

SAMSUNG ELECTRONICS CO., LTD. AND ITS SUBSIDIARIES

Consolidated Financial Statements

**December 31, 2024 and 2023**

(With Independent Auditors' Report Thereon)

## Contents

|   | <b>Page</b> |
|---|-------------|
| <b>Independent Auditors' Report</b>             | 1           |
| Consolidated Statements of Financial Position   | 4           |
| Consolidated Statements of Profit or Loss       | 7           |
| Consolidated Statements of Comprehensive Income | 8           |
| Consolidated Statements of Changes in Equity    | 9           |
| Consolidated Statements of Cash Flows           | 13          |
| Notes to the Consolidated Financial Statements  | 15          |

## Independent Auditors' Report

To the Shareholders and Board of Directors of  
Samsung Electronics Co., Ltd.:

### Opinion

We have audited the accompanying consolidated financial statements of Samsung Electronics Co., Ltd. and its subsidiaries ("the Group"), expressed in Korean won, which comprise the consolidated statements of financial position as of December 31, 2024, and 2023 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023 and its consolidated financial performance and cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("Korean IFRS").

### Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing ("ISAs") and Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 1) Evaluation of commencement of depreciation related to construction in progress

The Group's Device Solutions (DS) division is constructing factories for semiconductor production and begins depreciation of the production lines and equipment when they are available for use. Determining when the assets are available for use requires management's judgment, and as explained in Note 2, *Material Accounting Policies*, the Group's assessment of when the production lines and equipment are available for use requires management's subjective judgments on whether the assets are operating as intended.

We identified the evaluation of commencement of depreciation related to construction in progress as a key audit matter because the DS division's investments are significant and if the commencement of depreciation is determined contrary to the substance, the impact of depreciation amount on the consolidated financial statements would be significant.

The primary audit procedures we performed to address this key audit matter are as follows:

- Understanding of the Group's accounting policies and the processes and internal controls applied to the evaluation of when the assets are available for use;
- Evaluating the design and testing the operating effectiveness of the internal controls over the approval on commencement of depreciation related to construction in progress;
- Evaluating the design and implementation of the operating effectiveness of the internal controls regarding identification and monitoring of aged construction in progress;
- Inspecting documentation supporting the appropriateness of the commencement of depreciation of construction in progress during the year and subsequent to year-end on a sample basis; and
- Observing, on a sample basis, whether the Group's construction in progress is in operation.

## 2) Sales deduction related to sales promotion activities

The Group's Device eXperience (DX) division performs sales promotion activities, which includes providing price or volume discounts and incentives to customers including retail and telecommunication companies, based on explicit or implicit agreements. As disclosed in Note 2, *Material Accounting Policies*, and Note 3, *Material Accounting Estimates and Assumptions*, of the consolidated financial statements, the Group estimates the expected expenditures and discounts resulting from sales promotion activities at the time of revenue recognition and deducts the amount from revenue.

We identified the accuracy and completeness of sales deductions from promotional activities as a key audit matter because the calculation of sales deductions involves significant estimates and judgements by management and is subject to possible bias or error and the amount is material to the consolidated financial statements.

The primary audit procedures we performed to address this key audit matter are as follows:

- Evaluating the Group's accounting policies and understanding the processes and internal controls relating to the applied to sales deductions;
- Evaluating the design and testing the operating effectiveness of internal controls over the approval of the sales deduction policy;
- Evaluating the design and testing the operating effectiveness of internal controls over the sales deduction estimates and the approval of post-settlement adjustments;
- Evaluating the reasonableness of the estimates by inspecting, on a sample basis, the documentation supporting sales deductions estimates; and
- Evaluating the accuracy and completeness of sales deductions by comparing, on a sample basis, the period-end estimates to amounts settled subsequent to the period-end and examining relevant documentation.

### **Other Matters**

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

The accompanying consolidated financial statements as of and for the years ended December 31, 2024 and 2023 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Korean won have been translated into dollars on the basis set forth in Note 2.18 to the consolidated financial statements.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs and KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with ISAs and KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements and 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 auditors' report is Han, Sang Hyun.

*KPMG Samjonye Accounting Corp.*

Seoul, Korea  
February 18, 2025

This report is effective as of February 18, 2025. 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 consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(In millions of Korean won, in thousands of US dollars (Note 2.18))

|   | Notes       | December 31,       | December 31,       | December 31,       | December 31,       |
|---|-------------|--------------------|--------------------|--------------------|--------------------|
|   |             | 2024               | 2023               | 2024               | 2023               |
|   |             | KRW                | KRW                | USD                | USD                |
| <b>Assets</b>   |             |                    |                    |                    |                    |
| <b>Current assets</b>   |             |                    |                    |                    |                    |
| Cash and cash equivalents   | 4, 28       | 53,705,579         | 69,080,893         | 39,399,770         | 50,679,489         |
| Short-term financial instruments                                  | 4, 28       | 58,909,334         | 22,690,924         | 43,217,376         | 16,646,635         |
| Short-term financial assets at amortized cost                     | 4, 28       | -                  | 608,281            | -                  | 446,250            |
| Short-term financial assets at fair value through profit or loss  | 4, 6, 28    | 36,877             | 27,112             | 27,054             | 19,890             |
| Trade receivables   | 4, 5, 7, 28 | 43,623,073         | 36,647,393         | 32,002,989         | 26,885,454         |
| Non-trade receivables   | 4, 7, 28    | 9,622,974          | 6,633,248          | 7,059,657          | 4,866,318          |
| Prepaid expenses  |             | 3,362,824          | 3,366,130          | 2,467,053          | 2,469,478          |
| Inventories   | 8           | 51,754,865         | 51,625,874         | 37,968,677         | 37,874,046         |
| Other current assets  | 4, 28       | 6,046,740          | 5,038,838          | 4,436,043          | 3,696,620          |
| Assets held-for-sale  | 33          | -                  | 217,864            | -                  | 159,831            |
|   |             | <b>227,062,266</b> | <b>195,936,557</b> | <b>166,578,619</b> | <b>143,744,011</b> |
| <b>Non-current assets</b>   |             |                    |                    |                    |                    |
| Financial assets at fair value through other comprehensive income | 4, 6, 28    | 10,580,932         | 7,481,297          | 7,762,439          | 5,488,469          |
| Financial assets at fair value through profit or loss             | 4, 6, 28    | 1,175,749          | 1,431,394          | 862,559            | 1,050,107          |
| Investments in associates and joint ventures                      | 9           | 12,592,117         | 11,767,444         | 9,237,895          | 8,632,894          |
| Property, plant and equipment                                     | 10          | 205,945,209        | 187,256,262        | 151,086,611        | 137,375,927        |
| Intangible assets   | 11          | 23,738,566         | 22,741,862         | 17,415,212         | 16,684,005         |
| Net defined benefit assets  | 14          | 3,089,571          | 4,905,219          | 2,266,587          | 3,598,593          |
| Deferred income tax assets  | 25          | 14,236,468         | 10,211,797         | 10,444,233         | 7,491,632          |
| Other non-current assets  | 4, 7, 28    | 16,111,070         | 14,174,148         | 11,819,488         | 10,398,513         |
|   |             | <b>287,469,682</b> | <b>259,969,423</b> | <b>210,895,024</b> | <b>190,720,140</b> |
| <b>Total assets</b>   |             | <b>514,531,948</b> | <b>455,905,980</b> | <b>377,473,643</b> | <b>334,464,151</b> |

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

**Samsung Electronics Co., Ltd. and its subsidiaries**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(In millions of Korean won, in thousands of US dollars (Note 2.18))

|  | Notes         | December 31,       | December 31,      | December 31,      | December 31,      |
|--|---------------|--------------------|-------------------|-------------------|-------------------|
|  |               | 2024               | 2023              | 2024              | 2023              |
|  |               | KRW                | KRW               | USD               | USD               |
| <b>Liabilities and Equity</b>            |               |                    |                   |                   |                   |
| <b>Current liabilities</b>               |               |                    |                   |                   |                   |
| Trade payables                           | 4, 28         | 12,370,177         | 11,319,824        | 9,075,075         | 8,304,509         |
| Short-term borrowings                    | 4, 5, 12, 28  | 13,172,504         | 7,114,601         | 9,663,682         | 5,219,451         |
| Other payables                           | 4, 28         | 18,547,365         | 15,324,119        | 13,606,816        | 11,242,161        |
| Advances received                        | 17            | 1,841,420          | 1,492,602         | 1,350,912         | 1,095,011         |
| Withholdings                             | 4, 28         | 991,812            | 892,441           | 727,618           | 654,717           |
| Accrued expenses                         | 4, 17, 28     | 29,613,258         | 26,013,273        | 21,725,035        | 19,083,995        |
| Current income tax liabilities           |               | 4,340,171          | 3,358,715         | 3,184,059         | 2,464,038         |
| Current portion of long-term liabilities | 4, 12, 13, 28 | 2,207,290          | 1,308,875         | 1,619,324         | 960,224           |
| Provisions                               | 15            | 8,216,469          | 6,524,876         | 6,027,809         | 4,786,814         |
| Other current liabilities                | 4, 17, 28     | 2,025,833          | 2,308,472         | 1,486,202         | 1,693,553         |
| Liabilities held-for-sale                | 33            | -                  | 61,654            | -                 | 45,231            |
|  |               | <b>93,326,299</b>  | <b>75,719,452</b> | <b>68,466,532</b> | <b>55,549,704</b> |
| <b>Non-current liabilities</b>           |               |                    |                   |                   |                   |
| Debentures                               | 4, 13, 28     | 14,530             | 537,618           | 10,660            | 394,410           |
| Long-term borrowings                     | 4, 12, 28     | 3,935,860          | 3,724,850         | 2,887,446         | 2,732,644         |
| Long-term other payables                 | 4, 28         | 5,510,455          | 5,488,283         | 4,042,609         | 4,026,343         |
| Net defined benefit liabilities          | 14            | 521,410            | 456,557           | 382,520           | 334,942           |
| Deferred income tax liabilities          | 25            | 528,231            | 620,549           | 387,524           | 455,250           |
| Long-term provisions                     | 15            | 3,120,044          | 2,878,450         | 2,288,943         | 2,111,704         |
| Other non-current liabilities            | 4, 17, 28     | 5,383,049          | 2,802,356         | 3,949,141         | 2,055,879         |
|  |               | <b>19,013,579</b>  | <b>16,508,663</b> | <b>13,948,843</b> | <b>12,111,172</b> |
| <b>Total liabilities</b>                 |               | <b>112,339,878</b> | <b>92,228,115</b> | <b>82,415,375</b> | <b>67,660,876</b> |

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

**Samsung Electronics Co., Ltd. and its subsidiaries**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

*(In millions of Korean won, in thousands of US dollars (Note 2.18))*

|  | Notes  | December 31,       | December 31,       | December 31,       | December 31,       |
|--|--------|--------------------|--------------------|--------------------|--------------------|
|  |        | 2024               | 2023               | 2024               | 2023               |
|  |        | KRW                | KRW                | USD                | USD                |
| <b>Equity attributable to owners of the parent company</b> |        |                    |                    |                    |                    |
| Preference shares  | 18     | 119,467            | 119,467            | 87,644             | 87,644             |
| Ordinary shares  | 18     | 778,047            | 778,047            | 570,795            | 570,795            |
| Share premium  |        | 4,403,893          | 4,403,893          | 3,230,807          | 3,230,807          |
| Retained earnings  | 19     | 370,513,188        | 346,652,238        | 271,817,840        | 254,312,844        |
| Other components of equity                                 | 20, 33 | 15,873,008         | 1,280,130          | 11,644,840         | 939,136            |
|  |        | <b>391,687,603</b> | <b>353,233,775</b> | <b>287,351,926</b> | <b>259,141,226</b> |
| Non-controlling interests                                  | 31     | 10,504,467         | 10,444,090         | 7,706,342          | 7,662,049          |
| <b>Total equity</b>  |        | <b>402,192,070</b> | <b>363,677,865</b> | <b>295,058,268</b> | <b>266,803,275</b> |
| <b>Total liabilities and equity</b>                        |        | <b>514,531,948</b> | <b>455,905,980</b> | <b>377,473,643</b> | <b>334,464,151</b> |

