ordinary shares of Doosan Enerbility Co., Ltd., held by the Company, have been provided as collateral for a loan agreement of ₩254,390 million entered into by its subsidiary, Doosan Portfolio Holdings Co., Ltd., with Hana Bank, Shinhan Bank and Woori Bank. The transaction includes collateral for the foreign currency bonds (USD 37,000 thousand) issued by Doosan Portfolio Holdings Co., Ltd. through the Hong Kong branch of Woori Bank. As at December 31, 2024, the remaining balance of the loan is ₩254,390 million.



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**34. Related Party Transactions**

Details related to the disclosure of related parties as at December 31, 2024 and 2023 are as follows:

	2024	2023	Remark
Subsidiaries	Doosan Enerbility Co., Ltd. and its subsidiaries	Doosan Enerbility Co., Ltd. and its subsidiaries	1
	Doosan Bobcat Inc. and its subsidiaries	Doosan Bobcat Inc. and its subsidiaries	2
	Oricom Inc. and its subsidiaries	Oricom Inc. and its subsidiaries	-
	Doosan Bears Inc.	Doosan Bears Inc.	-
	Doosan Digital Innovation America, LLC	Doosan Digital Innovation America, LLC	-
	Doosan Information & Communications Beijing Co., Ltd.	Doosan Information & Communications Beijing Co., Ltd.	-
	Doosan Digital Innovation Europe Limited	Doosan Digital Innovation Europe Limited	-
	Doosan Business Research Institute Co., Ltd.	Doosan Business Research Institute Co., Ltd.	-
	Doosan Logistics Solution Co., Ltd.	Doosan Logistics Solution Co., Ltd.	-
	Doosan Portfolio Holdings Co., Ltd. and its subsidiaries	Doosan Portfolio Holdings Co., Ltd. and its subsidiaries	-
	Doosan Investment Co., Ltd.	Doosan Investment Co., Ltd.	-
	Doosan Shanghai Chemical Materials Co., Ltd.	Doosan Shanghai Chemical Materials Co., Ltd.	-
	Doosan Electro-Materials Singapore Pte. Ltd.	Doosan Electro-Materials Singapore Pte. Ltd.	-
	Doosan (Hong Kong) Ltd. and its subsidiaries	Doosan (Hong Kong) Ltd. and its subsidiaries	-
	Doosan Electro-Materials (Changshu) Co., Ltd.	Doosan Electro-Materials (Changshu) Co., Ltd.	-
	Doosan Electro-Materials America, LLC	Doosan Electro-Materials America, LLC	-
	Doosan Electro-Materials Vietnam Company Limited	Doosan Electro-Materials Vietnam Company Limited	-
	HyAxiom, Inc. and its subsidiaries	HyAxiom, Inc. and its subsidiaries	-
	Doosan Energy Solution America, Inc. and its subsidiaries	Doosan Energy Solution America, Inc. and its subsidiaries	-
	Doosan Robotics Inc. and its subsidiaries	Doosan Robotics Inc. and its subsidiaries	-
	Doosan Mobility Innovation Inc. and its subsidiaries	Doosan Mobility Innovation Inc. and its subsidiaries	-
	D-Pay 3rd Co., Ltd.	D-Pay 3rd Co., Ltd.	-
	Doosan Second Real Estate Securitization Specialty Ltd.	Doosan Second Real Estate Securitization Specialty Ltd.	-
	두산신기술투자조합1호 and its subsidiaries	-	3
Associates	-	KDDI Korea Corporation	4
	PT. SEGARA AKASA	PT. SEGARA AKASA	-
	-	Mastern General Private Security Investment Trust No.98	5
	Versogen, Inc.	Versogen, Inc.	-

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	2024	2023	Remark
	TTC House Inc.	TTC House Inc.	-
	SemiFive Inc.	SemiFive Inc.	-
Joint venture	Sichuan Kelun-Doosan Biotechnology Company Limited	Sichuan Kelun-Doosan Biotechnology Company Limited	-
Other related parties	Doosan Engineering & Construction Co.,Ltd. and its subsidiaries	Doosan Engineering & Construction Co.,Ltd. and its subsidiaries	-
	Bundang Doosan Tower REIT Co., Ltd.	Bundang Doosan Tower REIT Co., Ltd.	6
	Doosan Yonkang Foundation	Doosan Yonkang Foundation	6
	Wonsang Co., Ltd.	Wonsang Co., Ltd.	6
	Chung-Ang University and others	Chung-Ang University and others	6

<sup>1</sup> Doosan Bobcat Inc. and its subsidiaries are excluded.