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

**Samsung Electronics Co., Ltd. and its subsidiaries**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

(In millions of Korean won, in thousands of US dollars (Note 2.18))

|  | Notes  | For the years ended December 31, |                   |                   |                   |
|--|--------|----------------------------------|-------------------|-------------------|-------------------|
|  |        | 2024<br>KRW                      | 2023<br>KRW       | 2024<br>USD       | 2023<br>USD       |
| <b>Revenue</b>                                       | 29     | 300,870,903                      | 258,935,494       | 220,726,499       | 189,961,623       |
| <b>Cost of sales</b>                                 | 21     | 186,562,268                      | 180,388,580       | 136,866,795       | 132,337,621       |
| <b>Gross profit</b>                                  |        | <b>114,308,635</b>               | <b>78,546,914</b> | <b>83,859,704</b> | <b>57,624,002</b> |
| Selling and administrative expenses                  | 21, 22 | 81,582,674                       | 71,979,938        | 59,851,112        | 52,806,302        |
| <b>Operating profit</b>                              | 29     | <b>32,725,961</b>                | <b>6,566,976</b>  | <b>24,008,592</b> | <b>4,817,700</b>  |
| Other non-operating income                           | 23     | 1,960,338                        | 1,180,448         | 1,438,154         | 866,006           |
| Other non-operating expense                          | 23     | 1,625,229                        | 1,083,327         | 1,192,309         | 794,757           |
| Share of net profit of associates and joint ventures | 9      | 751,044                          | 887,550           | 550,985           | 651,129           |
| Financial income                                     | 24     | 16,703,304                       | 16,100,148        | 12,253,966        | 11,811,476        |
| Financial expense                                    | 24     | 12,985,684                       | 12,645,530        | 9,526,626         | 9,277,080         |
| <b>Profit before income tax</b>                      |        | <b>37,529,734</b>                | <b>11,006,265</b> | <b>27,532,762</b> | <b>8,074,474</b>  |
| Income tax expense (benefit)                         | 25     | 3,078,383                        | (4,480,835)       | 2,258,380         | (3,287,254)       |
| <b>Profit for the year</b>                           |        | <b>34,451,351</b>                | <b>15,487,100</b> | <b>25,274,382</b> | <b>11,361,728</b> |
| <b>Profit attributable to</b>                        |        |                                  |                   |                   |                   |
| Owners of the parent company                         |        | 33,621,363                       | 14,473,401        | 24,665,482        | 10,618,053        |
| Non-controlling interests                            |        | 829,988                          | 1,013,699         | 608,900           | 743,675           |
| Earnings per share<br>(in Korean won, in US dollars) | 26     |                                  |                   |                   |                   |
| - Basic  |        | 4,950                            | 2,131             | 3.63              | 1.56              |
| - Diluted  |        | 4,950                            | 2,131             | 3.63              | 1.56              |

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(In millions of Korean won, in thousands of US dollars (Note 2.18))

|  | Notes  | For the years ended December 31, |                   |                   |                   |
|--|--------|----------------------------------|-------------------|-------------------|-------------------|
|  |        | 2024<br>KRW                      | 2023<br>KRW       | 2024<br>USD       | 2023<br>USD       |
| <b>Profit for the year</b>   |        | <b>34,451,351</b>                | <b>15,487,100</b> | <b>25,274,382</b> | <b>11,361,728</b> |
| <b>Other comprehensive income</b>  |        |                                  |                   |                   |                   |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>                         |        |                                  |                   |                   |                   |
| Gain on valuation of financial assets at fair value through other comprehensive income, net of tax | 6, 20  | 2,300,166                        | 1,481,091         | 1,687,460         | 1,086,566         |
| Share of other comprehensive income (loss) of associates and joint ventures, net of tax            | 9, 20  | (71,581)                         | 13,150            | (52,514)          | 9,647             |
| Remeasurement of net defined benefit liabilities (assets), net of tax                              | 14, 20 | (766,078)                        | (828,298)         | (562,014)         | (607,659)         |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                              |        |                                  |                   |                   |                   |
| Share of other comprehensive income of associates and joint ventures, net of tax                   | 9, 20  | 305,327                          | 61,962            | 223,996           | 45,457            |
| Foreign currency translation differences for foreign operations, net of tax                        | 20     | 15,116,099                       | 2,621,479         | 11,089,552        | 1,923,183         |
| Gain (loss) on valuation of cash flow hedge derivatives  | 20     | (38,946)                         | 927               | (28,572)          | 679               |
| <b>Other comprehensive income for the year, net of tax</b>   |        | <b>16,844,987</b>                | <b>3,350,311</b>  | <b>12,357,908</b> | <b>2,457,873</b>  |
| <b>Total comprehensive income for the year</b>   |        | <b>51,296,338</b>                | <b>18,837,411</b> | <b>37,632,290</b> | <b>13,819,601</b> |
| <b>Comprehensive income attributable to:</b>   |        |                                  |                   |                   |                   |
| Owners of the parent company   |        | 50,048,199                       | 17,845,661        | 36,716,624        | 13,092,028        |
| Non-controlling interests  |        | 1,248,139                        | 991,750           | 915,666           | 727,573           |

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

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

*(In millions of Korean won)*

| For the year ended December 31, 2024   | Notes  | Preference shares | Ordinary shares | Share premium    | Retained earnings  | Other component of equity | Equity attributable to owners of the parent company |
|--|--------|-------------------|-----------------|------------------|--------------------|---------------------------|---|
|  |        |                   |                 |                  |                    |                           | Non-controlling interests                           |
| <b>Balance as of January 1, 2024</b>   |        | <b>119,467</b>    | <b>778,047</b>  | <b>4,403,893</b> | <b>346,652,238</b> | <b>1,280,130</b>          | <b>353,233,775</b>                                  |
| Profit for the year  |        | -                 | -               | -                | 33,621,363         | -                         | 33,621,363  |
| Gain on valuation of financial assets at fair value through other comprehensive income, net of tax | 6, 20  | -                 | -               | -                | 49,024             | 1,960,896                 | 2,009,920   |
| Share of other comprehensive income (loss) of associates and joint ventures, net of tax            | 9, 20  | -                 | -               | -                | -                  | 239,431                   | 239,431   |
| Foreign currency translation differences for foreign operations, net of tax                        | 20     | -                 | -               | -                | -                  | 14,963,848                | 14,963,848  |
| Remeasurement of net defined benefit liabilities (assets), net of tax                              | 14, 20 | -                 | -               | -                | -                  | (747,417)                 | (747,417)   |
| Loss on valuation of cash flow hedge derivatives   | 20     | -                 | -               | -                | -                  | (38,946)                  | (38,946)  |
| <b>Total comprehensive income for the year</b>   |        | -                 | -               | -                | <b>33,670,387</b>  | <b>16,377,812</b>         | <b>50,048,199</b>                                   |
| Dividends declared   | 19     | -                 | -               | -                | (9,809,437)        | -                         | (9,809,437)   |
| Capital transactions under common control  | -      | -                 | -               | -                | -                  | -                         | (8,511)   |
| Changes in consolidated entities   | -      | -                 | -               | -                | -                  | -                         | (76,626)  |
| Treasury shares purchased  | 20     | -                 | -               | -                | -                  | (1,811,775)               | (1,811,775)   |
| Others   | -      | -                 | -               | -                | -                  | 26,841                    | 26,841  |
| <b>Total transactions with owners</b>  |        | -                 | -               | -                | <b>(9,809,437)</b> | <b>(1,784,934)</b>        | <b>(11,594,371)</b>                                 |
| <b>Balance as of December 31, 2024</b>   |        | <b>119,467</b>    | <b>778,047</b>  | <b>4,403,893</b> | <b>370,513,188</b> | <b>15,873,008</b>         | <b>391,687,603</b>                                  |
|  |        |                   |                 |                  |                    | <b>10,504,467</b>         | <b>402,192,070</b>                                  |
|  |        |                   |                 |                  |                    |                           | <b>363,677,865</b>                                  |

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

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

*(In thousands of US dollars (Note 2.18))*

| For the year ended December 31, 2024   | Notes  | Preference shares | Ordinary shares | Share premium    | Retained earnings  | Components of equity | Other components of equity | Equity attributable to owners of the parent company | Non-controlling interests | Total |
|--|--------|-------------------|-----------------|------------------|--------------------|----------------------|----------------------------|---|---------------------------|-------|
| <b>Balance as of January 1, 2024</b>   |        | <b>87,644</b>     | <b>570,795</b>  | <b>3,230,807</b> | <b>254,312,844</b> | <b>939,136</b>       | <b>259,141,226</b>         | <b>7,662,049</b>                                    | <b>266,803,275</b>        |       |
| Profit for the year  |        | -                 | -               | -                | 24,665,482         | -                    | 24,665,482                 | 608,900   | 25,274,382                |       |
| Gain on valuation of financial assets at fair value through other comprehensive income, net of tax | 6, 20  | -                 | -               | -                | 35,965             | 1,438,563            | 1,474,528                  | 212,932   | 1,687,460                 |       |
| Share of other comprehensive income (loss) of associates and joint ventures, net of tax            | 9, 20  | -                 | -               | -                | -                  | 175,653              | 175,653                    | (4,171)   | 171,482                   |       |
| Foreign currency translation differences for foreign operations, net of tax                        | 20     | -                 | -               | -                | -                  | 10,977,857           | 10,977,857                 | 111,695   | 11,089,552                |       |
| Remeasurement of net defined benefit liabilities (assets), net of tax                              | 14, 20 | -                 | -               | -                | -                  | (548,324)            | (548,324)                  | (13,690)  | (562,014)                 |       |
| Loss on valuation of cash flow hedge derivatives   | 20     | -                 | -               | -                | -                  | (28,572)             | (28,572)                   | -   | (28,572)                  |       |
| <b>Total comprehensive income for the year</b>   |        | <b>-</b>          | <b>-</b>        | <b>-</b>         | <b>24,701,447</b>  | <b>12,015,177</b>    | <b>36,716,624</b>          | <b>915,666</b>                                      | <b>37,632,290</b>         |       |
| Dividends declared   | 19     | -                 | -               | -                | (7,196,451)        | -                    | (7,196,451)                | (808,914)   | (8,005,365)               |       |
| Capital transactions under common control  |        | -                 | -               | -                | -                  | -                    | -                          | (6,244)   | (6,244)                   |       |
| Changes in consolidated entities   |        | -                 | -               | -                | -                  | -                    | -                          | (56,215)  | (56,215)                  |       |
| Treasury shares purchased  |        | -                 | -               | -                | -                  | (1,329,164)          | (1,329,164)                | -   | (1,329,164)               |       |
| Others   |        | -                 | -               | -                | -                  | 19,691               | 19,691                     | -   | 19,691                    |       |
| <b>Total transactions with owners</b>  |        | <b>-</b>          | <b>-</b>        | <b>-</b>         | <b>(7,196,451)</b> | <b>(1,309,473)</b>   | <b>(8,505,924)</b>         | <b>(871,373)</b>                                    | <b>(9,377,297)</b>        |       |
| <b>Balance as of December 31, 2024</b>   |        | <b>87,644</b>     | <b>570,795</b>  | <b>3,230,807</b> | <b>271,817,840</b> | <b>11,644,840</b>    | <b>287,351,926</b>         | <b>7,706,342</b>                                    | <b>295,058,268</b>        |       |

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

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

|   |        | Notes | Preference shares | Ordinary shares | Share premium      | Retained earnings  | Other components of equity | Equity attributable to owners of the parent company | Non-controlling interests | Total              |
|---|--------|-------|-------------------|-----------------|--------------------|--------------------|----------------------------|---|---------------------------|--------------------|
| <b>For the year ended December 31, 2023</b>   |        |       | <b>119,467</b>    | <b>778,047</b>  | <b>4,403,893</b>   | <b>337,946,407</b> | <b>1,938,328</b>           | <b>345,186,142</b>                                  | <b>9,563,462</b>          | <b>354,749,604</b> |
| <b>Balance as of January 1, 2023</b>  |        |       | -                 | -               | -                  | 14,473,401         | -                          | 14,473,401  | 1,013,699                 | 15,487,100         |
| Profit for the year   |        |       |                   |                 |                    |                    |                            |   |                           |                    |
| Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax | 6, 20  | -     | -                 | -               | 4,041,867          | (2,554,690)        | 1,487,177                  | (6,086)   | 1,481,091                 |                    |
| Share of other comprehensive income of associates and joint ventures, net of tax                          | 9, 20  | -     | -                 | -               | -                  | 70,157             | 70,157                     | 4,955   | 75,112                    |                    |
| Foreign currency translation differences for foreign operations translation, net of tax                   | 20     | -     | -                 | -               | -                  | 2,611,915          | 2,611,915                  | 9,564   | 2,621,479                 |                    |
| Remeasurement of net defined benefit liabilities (assets), net of tax                                     | 14, 20 | -     | -                 | -               | -                  | (797,916)          | (797,916)                  | (30,382)  | (828,298)                 |                    |
| Gain on valuation of cash flow hedge derivatives  | 20     | -     | -                 | -               | -                  | 927                | 927                        | -   | 927                       |                    |
| <b>Total comprehensive income (loss) for the year</b>   |        |       | -                 | -               | <b>18,515,268</b>  | <b>(669,607)</b>   | <b>17,845,661</b>          | <b>991,750</b>                                      | <b>18,837,411</b>         |                    |
| Dividends declared  | 19     | -     | -                 | -               | (9,809,437)        | -                  | (9,809,437)                | (101,984)   | (9,911,421)               |                    |
| Capital transactions under common control   | -      | -     | -                 | -               | -                  | -                  | -                          | (9,368)   | (9,368)                   |                    |
| Changes in consolidated entities  | -      | -     | -                 | -               | -                  | -                  | -                          | 230   | 230                       |                    |
| Others  | -      | -     | -                 | -               | -                  | 11,409             | 11,409                     | -   | 11,409                    |                    |
| <b>Total transactions with owners</b>   |        |       | -                 | -               | <b>(9,809,437)</b> | <b>11,409</b>      | <b>(9,798,028)</b>         | <b>(111,122)</b>                                    | <b>(9,909,150)</b>        |                    |
| <b>Balance as of December 31, 2023</b>  |        |       | <b>119,467</b>    | <b>778,047</b>  | <b>4,403,893</b>   | <b>346,652,238</b> | <b>1,280,130</b>           | <b>353,233,775</b>                                  | <b>10,444,090</b>         | <b>363,677,865</b> |