<sup>2</sup> After Doosan Industrial Vehicle Co., Ltd. absorbed and merged with Doosan Bobcat Korea Co., Ltd., its name was changed to Doosan Bobcat Korea Co., Ltd., and Doosan Bobcat Korea Co., Ltd. and its subsidiaries are included.

<sup>3</sup> It was newly established or acquired during the year ended December 31, 2024.

<sup>4</sup> The entity was disposed of during the year ended December 31, 2024 and excluded from the associates.

<sup>5</sup> It was excluded due to contribution in kind with Doosan Logistics Solutions Co., Ltd. during the year ended December 31, 2024 (Note 11).

<sup>6</sup> It is not included in the scope of related parties of Korean IFRS 1024 but includes entities that belong to the same large-scale enterprise group under the *Monopoly Regulation and Fair Trade Act*.

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Sales and purchases with related parties for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

Name of entity	2024					
	Sales	Other income	Others (disposal of assets and other)	Purchases	Other expenses	Others (acquisition of assets and other)
Subsidiaries:						
Doosan Enerbility Co., Ltd. and its subsidiaries	₩ 99,570	₩ -	₩ 22,457	₩ 6,751	₩ 4,132	₩ -
Doosan Bobcat Inc. and its subsidiaries <sup>1</sup>	57,630	42	-	889	4,229	-
Others	320,368	5,400	6	54,323	11,902	-
	<u>477,568</u>	<u>5,442</u>	<u>22,463</u>	<u>61,963</u>	<u>20,263</u>	<u>-</u>
Associates	-	-	-	59	10,581	-
Other related parties	1,143	6	-	546	3,598	1,180
	<u>₩ 478,711</u>	<u>₩ 5,448</u>	<u>₩ 22,463</u>	<u>₩ 62,568</u>	<u>₩ 34,442</u>	<u>₩ 1,180</u>

(in millions of Korean won)

Name of entity	2023					
	Sales	Other income	Others (disposal of assets and other)	Purchases	Other expenses	Others (acquisition of assets and other)
Subsidiaries:						
Doosan Enerbility Co., Ltd. and its subsidiaries	₩ 149,754	₩ 50	₩ -	₩ 6,778	₩ 3,870	₩ -
Doosan Bobcat Inc. and its subsidiaries <sup>1</sup>	66,845	-	-	861	2,385	89
Others	188,172	4,587	4,476	28,547	13,897	499
	<u>404,771</u>	<u>4,637</u>	<u>4,476</u>	<u>36,186</u>	<u>20,152</u>	<u>588</u>
Associates	-	-	-	76	11,757	-
Other related parties	1,170	12	-	622	7,606	162
	<u>₩ 405,941</u>	<u>₩ 4,649</u>	<u>₩ 4,476</u>	<u>₩ 36,884</u>	<u>₩ 39,515</u>	<u>₩ 750</u>

<sup>1</sup> Doosan Bobcat Inc. and its subsidiaries include the transactions of Doosan Bobcat Korea Co., Ltd. and its subsidiaries for the years ended December 31, 2024 and 2023. During the year ended December 31, 2024, Doosan Industrial Vehicle Co., Ltd. absorbed and merged with Doosan Bobcat Korea Co., Ltd. and subsequently changed its name to Doosan Bobcat Korea Co., Ltd. The related party transactions for the year ended December 31, 2023, have been restated.