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

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

*(In thousands of US dollars (Note 2.18))*

| For the year ended December 31, 2023  | Notes   | Preference shares | Ordinary shares | Share premium | Retained earnings | Other components of equity | Equity attributable to owners of the parent company | Non-controlling interests | Total |
|---|---------|-------------------|-----------------|---------------|-------------------|----------------------------|---|---------------------------|-------|
| <b>Balance as of January 1, 2023</b>  |         |                   |                 |               |                   |                            |   |                           |       |
| 87,644  | 570,795 | 3,230,807         | 247,926,026     | 1,422,007     | 253,237,279       | 7,015,997                  | 260,253,276   |                           |       |
| Profit for the year   |         | -                 | -               | 10,618,053    | -                 | 10,618,053                 | 743,675   | 11,361,728                |       |
| Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax | 6, 20   | -                 | -               | 2,965,216     | (1,874,185)       | 1,091,031                  | (4,465)   | 1,086,566                 |       |
| Share of other comprehensive income of associates and joint ventures, net of tax                          | 9, 20   | -                 | -               | -             | 51,469            | 51,469                     | 3,635   | 55,104                    |       |
| Foreign currency translation differences for foreign operations, net of tax                               | 20      | -                 | -               | -             | 1,916,167         | 1,916,167                  | 7,016   | 1,923,183                 |       |
| Remeasurement of net defined benefit liabilities (assets), net of tax                                     | 14, 20  | -                 | -               | -             | (585,371)         | (585,371)                  | (22,288)  | (607,659)                 |       |
| Gain on valuation of cash flow hedge derivatives  | 20      | -                 | -               | -             | 679               | 679                        | -   | 679                       |       |
| <b>Total comprehensive income (loss) for the year</b>   |         |                   |                 |               |                   |                            |   |                           |       |
| -   | -       | 13,583,269        | (491,241)       | 13,092,028    | 727,573           | 13,819,601                 |   |                           |       |
| Dividends declared  | 19      | -                 | -               | (7,196,451)   | -                 | (7,196,451)                | (74,818)  | (7,271,269)               |       |
| Capital transaction under common control  | -       | -                 | -               | -             | -                 | -                          | (6,873)   | (6,873)                   |       |
| Changes in consolidated entities  | -       | -                 | -               | -             | -                 | -                          | 170   | 170                       |       |
| Others  | -       | -                 | -               | -             | 8,370             | 8,370                      | -   | 8,370                     |       |
| <b>Total transactions with owners</b>   |         |                   |                 |               |                   |                            |   |                           |       |
| 87,644  | 570,795 | 3,230,807         | 254,312,844     | 939,136       | 259,141,226       | (7,188,081)                | (81,521)  | (7,269,602)               |       |
| <b>Balance as of December 31, 2023</b>  |         |                   |                 |               |                   |                            |   |                           |       |
|   |         |                   |                 |               |                   |                            | 7,662,049   | 266,803,275               |       |

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

**Samsung Electronics Co., Ltd. and its subsidiaries**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(In millions of Korean won, in thousands of US dollars (Note 2.18))*

|   | Notes | For the years ended December 31, |                     |                     |                     |
|---|-------|----------------------------------|---------------------|---------------------|---------------------|
|   |       | 2024                             | 2023                | 2024                | 2023                |
|   |       | KRW                              | KRW                 | USD                 | USD                 |
| <b>Operating activities</b>   |       |                                  |                     |                     |                     |
| Profit for the year   |       | 34,451,351                       | 15,487,100          | 25,274,382          | 11,361,728          |
| Adjustments   | 27    | 42,947,079                       | 36,519,534          | 31,507,063          | 26,791,653          |
| Changes in assets and liabilities arising from operating activities                         | 27    | (1,567,557)                      | (5,458,745)         | (1,150,000)         | (4,004,673)         |
| <b>Cash generated from operations</b>   |       | <b>75,830,873</b>                | <b>46,547,889</b>   | <b>55,631,445</b>   | <b>34,148,708</b>   |
| Interest received   |       | 4,008,359                        | 4,786,010           | 2,940,633           | 3,511,138           |
| Interest paid   |       | (675,049)                        | (844,691)           | (495,233)           | (619,687)           |
| Dividends received  |       | 268,482                          | 269,169             | 196,965             | 197,469             |
| Income tax paid   |       | (6,450,044)                      | (6,620,950)         | (4,731,914)         | (4,857,296)         |
| <b>Net cash provided by operating activities</b>  |       | <b>72,982,621</b>                | <b>44,137,427</b>   | <b>53,541,896</b>   | <b>32,380,332</b>   |
| <br><b>Investing activities</b>   |       |                                  |                     |                     |                     |
| Net decrease (increase) in short-term financial instruments                                 |       | (32,976,756)                     | 39,421,565          | (24,192,582)        | 28,920,657          |
| Net decrease (increase) in short-term financial assets at amortized cost                    |       | 620,858                          | (195,616)           | 455,477             | (143,509)           |
| Net decrease (increase) in short-term financial assets at fair value through profit or loss |       | (9,735)                          | 2,718               | (7,142)             | 1,994               |
| Disposal of long-term financial instruments   |       | 4,100,008                        | 4,565,426           | 3,007,870           | 3,349,312           |
| Acquisition of long-term financial instruments  |       | (3,987,279)                      | (5,307,770)         | (2,925,169)         | (3,893,914)         |
| Disposal of financial assets at fair value through other comprehensive income               |       | 389,680                          | 6,521,568           | 285,879             | 4,784,387           |
| Acquisition of financial assets at fair value through other comprehensive income            |       | (185,876)                        | (124,488)           | (136,363)           | (91,328)            |
| Disposal of financial assets at fair value through profit or loss                           |       | 309,970                          | 63,962              | 227,402             | 46,924              |
| Acquisition of financial assets at fair value through profit or loss                        |       | (70,982)                         | (130,459)           | (52,074)            | (95,708)            |
| Disposal of investment in associates and joint ventures                                     |       | 33,178                           | 33,457              | 24,340              | 24,545              |
| Acquisition of investment in associates and joint ventures                                  |       | (11,710)                         | (78,690)            | (8,591)             | (57,729)            |
| Disposal of property, plant and equipment   |       | 156,191                          | 98,341              | 114,586             | 72,145              |
| Acquisition of property, plant and equipment  |       | (51,406,355)                     | (57,611,292)        | (37,713,001)        | (42,265,100)        |
| Disposal of intangible assets   |       | 15,869                           | 11,744              | 11,642              | 8,616               |
| Acquisition of intangible assets  |       | (2,335,284)                      | (2,922,875)         | (1,713,223)         | (2,144,295)         |
| Cash outflow from business combination  |       | (142,156)                        | (356,511)           | (104,289)           | (261,545)           |
| Cash inflow from disposal of held-for-sale assets   |       | 101,563                          | -                   | 74,509              | -                   |
| Cash inflow (outflow) from other investing activities                                       |       | 17,114                           | (913,897)           | 12,554              | (670,458)           |
| <b>Net cash used in investing activities</b>  |       | <b>(85,381,702)</b>              | <b>(16,922,817)</b> | <b>(62,638,175)</b> | <b>(12,415,006)</b> |

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

**Samsung Electronics Co., Ltd. and its subsidiaries**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(In millions of Korean won, in thousands of US dollars (Note 2.18))*

|   | Notes | For the years ended December 31, |                    |                     |                    |
|---|-------|----------------------------------|--------------------|---------------------|--------------------|
|   |       | 2024                             | 2023               | 2024                | 2023               |
|   |       | KRW                              | KRW                | USD                 | USD                |
| <b>Financing activities</b>                                 |       |                                  |                    |                     |                    |
| Net increase in short-term borrowings                       | 27    | 5,871,346                        | 2,145,400          | 4,307,368           | 1,573,920          |
| Increase in long-term borrowings                            | 27    | 404,954                          | 354,712            | 297,084             | 260,226            |
| Repayment of debentures and long-term borrowings            | 27    | (1,364,508)                      | (1,219,579)        | (1,001,038)         | (894,714)          |
| Dividends paid  |       | (10,888,749)                     | (9,864,474)        | (7,988,261)         | (7,236,827)        |
| Treasury shares purchased                                   |       | (1,811,775)                      | -                  | (1,329,164)         | -                  |
| Transactions with non-controlling interests                 |       | (8,511)                          | (9,118)            | (6,244)             | (6,690)            |
| <b>Net cash used in financing activities</b>                |       | <b>(7,797,243)</b>               | <b>(8,593,059)</b> | <b>(5,720,255)</b>  | <b>(6,304,085)</b> |
| Reclassification to assets held-for-sale                    | 32    | -                                | (14,153)           | -                   | (10,383)           |
| Effect of foreign exchange rate changes                     |       | 4,821,010                        | 792,785            | 3,536,815           | 581,607            |
| <b>Net increase (decrease) in cash and cash equivalents</b> |       | <b>(15,375,314)</b>              | <b>19,400,183</b>  | <b>(11,279,719)</b> | <b>14,232,465</b>  |
| <b>Cash and cash equivalents</b>                            |       |                                  |                    |                     |                    |
| Beginning of the year                                       |       | 69,080,893                       | 49,680,710         | 50,679,489          | 36,447,024         |
| <b>End of the year</b>                                      |       | <b>53,705,579</b>                | <b>69,080,893</b>  | <b>39,399,770</b>   | <b>50,679,489</b>  |

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

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2024 and 2023, and  
For the years ended December 31, 2024 and 2023

### 1. General Information

#### 1.1 Company Overview

Samsung Electronics Co., Ltd. (“SEC”) was incorporated under the laws of the Republic of Korea in 1969 and listed its shares on the Korea Stock Exchange in 1975. SEC and its subsidiaries (collectively referred to as the “Company”) operate four business divisions: DX, DS, SDC and Harman. DX (Device eXperience) division comprises businesses for digital televisions, refrigerators, smartphones and network systems. DS (Device Solutions) division comprises businesses for memory, foundry, and system Large Scale Integration (LSI). SDC includes display panels products. Harman division includes connected car systems, audio and visual products, enterprise automation solutions and connected services. SEC is domiciled in the Republic of Korea and is located in Suwon, the Republic of Korea.

These consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards (“Korean IFRS”) 1110, *Consolidated Financial Statements*. SEC, as the controlling company, consolidates its 228 subsidiaries, including Samsung Display and Samsung Electronics America. The Company also applies the equity method of accounting for its 35 associates and joint ventures, including Samsung Electro-Mechanics Co., Ltd.

#### 1.2 Consolidated Subsidiaries

The consolidated subsidiaries as of December 31, 2024 are as follows:

| Region  | Subsidiaries  | Business   | Percentage of ownership (%) <sup>(*)</sup> |
|---------|---|--|--|
| America | Samsung Electronics America, Inc. (SEA)                 | Sale of electronic devices                       | 100.0                                      |
|         | Samsung International, Inc. (SII)                       | Manufacture of electronic devices                | 100.0                                      |
|         | Samsung Mexicana S.A. de C.V (SAMEX)                    | Manufacture of electronic devices                | 100.0                                      |
|         | Samsung Electronics Home Appliances America, LLC (SEHA) | Manufacture of home appliances                   | 100.0                                      |
|         | Samsung Research America, Inc. (SRA)                    | Research and Development (R&D)                   | 100.0                                      |
|         | Samsung Next LLC (SNX)                                  | Management of overseas subsidiaries              | 100.0                                      |
|         | Samsung Next Fund LLC (SNXF)                            | Technology business, venture capital investments | 100.0                                      |
|         | NeuroLogica Corp.                                       | Manufacture and sale of medical equipment        | 100.0                                      |
|         | Samsung Lennox HVAC North America, LLC                  | Sale of air conditioning products                | 50.1                                       |
|         | Joyent, Inc.  | Cloud services                                   | 100.0                                      |
|         | SmartThings, Inc.                                       | Sale of smart home electronics                   | 100.0                                      |
|         | TeleWorld Solutions, Inc. (TWS)                         | Deployment and optimization of network devices   | 100.0                                      |
|         | Samsung Semiconductor, Inc. (SSI)                       | Sale of semiconductor and display panels         | 100.0                                      |
|         | Samsung Federal, Inc. (SFI)                             | R&D  | 100.0                                      |
|         | Samsung Austin Semiconductor LLC. (SAS)                 | Manufacture of semiconductors                    | 100.0                                      |
|         | Samsung Oak Holdings, Inc. (SHI)                        | Management of overseas subsidiaries              | 100.0                                      |
|         | SEMES America, Inc.                                     | Maintenance of semiconductor equipment           | 100.0                                      |
|         | Samsung Display America Holdings, Inc. (SDAH)           | Management of overseas subsidiaries              | 100.0                                      |
|         | eMagin Corporation                                      | Development and manufacture of display panels    | 100.0                                      |
|         | Samsung Electronics Canada, Inc. (SECA)                 | Sale of electronic devices                       | 100.0                                      |
|         | AdGear Technologies Inc.                                | Digital advertising platforms                    | 100.0                                      |
|         | Sonio Corporation                                       | Sale of medical software                         | 100.0                                      |

<sup>(\*)</sup> Ownership represents the Company’s ownership of the voting rights in each entity, including subsidiaries’ ownerships.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| <b>Region</b> | <b>Subsidiaries</b>  | <b>Business</b>                                | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|---------------|--|--|--|
| America       | Samsung Eletronica da Amazonia Ltda. (SEDA)                    | Manufacture and sale of electronic devices     | 100.0  |
|               | Samsung Electronics Mexico S.A. De C.V. (SEM)                  | Sale of electronic devices                     | 100.0  |
|               | Samsung Electronics Digital Appliance Mexico, SA de CV (SEDAM) | Manufacture of home appliances                 | 100.0  |
|               | Samsung Electronics Latinoamerica (Zona Libre), S. A. (SELA)   | Sale of electronic devices                     | 100.0  |
|               | Samsung Electronics Latinoamerica Miami, Inc. (SEMI)           | Sale of electronic devices                     | 100.0  |
|               | Samsung Electronica Colombia S.A. (SAMCOL)                     | Sale of electronic devices                     | 100.0  |
|               | Samsung Electronics Argentina S.A. (SEASA)                     | Marketing and services                         | 100.0  |
|               | Samsung Electronics Chile Limitada (SECH)                      | Sale of electronic devices                     | 100.0  |
|               | Samsung Electronics Peru S.A.C. (SEPR)                         | Sale of electronic devices                     | 100.0  |
|               | Samsung Electronics Venezuela, C.A. (SEVEN)                    | Marketing and services                         | 100.0  |
|               | Samsung Electronics Panama, S.A. (SEPA)                        | Consulting                                     | 100.0  |
|               | Harman International Industries, Inc.                          | Management of overseas subsidiaries            | 100.0  |
|               | Harman Becker Automotive Systems, Inc.                         | Manufacture and sale of audio products and R&D | 100.0  |
|               | Harman Connected Services, Inc.                                | Connected service provider                     | 100.0  |
|               | Harman Connected Services Engineering Corp.                    | Connected service provider                     | 100.0  |
|               | Harman da Amazonia Industria Eletronica e Participacoes Ltda.  | Manufacture and sale of audio products         | 100.0  |
|               | Harman de Mexico, S. de R.L. de C.V.                           | Manufacture of audio products                  | 100.0  |
|               | Harman do Brasil Industria Eletronica e Participacoes Ltda.    | Sale of audio products and R&D                 | 100.0  |
|               | Harman International Industries Canada Ltd.                    | Sale of audio products                         | 100.0  |
|               | Harman International Mexico, S. de R.L. de C.V.                | Sale of audio products                         | 100.0  |
|               | Harman KG Holding, LLC   | Management of overseas subsidiaries            | 100.0  |
|               | Harman Professional, Inc.                                      | Sale of audio products and R&D                 | 100.0  |
|               | Roon Labs, LLC.  | Sale of audio products                         | 100.0  |
|               | Beijing Integrated Circuit Industry International Fund, L.P    | Venture capital investments                    | 61.4   |
|               | China Materialia New Materials 2016 Limited Partnership        | Venture capital investments                    | 99.0   |

<sup>(\*)</sup> Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| <b>Region</b> | <b>Subsidiaries</b>  | <b>Business</b>                            | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|---------------|--|--|--|
| Europe/CIS    | Samsung Electronics (UK) Ltd. (SEUK)                       | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Ltd. (SEL)                             | Management of overseas subsidiaries        | 100.0  |
|               | Samsung Semiconductor Europe Limited (SSEL)                | Sale of semiconductor and display panels   | 100.0  |
|               | Samsung Electronics GmbH (SEG)                             | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Holding GmbH (SEHG)                    | Management of overseas subsidiaries        | 100.0  |
|               | Samsung Semiconductor Europe GmbH (SSEG)                   | Sale of semiconductor and display panels   | 100.0  |
|               | Samsung Electronics France S.A.S (SEF)                     | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Italia S.P.A. (SEI)                    | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Iberia, S.A. (SESA)                    | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Portuguesa, Unipessoal, Lda. (SEP)     | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Hungarian Private Co. Ltd. (SEH)       | Manufacture and sale of electronic devices | 100.0  |
|               | Samsung Electronics Europe Logistics B.V. (SELS)           | Logistics                                  | 100.0  |
|               | Samsung Electronics Benelux B.V. (SEBN)                    | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Europe Holding Cooperatief U.A. (SEEH) | Management of overseas subsidiaries        | 100.0  |
|               | Samsung Electronics Nordic Aktiebolag (SENA)               | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Slovakia s.r.o (SESK)                  | Manufacture of TV and monitors             | 100.0  |
|               | Samsung Electronics Polska, SP.Zo.o (SEPOL)                | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Poland Manufacturing SP.Zo.o (SEPM)    | Manufacture of home appliances             | 100.0  |
|               | Samsung Electronics Romania LLC (SEROM)                    | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Austria GmbH (SEAG)                    | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Switzerland GmbH (SESG)                | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Czech and Slovak s.r.o. (SECZ)         | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Baltics SIA (SEB)                      | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Greece S.M.S.A (SEGR)                  | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Air Conditioner Europe B.V. (SEACE)    | Sale of air conditioning products          | 100.0  |
|               | Samsung Nanoradio Design Center (SNDC)                     | R&D  | 100.0  |
|               | Samsung Denmark Research Center ApS (SDRC)                 | R&D  | 100.0  |
|               | Samsung Cambridge Solution Centre Limited (SCSC)           | R&D  | 100.0  |
|               | SAMSUNG Zhilabs, S.L.                                      | Development and sale of network solutions  | 100.0  |
|               | FOODIENT LTD.  | R&D  | 100.0  |
|               | Oxford Semantic Technologies Limited (OST)                 | R&D  | 100.0  |
|               | Sonio SAS  | Sale of software and R&D                   | 100.0  |
|               | Samsung Electronics Rus Company LLC (SERC)                 | Sale of electronic devices                 | 100.0  |
|               | Samsung Electronics Rus Kaluga LLC (SERK)                  | Manufacture of TV                          | 100.0  |
|               | Samsung Electronics Ukraine Company LLC (SEUC)             | Sale of electronic devices                 | 100.0  |
|               | Samsung R&D Institute Ukraine (SRUKR)                      | R&D  | 100.0  |
|               | Samsung Electronics Central Eurasia LLP (SECE)             | Sale of electronic devices                 | 100.0  |
|               | Samsung R&D Institute Rus LLC (SRR)                        | R&D  | 100.0  |
|               | Samsung Electronics Caucasus Co. Ltd (SECC)                | Marketing                                  | 100.0  |
|               | Samsung Electronics Uzbekistan Ltd. (SEUZ)                 | Marketing                                  | 100.0  |

(\*) Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| <b>Region</b> | <b>Subsidiaries</b>                                | <b>Business</b>                                | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|---------------|--|--|--|
| Europe/CIS    | AKG Acoustics GmbH                                 | Manufacture and sale of audio products         | 100.0  |
|               | Apostera UA, LLC                                   | Connected Service Provider                     | 100.0  |
|               | Harman Audio Iberia Espana Sociedad Limitada       | Sale of audio products                         | 100.0  |
|               | Harman Becker Automotive Systems GmbH              | Manufacture and sale of audio products and R&D | 100.0  |
|               | Harman Becker Automotive Systems Italy S.R.L.      | Sale of audio products                         | 100.0  |
|               | Harman Becker Automotive Systems Manufacturing Kft | Manufacture of audio products and R&D          | 100.0  |
|               | Harman Belgium SA                                  | Sale of audio products                         | 100.0  |
|               | Harman Connected Services AB.                      | Connected service provider                     | 100.0  |
|               | Harman Finland Oy                                  | Connected service provider                     | 100.0  |
|               | Harman Connected Services GmbH                     | Connected service provider                     | 100.0  |
|               | Harman Connected Services Poland Sp.zoo            | Connected service provider                     | 100.0  |
|               | Harman Connected Services UK Ltd.                  | Connected service provider                     | 100.0  |
|               | Harman Consumer Nederland B.V.                     | Sale of audio products                         | 100.0  |
|               | Harman Deutschland GmbH                            | Sale of audio products                         | 100.0  |
|               | Harman France SNC                                  | Sale of audio products                         | 100.0  |
|               | Harman Holding GmbH & Co. KG                       | Management company                             | 100.0  |
|               | Harman Hungary Financing Ltd.                      | Financing company                              | 100.0  |
|               | Harman Inc. & Co. KG                               | Management of overseas subsidiaries            | 100.0  |
|               | Harman International Estonia OU                    | R&D  | 100.0  |
|               | Harman International Industries Limited            | Sale of audio products and R&D                 | 100.0  |
|               | Harman International Romania SRL                   | R&D  | 100.0  |
|               | Harman Management GmbH                             | Management of overseas subsidiaries            | 100.0  |
|               | Harman Professional Kft                            | Manufacture of audio products and R&D          | 100.0  |
|               | Harman Professional Denmark ApS                    | Sale of audio products and R&D                 | 100.0  |
|               | Red Bend Software SAS                              | Software design                                | 100.0  |
|               | Studer Professional Audio GmbH                     | Sale of audio products and R&D                 | 100.0  |
|               | Harman Connected Services OOO                      | Connected service provider                     | 100.0  |
|               | Harman RUS CIS LLC                                 | Sale of audio products                         | 100.0  |