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Outstanding balances arising from sales/purchases of goods and services as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

Name of entity	2024					
	Trade receivables <sup>2</sup>	Other receivables	Trade payables	Other payables	Lease liabilities	Asset-backed loan
Subsidiaries:						
Doosan Enerbility Co., Ltd. and its subsidiaries	₩ 29,688	₩ 4,238	₩ 126	₩ 2,730	₩ -	₩ -
Doosan Bobcat Inc. and its subsidiaries <sup>1</sup>	16,069	2,833	-	1,728	-	-
Others <sup>2</sup>	152,271	54,624	11,082	7,352	-	21,670
	198,028	61,695	11,208	11,810	-	21,670
Associates	-	32,200	-	3,113	171,255	-
Other related parties	946	7,633	4	242	10,198	-
	₩ 198,974	₩ 101,528	₩ 11,212	₩ 15,165	₩ 181,453	₩ 21,670

(in millions of Korean won)

Name of entity	2023					
	Trade receivables <sup>2</sup>	Other receivables	Trade payables	Other payables	Lease liabilities	Asset-backed loan
Subsidiaries:						
Doosan Enerbility Co., Ltd. and its subsidiaries	₩ 32,921	₩ 4,147	₩ 143	₩ 2,289	₩ -	₩ -
Doosan Bobcat Inc. and its subsidiaries <sup>1</sup>	12,446	2,833	-	1,453	856	-
Others <sup>2</sup>	39,981	22,054	4,206	4,618	-	108,350
	85,348	29,034	4,349	8,360	856	108,350
Associates	-	32,200	-	3,073	194,316	-
Other related parties	924	7,630	968	187	11,360	-
	₩ 86,272	₩ 68,864	₩ 5,317	₩ 11,620	₩ 206,532	₩ 108,350

<sup>1</sup> Doosan Bobcat Inc. and its subsidiaries include the transactions of Doosan Bobcat Korea Co., Ltd. and its subsidiaries for the years ended December 31, 2024 and 2023. During the year ended December 31, 2024, Doosan Industrial Vehicle Co., Ltd. absorbed and merged with Doosan Bobcat Korea Co., Ltd. and subsequently changed its name to Doosan Bobcat Korea Co., Ltd. The receivables and payables details of related parties as at December 31, 2023, have been restated.

<sup>2</sup> As at December 31, 2024 and 2023, the balance of trade receivables is the amount after deducting the allowance for doubtful account of ₩ 15,232 million for related parties.

# Doosan Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

Fund and equity transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

won)  Name of entity	2024													
	Borrowing		Lease liabilities		Contribution and others <sup>2</sup>		Dividend		Loan and others					
	Borrowings	Repayments	Increase	Decrease	Received	Provided	Income <sup>1</sup>	Paid	Increase	Decrease				
Subsidiaries:														
Doosan Enerbility Co., Ltd. and its subsidiaries	₩	-	₩	-	₩	-	₩	-	₩	-	₩	-	₩	-
Doosan Bobcat Inc. and its subsidiaries		-		-		862		-		-		-		-
Others		-		86,680		-		-		43,660		32,571		-
		-		86,680		-		-		43,660		32,571		-
Associates		-		-		33,585		-		(15,022)		791		-
Joint ventures		-		-		-		-		-		2,034		-
Other related parties		-		-		268		2,083		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	28,638	₩	35,396
		-		86,680		-		-		43,660		32,571		-
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		2,034		-
		-		268		2,083		-		-		3,135		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-		-		-		-		-		-		-
		-		268		2,083		-		-		-		-
	₩	-	₩	86,680	₩	268	₩	36,530	₩	-	₩	3,135	₩	25,490
		-		86,680		-		-		43,660		32,571		1,627
		-		-		33,585		(15,022)		791		-		-
		-												

**Doosan Corporation**  
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The Company provides guarantees of payment and others for related parties as at December 31, 2024 (Note 32).

The Company defines key management personnel as registered officer and non-registered officer (including outside director) who have the authority and responsibility for planning, operation and control and are in charge of business or division unit. Compensation to key management personnel of the Company for the years ended December 31, 2024 and 2023 is as follows

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Salaries	₩	33,507	₩	31,019
Post-employment benefits		5,735		5,720
Share-based payment		9,482		5,966
	₩	<u>48,724</u>	₩	<u>42,705</u>

**Doosan Corporation**  
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**35. Statements of Cash Flows**

The adjustments and changes in cash generated from operating activities in the separate statements of cash flows for the years ended December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Adjustments for:		
Adjustments for losses without cash outflows		
Interest expense	₩ 81,604	₩ 75,637
Income tax expenses	15,508	(47,902)
Losses on foreign currency translation	8,064	2,672
Depreciation	33,521	33,893
Amortization	7,386	6,722
Losses on disposal of property, plant and equipment	146	126
Impairment loss on property, plant and equipment	-	2,978
Losses on disposal of intangible assets	37	22
Impairment loss on intangible assets	2,468	138
Shared-based payment	9,406	5,966
Post-employment benefits	19,471	16,354
(Reversal of provision) bad debt expenses	23	(56)
(Reversal of provision) other bad debt expenses	100	110
(Reversal of provision) losses on valuation of inventories	10,995	(162)
Losses on disposal of trade receivables	18	-
Losses on repayment of bonds	-	59
Losses on repayment of borrowings	66	-
Losses on valuation of derivatives	28,239	11,776
Losses on valuation of short and long-term investment securities	2	96,700
Losses on disposal of short and long-term investment securities	-	34
Impairment loss on investment in subsidiaries and associates	26,632	4,978
Losses on valuation of investment properties	13,395	17,165
Losses on disposal of investment properties	-	22
	<u>257,081</u>	<u>227,232</u>
Adjustments for profits without cash inflows		
Interest income	11,655	12,878
Dividend income	35,552	22,889
Gains on foreign currency translation	25,365	4,359
Gains on disposal of property, plant and equipment	398	665
Gains on disposal of intangible assets	-	6
Gains on disposal of investment properties	-	49

**Doosan Corporation**  
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<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Gain on valuation of investment properties	25,647	10,050
Gains on disposal of non-current assets held for sale	605	-
Gains on disposal of investment in subsidiaries and associates	144	-
Gains on valuation of short and long-term investment securities	2,064	367
Reversal of provisions	595	526
Gains on valuation of derivatives	48,944	-
Financial guarantee income	2,231	1,219
Other income	344	23
	<u>(153,544)</u>	<u>(53,031)</u>
	<u>₩ 103,537</u>	<u>₩ 174,201</u>

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Change in operating assets and liabilities:		
Trade receivables	₩ (79,935)	₩ (33,309)
Other receivables	(13,437)	6,812
Due from customers for contract work	(4,744)	(861)
Inventories	(56,622)	6,454
Other current assets	(11,031)	3,901
Long-term other receivables	2,227	3,467
Trade payables	67,864	34,394
Other payables	12,463	17,215
Due to customers for contract work	(3,839)	1,499
Provisions	(421)	(6,004)
Other current liabilities	(170)	(1,715)
Long-term other payables	(1,054)	(3,377)
Post-employment benefits paid	(3,988)	(3,082)
Defined benefit liabilities transferred from affiliated companies	(126)	(547)
Contributions by employer directly to plan assets	<u>(4,360)</u>	<u>(7,540)</u>
	<u>₩ (97,173)</u>	<u>₩ 17,307</u>



**Doosan Corporation**  
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Significant non-cash transactions for the years ended December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Reclassification of construction in progress to property, plant and equipment and others	₩ 77,702	₩ 52,108
Reclassification of current portion of bonds	132,780	137,774
Reclassification of current portion of long-term borrowings	140,143	450,593
Reclassification of current portion of long-term asset-backed loan	21,598	86,556
Reclassification of current portion of lease liabilities	29,110	29,607
Increase (decrease) in investment stocks	(1,881)	68,905

Changes in liabilities arising from financial activities for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	2024					
	January 1	Cash flows from financing activities	Reclassification of current portion	Others	Reclassification of assets or liabilities held for sale	December 31
Short-term borrowings	₩ 228,000	₩ 310,000	₩ -	₩ -	₩ -	₩ 538,000
Current portion of long-term borrowings	451,381	(462,500)	140,143	787	-	129,811
Current portion of bonds	102,964	(103,000)	132,780	177	-	132,921
Current portion of long-term asset-backed loan	86,371	(86,860)	21,598	490	-	21,599
Current portion of lease liabilities	28,651	(28,663)	29,110	(320)	(91)	28,687
Long-term borrowings	132,437	285,000	(140,143)	206	-	277,500
Bonds	132,713	128,394	(132,780)	261	-	128,588
Long-term asset-backed loan	21,593	-	(21,598)	5	-	-
Non-current lease liabilities	185,453	-	(29,110)	936	-	157,279
	₩ 1,369,563	₩ 42,371	₩ -	₩ 2,542	₩ (91)	₩ 1,414,385