(\*) Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| <b>Region</b>          | <b>Subsidiaries</b>  | <b>Business</b>                            | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|------------------------|--|--|--|
| Middle East & Africa   | Samsung Gulf Electronics Co., Ltd. (SGE)                             | Sale of electronic devices                 | 100.0  |
|                        | Samsung Electronics Turkiye (SETK)                                   | Sale of electronic devices                 | 100.0  |
|                        | Samsung Electronics Industry and Commerce Ltd. (SETK-P)              | Manufacture of electronic devices          | 100.0  |
|                        | Samsung Electronics Levant Co., Ltd. (SELV)                          | Sale of electronic devices                 | 100.0  |
|                        | Samsung Electronics Maghreb Arab (SEMAG)                             | Sale of electronic devices                 | 100.0  |
|                        | Samsung Electronics Egypt S.A.E (SEEG)                               | Manufacture and sale of electronic devices | 100.0  |
|                        | Samsung Electronics Israel Ltd. (SEIL)                               | Marketing                                  | 100.0  |
|                        | Samsung Electronics Tunisia S.A.R.L (SETN)                           | Marketing                                  | 100.0  |
|                        | Samsung Electronics Pakistan(Private) Ltd. (SEPAK)                   | Marketing                                  | 100.0  |
|                        | Samsung Electronics Middle East and North Africa (SEMENA)            | Management of overseas subsidiaries        | 100.0  |
|                        | Samsung Electronics Saudi Arabia Ltd. (SESAR)                        | Sale of electronic devices                 | 100.0  |
|                        | Samsung Semiconductor Israel R&D Center, Ltd. (SIRC)                 | R&D  | 100.0  |
|                        | Corephotonics Ltd.   | R&D  | 100.0  |
|                        | Samsung Electronics South Africa(Pty) Ltd. (SSA)                     | Sale of electronic devices                 | 100.0  |
|                        | Samsung Electronics South Africa Production (Pty) Ltd. (SSAP)        | Manufacture of TV and monitors             | 100.0  |
|                        | Samsung Electronics West Africa Ltd. (SEWA)                          | Marketing                                  | 100.0  |
|                        | Samsung Electronics East Africa Ltd. (SEEA)                          | Marketing                                  | 100.0  |
|                        | Global Symphony Technology Group Private Ltd.                        | Management of overseas subsidiaries        | 100.0  |
|                        | Harman Connected Services Morocco                                    | Connected service provider                 | 100.0  |
|                        | Harman Industries Holdings Mauritius Ltd.                            | Management of overseas subsidiaries        | 100.0  |
|                        | Red Bend Ltd.  | Manufacture of audio products              | 100.0  |
| Asia (Excluding China) | Samsung Asia Pte. Ltd. (SAPL)  | Management of overseas subsidiaries        | 100.0  |
|                        | Samsung Electronics Singapore Pte. Ltd. (SESP)                       | Sale of electronic devices                 | 100.0  |
|                        | Samsung Malaysia Electronics (SME) Sdn. Bhd. (SME)                   | Sale of electronic devices                 | 100.0  |
|                        | Samsung Electronics Display (M) Sdn. Bhd. (SDMA)                     | Manufacture of electronic devices          | 100.0  |
|                        | Samsung Electronics (M) Sdn. Bhd. (SEMA)                             | Manufacture of home appliances             | 100.0  |
|                        | Samsung Vina Electronics Co., Ltd. (SAVINA)                          | Sale of electronic devices                 | 100.0  |
|                        | Samsung Electronics Vietnam Co., Ltd. (SEV)                          | Manufacture of electronic devices          | 100.0  |
|                        | Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)              | Manufacture of communication equipment     | 100.0  |
|                        | Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)                 | Manufacture and sale of electronic devices | 100.0  |
|                        | Samsung Display Vietnam Co., Ltd. (SDV)                              | Manufacture of display panels              | 100.0  |
|                        | PT Samsung Electronics Indonesia (SEIN)                              | Manufacture and sale of electronic devices | 100.0  |
|                        | PT Samsung Telecommunications Indonesia (STIN)                       | Sale of electronic devices and services    | 100.0  |
|                        | Thai Samsung Electronics Co., Ltd. (TSE)                             | Manufacture and sale of electronic devices | 91.8   |
|                        | Laos Samsung Electronics Sole Co., Ltd (LSE)                         | Marketing                                  | 100.0  |
|                        | Samsung Electronics Philippines Corporation (SEPCO)                  | Sale of electronic devices                 | 100.0  |
|                        | Samsung Electronics Australia Pty. Ltd. (SEAU)                       | Sale of electronic devices                 | 100.0  |
|                        | Samsung Electronics New Zealand Limited (SENZ)                       | Sale of electronic devices                 | 100.0  |
|                        | Samsung India Electronics Private Ltd. (SIEL)                        | Manufacture and sale of electronic devices | 100.0  |
|                        | Red Brick Lane Marketing Solutions Pvt. Ltd.                         | Marketing                                  | 100.0  |
|                        | Samsung Display Noida Private Limited (SDN)                          | Manufacture of display panels              | 100.0  |
|                        | Samsung R&D Institute India-Bangalore Private Limited(SRI-Bangalore) | R&D  | 100.0  |
|                        | Samsung R&D Institute Bangladesh Limited (SRBD)                      | R&D  | 100.0  |
|                        | Samsung Nepal Services Pvt, Ltd (SNSL)                               | Service                                    | 100.0  |
|                        | Samsung Japan Corporation (SJC)                                      | Sale of semiconductor and display panels   | 100.0  |

<sup>(\*)</sup> Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| <b>Region</b>             | <b>Subsidiaries</b>                                       | <b>Business</b>                                  | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|---------------------------|---|--|--|
| Asia<br>(Excluding China) | Samsung R&D Institute Japan Co. Ltd. (SRJ)                | R&D  | 100.0  |
|                           | Samsung Electronics Japan Co., Ltd. (SEJ)                 | Sale of electronic devices                       | 100.0  |
|                           | Harman Connected Services Corp. India Pvt. Ltd.           | Connected service provider                       | 100.0  |
|                           | Harman International (India) Private Limited              | Sale of audio products and R&D                   | 100.0  |
|                           | Harman International Industries PTY Ltd.                  | Management of overseas subsidiaries              | 100.0  |
|                           | Harman International (Thailand) Co., Ltd.                 | Manufacture and sale of audio products           | 100.0  |
|                           | Harman International Japan Co., Ltd.                      | Sale of audio products and R&D                   | 100.0  |
| China                     | Harman Singapore Pte. Ltd.                                | Sale of audio products                           | 100.0  |
|                           | Samsung (CHINA) Investment Co., Ltd. (SCIC)               | Sale of electronic devices                       | 100.0  |
|                           | Samsung Electronics Hong Kong Co., Ltd. (SEHK)            | Sale of electronic devices                       | 100.0  |
|                           | Samsung Electronics Taiwan Co., Ltd. (SET)                | Sale of electronic devices                       | 100.0  |
|                           | Suzhou Samsung Electronics Co., Ltd. (SSEC)               | Manufacture of home appliances                   | 88.3   |
|                           | Samsung Suzhou Electronics Export Co., Ltd. (SSEC-E)      | Manufacture of home appliances                   | 100.0  |
|                           | Samsung Electronics Suzhou Computer Co., Ltd. (SESC)      | R&D  | 100.0  |
|                           | Tianjin Samsung Telecom Technology Co., Ltd. (TSTC)       | Manufacture of communication equipment           | 90.0   |
|                           | Beijing Samsung Telecom R&D Center (SRC-Beijing)          | R&D  | 100.0  |
|                           | Samsung Electronics China R&D Center (SRC-Nanjing)        | R&D  | 100.0  |
|                           | Samsung Mobile R&D Center China-Guangzhou (SRC-Guangzhou) | R&D  | 100.0  |
|                           | Samsung R&D Institute China-Shenzhen (SRC-Shenzhen)       | R&D  | 100.0  |
|                           | Shanghai Samsung Semiconductor Co., Ltd. (SSS)            | Sale of semiconductor and display panels         | 100.0  |
|                           | Samsung (China) Semiconductor Co., Ltd. (SCS)             | Manufacture of semiconductors                    | 100.0  |
|                           | Samsung SemiConductor Xian Co., Ltd. (SSCX)               | Sale of semiconductor and display panels         | 100.0  |
|                           | Samsung Electronics Suzhou Semiconductor Co., Ltd. (SESS) | Toll processing of semiconductors                | 100.0  |
|                           | Tianjin Samsung LED Co., Ltd. (TSLED)                     | Manufacture of LED                               | 100.0  |
|                           | Samsung Semiconductor (China) R&D Co., Ltd. (SSCR)        | R&D  | 100.0  |
|                           | Samsung Display Dongguan Co., Ltd. (SDD)                  | Manufacture of display panels                    | 100.0  |
|                           | Samsung Display Tianjin Co., Ltd. (SDT)                   | Manufacture of display panels                    | 95.0   |
|                           | SEMES (XIAN) Co., Ltd.                                    | Semiconductor/FPD equipment services             | 100.0  |
|                           | Samsung Semiconductor Investment L.P.I                    | Technology business, Venture capital investments | 99.0   |
|                           | Harman (China) Technologies Co., Ltd.                     | Manufacture of audio products                    | 100.0  |
|                           | Harman (Suzhou) Audio and Infotainment Systems Co., Ltd.  | Sale of audio products                           | 100.0  |
|                           | Harman Automotive Electronic Systems (Suzhou) Co., Ltd.   | Manufacture of audio products and R&D            | 100.0  |
|                           | Harman Commercial (Shanghai) Co., Ltd.                    | Sale of audio products                           | 100.0  |
|                           | Harman Connected Services Solutions (Chengdu) Co., Ltd.   | Connected service provider                       | 100.0  |
|                           | Harman Holding Limited                                    | Sale of audio products                           | 100.0  |
|                           | Harman International (China) Holdings Co., Ltd.           | Sale of audio products and R&D                   | 100.0  |
|                           | Harman Technology (Shenzhen) Co., Ltd.                    | Sale of audio products and R&D                   | 100.0  |

<sup>(\*)</sup> Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| <b>Region</b> | <b>Subsidiaries</b>  | <b>Business</b>   | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|---------------|--|---|--|
| Domestic      | Samsung Display Co., Ltd.                                      | Manufacture and sale of display panels  | 84.8   |
|               | SU Materials   | Manufacture of display panel components   | 50.0   |
|               | STECO Co., Ltd.  | Manufacture of semiconductor components   | 70.0   |
|               | SEMES Co., Ltd.  | Manufacture and sale of semiconductor/FPD   | 91.5   |
|               | Samsung Electronics Service Co., Ltd.                          | Repair services for electronic devices  | 99.3   |
|               | Samsung Electronics Service Customer Satisfaction Co., Ltd.    | Call center for repair services for electronic devices                              | 100.0  |
|               | Samsung Electronics Sales Co., Ltd.                            | Sale of electronic devices  | 100.0  |
|               | Samsung Electronics Logitech Co., Ltd.                         | General logistics agency  | 100.0  |
|               | Samsung Medison Co., Ltd.                                      | Manufacture and sale of medical equipment   | 68.5   |
|               | Stella Forest of Hope  | Manufacture of food   | 100.0  |
|               | Mirero System Co., Ltd.  | Development and supply of semiconductor process defect and quality control software | 99.9   |
|               | Harman International Korea                                     | Software development and supply   | 100.0  |
|               | Samsung Venture Capital Union #21                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #22                              | Technology business, Venture capital investments                                    | 99.0   |
|               | Samsung Venture Capital Union #26                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #28                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #32                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #33                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #37                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #42                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #43                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #45                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #52                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #55                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #56                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #57                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #62                              | Venture capital investments in technology business                                  | 99.0   |
|               | Samsung Venture Capital Union #67                              | Venture capital investments in technology business                                  | 99.0   |
|               | Growth Type Private Equity Trust Specialized in Semiconductors | Investment in semiconductor industry  | 66.7   |
|               | System LSI Mutual Benefit Private Equity Trust                 | Investment in semiconductor industry  | 62.5   |
|               | Semiconductor Ecosystem Private Equity Trust                   | Investment in semiconductor industry  | 66.7   |

<sup>(\*)</sup> Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.3 Summary of Financial Data of Major Consolidated Subsidiaries

Summary of financial data of major consolidated subsidiaries is as follows:

(1) 2024

| <i>(In millions of Korean won)</i>                         | <b>As of December 31, 2024</b>           |               | <b>For the year ended December 31, 2024</b> |              |
|--|--|---------------|---|--------------|
|  | <b>Major subsidiaries<sup>(*)1</sup></b> | <b>Assets</b> | <b>Liabilities</b>                          | <b>Sales</b> |
| Samsung Display Co., Ltd.                                  | 67,541,382                               | 8,305,660     | 25,401,419                                  | 5,989,037    |
| Samsung Electronics America, Inc. (SEA)                    | 50,777,503                               | 18,653,435    | 40,650,074                                  | 1,628,652    |
| Samsung Asia Pte. Ltd. (SAPL)                              | 31,226,978                               | 353,722       | -   | 5,326,248    |
| Samsung Austin Semiconductor LLC. (SAS)                    | 27,546,958                               | 16,107,374    | 4,998,707                                   | 1,171,180    |
| Samsung Semiconductor, Inc. (SSI)                          | 21,719,875                               | 13,462,128    | 46,873,584                                  | 779,010      |
| Harman and its subsidiaries(*2)                            | 20,934,732                               | 6,714,174     | 14,257,130                                  | 1,003,560    |
| Samsung (China) Semiconductor Co., Ltd. (SCS)              | 18,796,411                               | 900,205       | 11,180,211                                  | 1,195,361    |
| Samsung (CHINA) Investment Co., Ltd. (SCIC)                | 16,111,528                               | 15,246,946    | 2,754,791                                   | 300,719      |
| Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)    | 13,497,264                               | 3,802,597     | 32,962,634                                  | 2,078,833    |
| Samsung India Electronics Private Ltd. (SIEL)              | 9,561,708                                | 3,226,735     | 17,048,976                                  | 1,408,392    |
| Samsung Electronics Europe Holding Cooperatief U.A. (SEEH) | 9,093,393                                | 3,452,430     | -   | 195,012      |
| Samsung Electronics Vietnam Co., Ltd. (SEV)                | 7,819,080                                | 2,167,121     | 21,294,696                                  | 1,359,308    |
| Samsung Display Vietnam Co., Ltd. (SDV)                    | 7,724,664                                | 1,955,376     | 20,394,839                                  | 841,058      |
| Shanghai Samsung Semiconductor Co., Ltd. (SSS)             | 6,467,878                                | 5,635,634     | 30,068,460                                  | 468,408      |
| Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)       | 4,863,158                                | 807,341       | 7,003,325                                   | 381,576      |
| Samsung Eletronica da Amazonia Ltda. (SEDA)                | 4,679,383                                | 1,486,272     | 7,935,236                                   | 208,102      |
| Samsung Electronics (UK) Ltd. (SEUK)                       | 3,267,763                                | 2,042,914     | 6,158,787                                   | 181,457      |
| Thai Samsung Electronics Co., Ltd. (TSE)                   | 2,637,138                                | 502,266       | 4,513,870                                   | 166,928      |
| Samsung International, Inc. (SII)                          | 2,484,711                                | 646,678       | 7,473,309                                   | 138,140      |
| Samsung Electronics Taiwan Co., Ltd. (SET)                 | 2,411,145                                | 1,642,510     | 5,744,458                                   | 62,255       |
| SEMES Co., Ltd.  | 2,365,712                                | 705,818       | 2,432,656                                   | 144,665      |
| Samsung Electronics GmbH (SEG)                             | 2,118,638                                | 2,049,463     | 6,259,384                                   | (1,661)      |
| Samsung Electronics Mexico S.A. De C.V. (SEM)              | 2,017,910                                | 845,480       | 4,086,721                                   | 125,857      |
| Samsung Electronics Europe Logistics B.V. (SELS)           | 1,928,760                                | 1,710,124     | 15,682,546                                  | (12,249)     |
| Samsung Electronics Benelux B.V. (SEBN)                    | 1,894,968                                | 726,412       | 2,918,779                                   | 12,514       |

(\*)<sup>1</sup> Summary of condensed financial information is based on separate financial statements of each subsidiary.

(\*)<sup>2</sup> Consolidated financial data of an intermediate company, Harman International Industries, Inc. and its subsidiaries.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(2) 2023

*(In millions of Korean won)*

| Major subsidiaries <sup>(*)1</sup>                         | As of December 31, 2023 |             | For the year ended December 31, 2023 |                            |
|--|-------------------------|-------------|--------------------------------------|----------------------------|
|  | Assets                  | Liabilities | Sales                                | Profit (loss) for the year |
| Samsung Display Co., Ltd.                                  | 65,328,568              | 7,266,213   | 27,083,336                           | 8,268,314                  |
| Samsung Electronics America, Inc. (SEA)                    | 41,926,899              | 15,322,780  | 39,551,809                           | 477,338                    |
| Samsung Asia Pte. Ltd. (SAPL)                              | 22,234,942              | 282,614     | -                                    | 14,140,195                 |
| Harman and its subsidiaries <sup>(*)2</sup>                | 17,956,557              | 6,009,675   | 14,367,766                           | 896,384                    |
| Samsung Austin Semiconductor LLC. (SAS)                    | 16,714,945              | 7,791,914   | 4,109,744                            | 301,778                    |
| Samsung (China) Semiconductor Co., Ltd. (SCS)              | 15,808,283              | 870,453     | 8,693,788                            | 877,892                    |
| Samsung Semiconductor, Inc. (SSI)                          | 12,796,440              | 6,276,293   | 23,465,031                           | 136,458                    |
| Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)    | 12,554,481              | 3,593,527   | 30,639,349                           | 2,240,480                  |
| Samsung (CHINA) Investment Co., Ltd. (SCIC)                | 10,222,557              | 8,797,991   | 3,148,858                            | 189,887                    |
| Samsung Electronics Europe Holding Cooperatief U.A. (SEEH) | 9,660,481               | 4,585,806   | -                                    | 103,387                    |
| Samsung India Electronics Private Ltd. (SIEL)              | 7,738,259               | 3,373,730   | 15,216,331                           | 1,153,256                  |
| Samsung Display Vietnam Co., Ltd. (SDV)                    | 7,383,485               | 1,570,459   | 24,200,246                           | 1,143,824                  |
| Samsung Electronics Vietnam Co., Ltd. (SEV)                | 7,301,860               | 2,215,062   | 20,154,119                           | 1,476,382                  |
| Samsung Eletronica da Amazonia Ltda. (SEDA)                | 5,542,627               | 1,587,911   | 7,222,304                            | 333,812                    |
| Shanghai Samsung Semiconductor Co., Ltd. (SSS)             | 5,262,086               | 4,552,030   | 15,649,307                           | 244,210                    |
| Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)       | 4,043,677               | 843,736     | 6,152,983                            | 402,418                    |
| Thai Samsung Electronics Co., Ltd. (TSE)                   | 3,039,379               | 640,512     | 4,213,492                            | 150,510                    |
| Samsung Electronics (UK) Ltd. (SEUK)                       | 2,902,722               | 1,976,067   | 5,859,133                            | 185,113                    |
| SEMES Co., Ltd.  | 2,187,919               | 659,607     | 2,502,143                            | 58,754                     |
| Samsung Electronics Mexico S.A. De C.V. (SEM)              | 2,153,032               | 1,038,115   | 3,638,080                            | 148,873                    |
| Samsung Electronics GmbH (SEG)                             | 2,097,706               | 2,033,152   | 6,374,670                            | (3,157)                    |
| Samsung International, Inc. (SII)                          | 1,879,442               | 383,763     | 6,553,383                            | 141,226                    |
| Samsung Electronics Taiwan Co., Ltd. (SET)                 | 1,797,627               | 1,139,056   | 4,108,479                            | 56,467                     |
| Samsung Electronics Benelux B.V. (SEBN)                    | 1,794,552               | 639,120     | 2,833,717                            | 140,313                    |
| Samsung Electronics Europe Logistics B.V. (SELS)           | 1,639,004               | 1,443,005   | 15,462,852                           | 4,984                      |

<sup>(\*)1</sup> Summary of condensed financial information is based on separate financial statements of each subsidiary.

<sup>(\*)2</sup> Consolidated financial data of an intermediate company, Harman International Industries, Inc. and its subsidiaries.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### **1.4 Changes in Consolidation Scope**

Changes in consolidation scope during the year ended December 31, 2024 are as follows:

| <b>Change</b>  | <b>Region</b>          | <b>Subsidiary</b>   | <b>Description</b> |
|----------------|------------------------|---|--------------------|
| Newly included | America                | Sonio Corporation   | Acquisition        |
|                | Europe • CIS           | Oxford Semantic Technologies Limited (OST)                | Acquisition        |
|                | Sonio SAS              |   | Acquisition        |
|                | Middle East • Africa   | Samsung Electronics Middle East and North Africa (SEMENA) | Establishment      |
|                | Asia (Excluding China) | Harman International (Thailand) Co., Ltd.                 | Establishment      |
| Excluded       | Domestic               | Samsung Venture Capital Union #67                         | Establishment      |
|                | America                | Harman Financial Group LLC                                | Liquidation        |
|                | Europe • CIS           | Samsung Display Slovakia, s.r.o., v likvidacii (SDSK)     | Liquidation        |
|                |                        | Samsung Electronics Overseas B.V. (SEO)                   | Liquidation        |
|                | Asia (Excluding China) | DOWOOINSYS VINA COMPANY LIMITED                           | Sale               |
|                | China                  | Tianjin Samsung Electronics Co., Ltd. (TSEC)              | Liquidation        |
|                |                        | Dowooinsys Co., Ltd.                                      | Sale               |
|                |                        | Gf-System Co., Ltd.                                       | Sale               |
|                | Domestic               | Samsung Venture Capital Union #29                         | Liquidation        |
|                |                        | Samsung Venture Capital Union #40                         | Liquidation        |
|                |                        | Samsung Venture Capital Union #48                         | Liquidation        |

#### **2. Material Accounting Policies**

The followings are material accounting policies applied on the consolidated financial statements. Unless mentioned otherwise, these policies are consistent throughout the accounting periods denoted.

##### **2.1 Basis of Presentation**

The Company's consolidated financial statements have been written in accordance with the Korean International Financial Reporting Standards ("Korean IFRS"). The Korean IFRS refers to standards selected by the Republic of Korea among accounting standards and interpretations published by International Accounting Standards Board (IASB).

The Korean IFRS permits application of material accounting estimates on the financial statements and requires management's judgements in applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 3.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 2.2 Changes in Accounting Policies and Disclosures

##### (A) New and amended standards adopted by the Company

The Company applied the following amended standards for the first time for the annual reporting period commencing on January 1, 2024:

###### Amendments to Korean IFRS 1001, *Presentation of Financial Statements*

The amendments to Korean-IFRS 1001 clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by management's intentions or expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also introduce a definition of settlement to make clear that settlement includes the transfer to the counterparty of the entity's own equity instruments, however, it would be excluded if an option to settle the liability by the transfer of the entity's own equity instruments is recognized separately from the liability as an equity component of a compound financial instrument. The adoption of the amendments does not have a significant impact on the Company's consolidated financial statements.

###### Amendments to Korean IFRS 1116, *Leases*

The amendments add requirements for the subsequent measurement of sale-and-leaseback transactions that are accounted for as sales in accordance with Korean IFRS 1115, *Revenue from Contracts with Customers*. The amendments require the seller-lessee to calculate the 'lease payments' or 'revised lease payments' in a way that does not result in the seller-lessee recognizing any gain or loss for the rights of use that the seller-lessee continues to retain after the lease commences. The adoption of the amendments does not have a significant impact on the Company's consolidated financial statements.

###### Amendments to Korean IFRS 1007, *Statement of Cash Flows*, and 1107, *Financial Instruments: Presentation*

The amendments to Korean IFRS 1007, Statement of Cash Flows, introduce new disclosures, such as terms and conditions, balance payment due dates and the effects on cash flows, to help users of the financial statements to assess the effects of supplier financing arrangements on an entity's liabilities and cash flows. The amendments to Korean IFRS 1107, Financial Instruments: Presentation, requires disclosure of information about an entity's exposure to concentrations of liquidity related to supplier financing arrangement. The adoption of the amendments does not have a significant impact on the Company's separate financial statements.

##### (B) New and amended standard not yet adopted by the Company

The amended accounting standard that has been issued but not yet effective for the annual reporting period commencing on January 1, 2024 and has not been early adopted by the Company is as follows:

###### Amendments to Korean IFRS 1021, *The Effects of Changes in Foreign Exchange Rates*

The amendments to Korea IFRS 1021 clarify how the Company estimates a spot rate, which is used for translation of foreign transaction into functional currency or translation of foreign operation's financial statements into reporting currency, when a currency lacks exchangeability. The amendments are applied for annual periods beginning on or after January 1, 2025, with early application permitted.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 2.3 Consolidation

The Company prepares its consolidated financial statements in accordance with Korean IFRS 1110, *Consolidated Financial Statements*.

##### (A) Non-controlling interests

Each component of profit or loss and other comprehensive income is attributable to the owners of the parent and the non-controlling interests, and total comprehensive income is attributable to the owners of the parent and the non-controlling interests, even if the non-controlling interests have a negative balance.

##### (B) Elimination of intercompany transactions

Intercompany transactions, balances, income and expenses and unrealized gains and losses (excluding foreign exchange gains and losses) are eliminated on consolidation. The Company's share of unrealized losses on transactions with associates accounted for using the equity method are eliminated in the same way as unrealized gains unless there is evidence of impairment of the asset.

#### 2.4 Functional and Presentation Currency

##### (A) Functional and presentation currency

The Company measures the items included in the financial statements of each component using the currency of the primary economic environment in which each it operates ("functional currency"). The functional currency of the parent company is Korean won (KRW) and the consolidated financial statements are presented in Korean won (KRW).

##### (B) Translation into the presentation currency

The results and financial position of all entities subjected to consolidation that have a functional currency different from the parent's presentation currency are translated into the parent's presentation currency as follows:

- (1) Assets and liabilities are translated at the closing rate at the end of the reporting date.
- (2) Income and expenses in the statement of profit or loss are translated at average exchange rates for the period. However, if this average rate is not a reasonable approximation of the cumulative effect of the exchange rates at the dates of the transactions, the transactions are translated at the exchange rates at the dates of transactions.
- (3) Exchange differences arising on translation in (1) and (2) above are recognized in other comprehensive income.

## **Samsung Electronics Co., Ltd. and its subsidiaries**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

#### **2.5 Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and highly liquid short-term investment assets that are readily convertible to known amounts of cash at the date of acquisition and which are subject to an insignificant risk of changes in value.

#### **2.6 Financial Assets**

##### **(A) Classification**

Financial instruments are classified based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company considers the contractual terms of the relevant financial instrument and assesses whether the contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding.

##### **(B) Impairment**

The Company assesses the expected credit losses of debt instruments carried at amortized cost or fair value through other comprehensive income on a forward-looking basis. However, the Company applies the simplified approach for trade receivables, which requires expected credit losses to be recognized over the life of the receivable from initial recognition.

#### **2.7 Trade Receivables**

Trade receivables are recognized at initial transaction price, unless they contain a significant financing component, and are subsequently measured at amortized cost using the effective interest method less any allowance for impairment.

#### **2.8 Inventories**

The Company determines the unit cost of inventories, except for materials in transit, using the average cost method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads based on normal operating capacity, excluding the cost of idle production equipment and scrapping costs.

The Company measures inventories at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the applicable variable selling expenses, and reflects the decrease in selling price, the increase in costs to completion, or decrease in value due to excess or obsolete inventory.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 2.9 Property, Plant and Equipment

Depreciation of property, plant and equipment begins when assets are considered by management to be available for their intended use, such as in the production of products.

The Company's property, plant and equipment is depreciated on a straight-line method over the estimated useful lives of the assets, less any residual values. Land is not depreciated. Costs that are directly attributable to the acquisition, construction of a qualifying asset, including capitalized interest costs, are depreciated over the estimated useful lives.

The estimated useful lives of property, plant and equipment used by the Company for each asset category are as follows:

|                          | <b>Estimated useful lives</b> |
|--------------------------|-------------------------------|
| Buildings and structures | 15, 30 years                  |
| Machinery and equipment  | 5 years                       |
| Other                    | 5 years                       |

#### 2.10 Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of subsidiaries, associates and joint ventures, businesses and other entities acquired at the date of acquisition and is recognized as an intangible assets in respect of acquisitions of businesses of subsidiaries and as an investment in associates and joint ventures in respect of acquisitions of interests in associates and joint ventures.

Intangible assets, other than goodwill, are initially recognized at their historical cost and are subsequently stated at cost less accumulated amortization and accumulated impairment losses.

Membership rights are regarded as intangible assets with indefinite useful life and not amortized as there are no foreseeable restrictions on their use. However, whenever there is an indication of impairment, such as a decline in the market value of membership rights, a reasonable estimate is made to reflect the impairment. Intangible assets with finite useful lives, such as patents, trademarks and other intangible assets, are amortized on a straight-line method over their estimated useful lives.

The estimated useful lives of intangible assets used by the Company are as follows:

|   | <b>Estimated useful lives</b> |
|---|-------------------------------|
| Patents, trademarks and other intangible assets | 3 - 25 years                  |

#### 2.11 Financial Liabilities

The Company classifies financial liabilities into financial liabilities at fair value through profit or loss and other financial liabilities and recognizes them on the consolidated statement of financial position when the Company becomes a party to a contract, depending on the substance of the contractual terms.

## **Samsung Electronics Co., Ltd. and its subsidiaries**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

#### **2.12 Employee Benefits**

The Company operates various types of post-employment benefit plans, including defined benefit plans and defined contribution plans. The defined benefit liability (asset) recognized in the consolidated statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, less any deficit (excess of plan assets over the asset recognition threshold) and is calculated annually by an independent actuary using the projected unit credit method.

#### **2.13 Income Tax Expense**

The global minimum top-up tax in accordance with the Pilar Two tax legislation is subject to Korean IFRS 1012, *Corporate Income Tax*. The Company accounts for the amount of global minimum top-up tax as a current tax when it is incurred, and applies the exception for the recognition and disclosure of deferred income tax related to the global minimum top-up tax.

The Company recognizes deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences arising on these assets only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

#### **2.14 Derivative Instruments**

The Company recognizes its rights and obligations under derivative contracts as assets and liabilities at fair value and records gains and losses on these contracts in the statement of profit or loss. However, effective portion of changes in the fair value of cash flow hedges are deferred in equity.

The Company applies cash flow hedge accounting for hedges of risks including changes in the price of inventories. The effective portion of the change in fair value of a derivative that is designated as a cash flow hedge is recognized in other comprehensive income, while the ineffective portion is recognized in ‘financial income’ or ‘financial expense’.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 2.15 Revenue Recognition

The Company's revenue primarily represents the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is net of value-added tax, returns, sales incentives, discounts and others.

##### (A) Identification of performance obligations

The Company is required to transfer control of goods and services under contracts with customers. For the export of products and goods under Incoterms Group C terms (such as CIF), the Company recognizes the transportation services (including insurance) provided after the control of the goods has passed to the customer as a separate performance obligation.

##### (B) Performance obligations satisfied at a point of time

The Company's revenue is primarily derived from the sale of goods and is recognized when control of the goods passes to the customer.

##### (C) Performance obligations satisfied over time

The Company recognizes revenue over time for sales of software, transportation services, installation services, and etc. where the customer has direct control over the outcome during the performance of the service.

##### (D) Variable consideration

The Company provides a variety of sales promotions including incentives, promotion and sales allowances. Where these sales promotion policies result in variability in the consideration promised to customers, the Company estimates the variable consideration using either the expected value or the most likely amount whichever method the Company expects to better predict the amount of consideration to which it will be entitled. The estimate of variable consideration is included in transaction price only to the extent that it is highly probable that a significant portion of the cumulative revenue already recognized will not be reversed when the related uncertainties are resolved. Revenue and contract liabilities are recognized when the related revenue is earned or when the decision to pay the variable consideration to the customer is made, whichever is later.

The Company recognizes contract liabilities (refund liabilities) after the sale of products to customers by estimating the return rate using the expected value methods based on historical experience. When the customer exercises its right to return the product, the Company recognizes the asset as a refund asset and adjusts cost of sales by the amount of the right to collect the product from the customer. The right to collect the product is measured by deducting the cost of collecting the product from the historical carrying amount of the product.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 2.16 Leases

##### (A) Lessee accounting

The Company applies the practical expedient of Korean IFRS 1116, *Leases*, and does not separate the non-lease elements from the lease elements and accounts for the non-lease elements relating to each lease element as a single lease element.

At the commencement date of a lease, the Company recognizes a right-of-use asset (the lease asset) representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments. The right-of-use asset is presented in the consolidated statement of financial position as ‘property, plant and equipment’ and the lease liability is presented as ‘current portion of long-term liabilities’ or ‘long-term borrowings.’

Lease liabilities are measured at the inception of the lease at the present value of the lease payments outstanding at that date, discounted at the Company’s incremental borrowing rate.

For short-term leases (lease terms of 12 months or less at the inception of the lease) and low value assets (underlying assets of USD 5,000 or less), lease payments are recognized as expenses on a straight-line basis over the lease term applying the simplified practical expedient.

##### (B) Lessor accounting

The Company, as a lessor, determines whether a lease is a finance or an operating lease at the inception of the lease.

Leases that transfer substantially all the risk and rewards of ownership of the leased assets are classified as finance leases and all leases other than finance leases are classified as operating leases. Lease income from operating leases is recognized on a straight-line basis over the lease term, while initial direct costs incurred during the negotiation and contracting phase of an operating lease are added to the carrying amount of the leased asset and expensed over the lease term against the lease income.

#### 2.17 Government Grants

Government grants relating to revenues are deferred and recognized in the consolidated statement of profit or loss in the same period in which they are matched with revenues or expenses related to the purpose for which the grant was made. Government grants received related to the acquisition of assets are treated as deferred income and credited to the consolidated statement of profit or loss over the useful lives of the related assets.

#### 2.18 Convenience Translation into United States Dollar Amounts

The US dollar amounts provided in the consolidated financial statements represent supplementary information solely for the convenience of the reader. All Korean won amounts are expressed in US dollar at the rate of ₩1,363.09 to \$1, the average exchange rate for the year ended December 31, 2024. Such presentation is not in accordance with generally accepted accounting principles and should not be construed as a representation that the Korean won amounts shown could be readily converted, realized or settled in US dollars at this or any other rate.

#### 2.19 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Company were approved by the Board of Directors on January 31, 2025, and may be approved as amended at the Annual General Shareholders’ Meetings.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 3. Material Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on historical experience and future events that are reasonably foreseeable under the circumstances. These estimates may differ from actual results. The estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are as follows.

##### (A) Revenue recognition

The Company recognizes a liability for a product return and a right to the returned goods that are expected to be returned by customers following the sale of products to customers. At the point of sale, the Company estimates the return using the expected value method based on accumulated experience at the portfolio level and the Company's revenue is affected by changes in the expected return.

Revenue from the sale of goods recognized at the point of transfer of control is the contractual consideration less consideration paid to customers in relation to certain sales promotion activities. Based on the historical experience and terms of contracts, the Company makes reasonable estimates of the sales deductions which affect the Company's revenue

##### (B) Provision for warranty

The Company provides warranties for products sold. At the end of each reporting period, the Company recognizes a provision for warranties based on its best estimate of the amount it believes is necessary to provide for future and current warranty obligations. These best estimates are based on historical experience.

##### (C) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using various valuation techniques and assumptions based on market conditions prevailing at the end of each reporting period.

##### (D) Impairment of financial assets

In measuring the allowance for impairment losses on financial assets, the Company makes assumptions about the risk of default and expected credit rates. In making these assumptions and selecting the inputs for the impairment calculations, the Company makes judgment based on past experience and current and forecast of future economic conditions at the reporting date.

##### (E) Lease

In determining the lease term, the Company considers all relevant facts and circumstances that provide an economic incentive to exercise a renewal option, or not to exercise a termination option. The period covered by the renewal option (or the period covered by the termination option) is included in the lease term only if it is reasonably certain that the lessee will exercise (or not exercise) the renewal option.

The lease term is reassessed when the option is actually exercised (or not exercised) or when the Company becomes committed to exercise (or not exercise) the option. The Company only changes its assessment of whether it is reasonably certain the renewal option will be exercised (or not) if there is a significant event or change in circumstances within the lessee's control that affects the calculation of the lease term.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (F) Net defined benefit liabilities (assets)

The net defined benefit liabilities (assets) are dependent on a number of factors which are determined using actuarial methods based on a number of assumptions. Among the assumptions used to determine the net defined benefit liabilities (assets) is the discount rate, and changes in these assumptions will affect the carrying amount of the net defined benefit liability (asset). At the end of each year the Company determines an appropriate discount rate, taking into account the interest rates on high-quality corporate bonds, which represents the interest rate that should be used to determine the present value of the estimated future cash outflows expected to be required to settle the net defined benefit liability (asset). Some other key assumptions relating to the net defined benefit liability (asset) are based on current market conditions.

#### (G) Impairment of goodwill and intangible assets that have indefinite useful life

The Company tests goodwill and intangible assets with indefinite useful life for impairment annually. The recoverable amount of a cash-generating unit or asset, including goodwill, is determined based on a value-in-use calculation. These calculations are based on estimates.

#### (H) Income taxes

Income taxes on the Company's taxable income are calculated by applying tax laws and decisions of tax authorities in various countries, and, therefore, there is uncertainty in determining the final tax effect. The Company has recognized current and deferred tax based on its best estimate of the tax consequences expected to be payable in future periods as a result of the Company's operating activities up to the reporting date. However, the actual future final tax liability may not be consistent with the related assets and liabilities recognized, and such differences may affect the current and deferred tax assets and liabilities when the final tax effect is determined.

The Company is subject to additional income taxes, calculated in accordance with the method prescribed by tax laws, when a certain amount is not used for investment, wage growth, etcetera, in a given period. The related tax effect is reflected in the measurement of current and deferred income taxes for the period, and the amount of income tax payable by the Company depends on the level of investment, wage growth, etcetera in each year, resulting in uncertainty in determining the final tax effects.

The Company assesses uncertainty over its tax positions and, if the Company concludes that it is not probable that the tax authorities will accept an uncertain tax position, the effect of the uncertainty is recognized in the consolidated financial statements for each uncertain tax position using the method that is expected to provide a better estimate of the resolution of the uncertainty, which is more likely of the following methods.