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
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(in millions of Korean won)

	2023					
	January 1	Cash flows from financing activities	Reclassification of current portion	Others	December 31	
Short-term borrowings	₩ 175,000	₩ 52,913	₩ -	₩ 87	₩ 228,000	
Current portion of long-term borrowings	-	-	450,593	788	451,381	
Current portion of bonds	153,836	(189,056)	137,774	410	102,964	
Current portion of long-term asset-backed loan	88,380	(88,764)	86,556	199	86,371	
Current portion of lease liabilities	28,195	(29,037)	29,607	(114)	28,651	
Long-term borrowings	418,301	164,000	(450,593)	729	132,437	
Bonds	177,635	92,697	(137,774)	155	132,713	
Long-term asset-backed loan	108,020	-	(86,556)	129	21,593	
Non-current lease liabilities	210,315	-	(29,607)	4,745	185,453	
	₩ 1,359,682	₩ 2,753	₩ -	₩ 7,128	₩ 1,369,563	

**36.Profit (Loss) from Discontinued Operations and Assets held for Sale**

Details of the discontinued operations for the year ended December 31, 2024 are as follows:

**2024**

Discontinued operation	Fuel Cell Power business segment
Main business	Small and medium-sized hydrogen fuel cell business
Transferee	Doosan Mobility Innovation Inc.
Details of transfer	Comprehensive business transfer related to Fuel Cell Power business
Discontinued operations method	Transfer of business
Resolution date of the Board of Directors	December 20, 2024
Transfer (planned) date	February 28, 2025
Transfer price	₩ 104,400 million

The operating performance of the aforementioned business segment were presented as discontinued operations, and the comparative income statements for the year ended December 31, 2023 were restated.

**Doosan Corporation**  
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Meanwhile, the Company entered into a contract to sell the property, plant and equipment, intangible assets and inventories related to the mass production of electrode products to its subsidiary, Doosan Fuel Cell Co., Ltd., in accordance with the resolution of the Board of Directors on April 17, 2024, and the Company sold the relevant assets on July 19, 2024 and recognized the related profit or loss.

Details of profit or loss from discontinued operations for the years ended December 31, 2024 and 2023 are as follows:

*(in millions of Korean won)*

		<b>2024</b>
		<b>Fuel Cell Power business segment</b>
Revenue	₩	40,752
Cost of sales		(28,641)
Selling and administrative expenses		(13,088)
Operating loss		(977)
Non-operating expenses		(209)
Loss before tax		(1,186)
Income tax expense		276
Loss from discontinued operations	₩	(910)

*(in millions of Korean won)*

		<b>2023</b>
		<b>Fuel Cell Power business segment</b>
Revenue	₩	43,283
Cost of sales		(26,187)
Selling and administrative expenses		(13,394)
Operating income		3,702
Non-operating expenses		(89)
Profit before tax		3,613
Income tax income		(864)
Profit from discontinued operations	₩	2,749

Cash flows from discontinued operations for the years ended December 31, 2024 and 2023 are as follows:

*(in millions of Korean won)*

		<b>2024</b>
		<b>Fuel Cell Power business segment</b>
Net cash flows from operating activities	₩	2,873
Net cash flows from investing activities		(2,489)
	₩	384

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
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*(in millions of Korean won)*

		<b>2023</b>
		<b>Fuel Cell Power business segment</b>
Net cash flows from operating activities	₩	5,942
Net cash flows from investing activities		(4,715)
	₩	<u>1,227</u>

Details of assets held for sale and liabilities held for sale as at December 31, 2024 are as follows:

*(in millions of Korean won)*

		<b>2024</b>
<b>Assets held for sale:</b>		
Trade receivables	₩	18,993
Other receivables		1
Inventories		13,062
Other current assets		1,572
Property, plant and equipment		2,886
Intangible assets		33,497
Long-term investment securities		263
Deposits		650
	₩	<u>70,924</u>
<b>Liabilities held for sale:</b>		
Trade payables	₩	5,792
Other payables		1,515
Current lease liabilities		91
Other current liabilities		1,785
Provisions		1,008
Net defined benefit liabilities		1,401
Long-term other payables		1,421
Long-term provisions		939
Other non-current liabilities		371
	₩	<u>14,323</u>

**Doosan Corporation**  
**Notes to the Separate Financial Statements**  
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**37.Events After the Reporting Period**

The Company participated in the paid-in capital increase of Doosan Mobility Innovation Inc., a subsidiary, in accordance with the resolution of the Board of Directors on December 20, 2024. The details are as follows:

**2024**

Investment (planned) date	January 7, 2025 and February 26, 2025
Object of Investment	1,292,276 ordinary shares of Doosan Mobility Innovation Inc
Investment amount	₩134,000 million
Purpose of Investment	Procurement of funds for the business acquisition and improvement of financial structure to enhance the business competitiveness of Doosan Mobility Innovation Inc.

## **Independent Auditor's Report on Internal Control over Financial Reporting**

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of  
Doosan Corporation

### **Opinion on Internal Control over Financial Reporting**

We have audited Doosan Corporation's (the Company) Internal Control over Financial Reporting as at December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We also have audited, in accordance with Korean Standards on Auditing, the separate financial statements of the Company, which comprise the separate statement of financial position as at December 31, 2024, and the separate income statement, separate statement of changes in equity and separate statement of cash flow for the year then ended, and notes to the separate financial statements including a summary of significant accounting policies, and our report dated March 21, 2025 expressed an unqualified opinion.

### **Basis for Opinion on Internal Control over Financial Reporting**

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibility under these standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting* section of our report.

We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of internal control over financial reporting and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management and Those Charged with Governance for Internal Control over Financial Reporting**

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on the Effectiveness of Internal Control over Financial Reporting*.

Those charged with governance have the responsibilities for overseeing internal control over financial reporting.

## **Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting**

Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted the audit in accordance with Korean Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

## **Definition and Inherent Limitations of Internal Control over Financial Reporting**

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable separate financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of separate financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the separate financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor's report is Sung-Woo Choi, Certified Public Accountant.

The image shows a stylized, handwritten signature of the firm "Samil PricewaterhouseCoopers" in a dark, cursive script.

Seoul, Korea  
March 21, 2025

This report is effective as at March 21, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the Company's internal control over financial reporting thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

# Management's Report on the Effectiveness of Internal Control over Financial Reporting

To the Shareholders, Board of Directors and Audit Committee of Doosan Corporation.

We, as the Chief Executive Officer and the Internal Accounting Manager of Doosan Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), assessed the operating status of the Group's Internal Control over Financial Reporting ("ICFR") for the year ended December 31, 2024.

The design and operation of ICFR are the responsibilities of the Group's management, including the Chief Executive Officer and the Internal Accounting Manager.

We evaluated the effectiveness of the design and operation of the Group's ICFR to prevent and detect errors or fraud which could result in misstatements in financial statements to ensure preparation and disclosure of reliable financial information.

We used the 'Conceptual Framework for Design and Operation of Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee") as the criteria for the design and operation of the Group's ICFR. Additionally, we conducted our evaluation of ICFR based on the 'Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting' established by the ICFR Committee.

Based on our assessment, we conclude that the Group's ICFR is designed and operating effectively as of December 31, 2024, in all material respects, in accordance with the 'Conceptual Framework for Design and Operation of Internal Control over Financial Reporting'.

We certify that this report does not contain any untrue statement of a fact or omit any facts necessary to present herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings for the readers, and we have reviewed and verified this report with sufficient care.

February 25, 2025

Internal Accounting Manager

Baek Seung-am

Chief Executive Officer

Moon Hong-sung

Handwritten signatures of Baek Seung-am and Moon Hong-sung in blue ink.