- (1) Most likely amount: the single most probable amount within a range of possible outcomes.
- (2) Expected value: the sum of the probability-weighted amounts in a range of possible outcomes.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**4. Financial Instruments by Category**

(A) Categorizations of financial assets and liabilities as of December 31, 2024 and 2023 are as follows:

(1) As of December 31, 2024

| (In millions of Korean won)                                       | Financial assets measured at amortized cost | Financial assets measured at fair value through other comprehensive income | Financial assets measured at fair value through profit or loss | Other financial assets <sup>(*)</sup> | Total              |
|---|---|--|--|---------------------------------------|--------------------|
| <b>Financial assets</b>   |   |  |  |                                       |                    |
| Cash and cash equivalents   | 53,705,579                                  | -  | -  | -                                     | 53,705,579         |
| Short-term financial instruments                                  | 58,909,334                                  | -  | -  | -                                     | 58,909,334         |
| Short-term financial assets at fair value through profit or loss  | -   | -  | 36,877   | -                                     | 36,877             |
| Trade receivables   | 43,623,073                                  | -  | -  | -                                     | 43,623,073         |
| Financial assets at fair value through other comprehensive income | -   | 10,580,932   | -  | -                                     | 10,580,932         |
| Financial assets at fair value through profit or loss             | -   | -  | 1,175,749  | -                                     | 1,175,749          |
| Other   | 14,378,224                                  | -  | 476,394  | 44,262                                | 14,898,880         |
| <b>Total</b>  | <b>170,616,210</b>                          | <b>10,580,932</b>  | <b>1,689,020</b>   | <b>44,262</b>                         | <b>182,930,424</b> |

(\*) Other financial assets include derivatives designated as hedging instruments.

| (In millions of Korean won)              | Financial liabilities measured at amortized cost | Financial liabilities measured at fair value through profit or loss | Other financial liabilities <sup>(*)</sup> | Total             |
|--|--|---|--|-------------------|
| <b>Financial liabilities</b>             |  |   |  |                   |
| Trade payables                           | 12,370,177                                       | -   | -  | 12,370,177        |
| Short-term borrowings                    | 338,058  | -   | 12,834,446                                 | 13,172,504        |
| Other payables                           | 17,390,861                                       | -   | -  | 17,390,861        |
| Current portion of long-term liabilities | 1,106,764  | -   | 1,100,526                                  | 2,207,290         |
| Debentures                               | 14,530   | -   | -  | 14,530            |
| Long-term borrowings                     | 6,537  | -   | 3,929,323                                  | 3,935,860         |
| Long-term other payables                 | 4,779,141  | -   | -  | 4,779,141         |
| Other                                    | 13,698,485                                       | 36,795  | 57,764                                     | 13,793,044        |
| <b>Total</b>                             | <b>49,704,553</b>                                | <b>36,795</b>   | <b>17,922,059</b>                          | <b>67,663,407</b> |

(\*) Other financial liabilities include lease liabilities, which are not subject to categorization, collateralized borrowings and derivatives designated as hedging instruments.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(2) As of December 31, 2023

| (In millions of Korean won)  | <b>Financial assets</b>           | <b>Financial assets</b>  | <b>Other</b>   | <b>Total</b>                              |
|--|-----------------------------------|--|--|---|
|  | <b>measured at<br/>fair value</b> | <b>measured at fair<br/>value through<br/>other<br/>comprehensive<br/>income</b> | <b>measured at fair<br/>value through<br/>profit or loss</b> | <b>financial<br/>assets<sup>(*)</sup></b> |
| <b>Financial assets</b>  |                                   |  |  |   |
| Cash and cash equivalents  | 69,080,893                        | -  | -  | 69,080,893                                |
| Short-term financial instruments                                     | 22,690,924                        | -  | -  | 22,690,924                                |
| Short-term financial assets at<br>amortized cost                     | 608,281                           | -  | -  | 608,281                                   |
| Short-term financial assets at<br>fair value through profit or loss  | -                                 | -  | 27,112   | 27,112                                    |
| Trade receivables  | 36,647,393                        | -  | -  | 36,647,393                                |
| Financial assets at fair value through<br>other comprehensive income | -                                 | 7,481,297  | -  | 7,481,297                                 |
| Financial assets at fair value through<br>profit or loss             | -                                 | -  | 1,431,394  | 1,431,394                                 |
| Other  | 14,294,254                        | -  | 475,244  | 70,777                                    |
| <b>Total</b>   | <b>143,321,745</b>                | <b>7,481,297</b>   | <b>1,933,750</b>   | <b>70,777</b>                             |
|  |                                   |  |  | <b>152,807,569</b>                        |

<sup>(\*)</sup> Other financial assets include derivatives designated as hedging instruments.

| (In millions of Korean won)                 | <b>Financial liabilities</b>          | <b>Financial liabilities</b>                                 | <b>Other financial<br/>liabilities<sup>(*)</sup></b> | <b>Total</b>      |
|---|---------------------------------------|--|--|-------------------|
|   | <b>measured at<br/>amortized cost</b> | <b>measured at<br/>fair value through<br/>profit or loss</b> |  |                   |
| <b>Financial liabilities</b>                |                                       |  |  |                   |
| Trade payables                              | 11,319,824                            | -  | -  | 11,319,824        |
| Short-term borrowings                       | 504,552                               | -  | 6,610,049  | 7,114,601         |
| Other payables                              | 13,996,395                            | -  | -  | 13,996,395        |
| Current portion of long-term<br>liabilities | 310,436                               | -  | 998,439  | 1,308,875         |
| Debentures                                  | 537,618                               | -  | -  | 537,618           |
| Long-term borrowings                        | -                                     | -  | 3,724,850  | 3,724,850         |
| Long-term other payables                    | 4,907,875                             | -  | -  | 4,907,875         |
| Other                                       | 11,330,545                            | 49,904   | 33,559   | 11,414,008        |
| <b>Total</b>                                | <b>42,907,245</b>                     | <b>49,904</b>  | <b>11,366,897</b>                                    | <b>54,324,046</b> |

<sup>(\*)</sup> Other financial liabilities include lease liabilities, which are not subject to categorization, collateralized borrowings and derivatives designated as hedging instruments.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(B) Net gains or losses on each category of financial assets and liabilities for the years ended December 31, 2024 and 2023 are as follows:

(1) 2024

| (In millions of Korean won)  | Financial assets<br>measured<br>at fair value<br>through other<br>comprehensive<br>income | Financial assets<br>measured<br>at fair value<br>through<br>profit or loss | Other financial<br>assets <sup>(*)</sup> | Total     |
|--|---|--|--|-----------|
| <b>Financial assets</b>  |   |  |  |           |
| Gain on valuation<br>(other comprehensive income)                        | -   | 2,300,166  | -  | 39,303    |
| Gain (loss) on valuation/disposal<br>(profit or loss)                    | (111,124)   | -  | 144,453                                  | (4,524)   |
| Reclassification from other<br>comprehensive income to profit or<br>loss | -   | -  | -  | (4,590)   |
| Interest income  | 4,818,923   | -  | 205                                      | 4,819,128 |
| Foreign exchange differences<br>(profit or loss)                         | 1,415,673   | -  | -  | 1,415,673 |
| Dividend income  | -   | 133,681  | 1,271                                    | 134,952   |
| Impairment (profit or loss)  | (64,352)  | -  | -  | (64,352)  |

<sup>(\*)</sup>Other financial assets include derivatives designated as hedging instruments.

| (In millions of Korean won)  | Financial liabilities<br>measured at<br>amortized cost | Financial liabilities<br>measured at<br>fair value through<br>profit or loss | Other financial<br>liabilities <sup>(*)</sup> | Total       |
|--|--|--|---|-------------|
| <b>Financial liabilities</b>   |  |  |   |             |
| Loss on valuation<br>(other comprehensive income)                        | -  | -  | (48,540)                                      | (48,540)    |
| Gain on valuation/disposal<br>(profit or loss)                           | -  | 66,514   | 5,587   | 72,101      |
| Reclassification from<br>other comprehensive income<br>to profit or loss | -  | -  | 5,669   | 5,669       |
| Interest expense   | (176,503)  | -  | (727,415)                                     | (903,918)   |
| Foreign exchange differences<br>(profit or loss)                         | (1,169,716)  | -  | (161,064)                                     | (1,330,780) |

<sup>(\*)</sup> Other financial liabilities include lease liabilities, which are not subject to categorization, collateralized borrowings and derivatives designated as hedging instruments.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(2) 2023

| (In millions of Korean won)  | Financial assets<br>measured<br>at fair value<br>through other<br>comprehensive<br>income | Financial assets<br>measured<br>at fair value<br>through<br>profit or loss | Other financial<br>assets <sup>(*)</sup> | Total     |
|--|---|--|--|-----------|
| <b>Financial assets</b>  |   |  |  |           |
| Gain on valuation<br>(other comprehensive income)                        | - 1,481,091   | -  | 58,290                                   | 1,539,381 |
| Gain (loss) on valuation/disposal<br>(profit or loss)                    | (64,758)  | 213,308  | 436                                      | 148,986   |
| Reclassification from other<br>comprehensive income to<br>profit or loss | -   | -  | 1,169                                    | 1,169     |
| Interest income  | 4,357,792   | 230  | -  | 4,358,022 |
| Foreign exchange differences<br>(profit or loss)                         | (98,522)  | -  | -  | (98,522)  |
| Dividend income  | -   | 161,509  | 2,694                                    | 164,203   |
| Impairment (profit or loss)  | (74,594)  | -  | -  | (74,594)  |

<sup>(\*)</sup>Other financial assets include derivatives designated as hedging instruments.

| (In millions of Korean won)  | Financial liabilities<br>measured at<br>amortized cost | Financial liabilities<br>measured at<br>fair value through<br>profit or loss | Other financial<br>liabilities <sup>(*)</sup> | Total     |
|--|--|--|---|-----------|
| <b>Financial liabilities</b>   |  |  |   |           |
| Loss on valuation<br>(other comprehensive loss)                          | -  | -  | (16,809)                                      | (16,809)  |
| Loss on valuation/disposal<br>(profit or loss)                           | -  | (116,167)  | (126)   | (116,293) |
| Reclassification from<br>other comprehensive income<br>to profit or loss | -  | -  | (337)   | (337)     |
| Interest expense   | (510,865)  | -  | (419,388)                                     | (930,253) |
| Foreign exchange differences<br>(profit or loss)                         | 162,844  | -  | 61,920  | 224,764   |

<sup>(\*)</sup> Other financial liabilities include lease liabilities, which are not subject to categorization, collateralized borrowings and derivatives designated as hedging instruments

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### **5. Transfer of Financial Assets**

The Company discounted trade receivables through factoring arrangements with banks during the years ended December 31, 2024 and 2023. Trade receivables provided as collaterals in factoring transactions have not been derecognized as they do not meet the requirements for derecognition of financial assets as the Company retains substantially all the risks and rewards, including the recourse in the event of default by the debtor. Financial liabilities recognized in these transactions are classified as ‘short-term borrowings’ on the consolidated statement of financial position (refer to Note 12).

The carrying amount of the discounted trade receivables and the associated liabilities as of 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> |
|---|--------------------------|--------------------------|
| Carrying amount of the discounted trade receivables (*) | 12,834,446               | 6,610,049                |
| Carrying amount of the associated liabilities           | 12,834,446               | 6,610,049                |

(\*) Discounted trade receivables includes trade receivables between consolidated entities.

#### **6. Financial Assets at Fair Value**

(A) Details of financial assets at fair value as of December 31, 2024 and 2023 are as follows:

(1) Financial assets at fair value through other comprehensive income

| <i>(In millions of Korean won)</i> | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------|--------------------------|--------------------------|
| Non-current                        |                          |                          |
| Equity instruments                 | 10,580,932               | 7,481,297                |

(2) Financial assets at fair value through profit or loss

| <i>(In millions of Korean won)</i> | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------|--------------------------|--------------------------|
| Current                            |                          |                          |
| Debt instruments                   | 36,877                   | 27,112                   |
| Non-current                        |                          |                          |
| Equity instruments                 | 544,374                  | 812,358                  |
| Debt instruments                   | 631,375                  | 619,036                  |
| Subtotal                           | 1,175,749                | 1,431,394                |
| <b>Total</b>                       | <b>1,212,626</b>         | <b>1,458,506</b>         |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

(1) Financial assets at fair value through other comprehensive income

| <i>(In millions of Korean won)</i> | 2024              | 2023             |
|------------------------------------|-------------------|------------------|
| Balance as of January 1            | 7,481,297         | 11,397,012       |
| Acquisition                        | 182,655           | 124,897          |
| Disposal                           | (409,434)         | (5,918,616)      |
| Fair value valuation gain          | 3,106,853         | 1,548,022        |
| Other                              | 219,561           | 329,982          |
| <b>Balance as of December 31</b>   | <b>10,580,932</b> | <b>7,481,297</b> |

(2) Financial assets at fair value through profit or loss

| <i>(In millions of Korean won)</i> | 2024             | 2023             |
|------------------------------------|------------------|------------------|
| Balance as of January 1            | 1,431,394        | 1,405,468        |
| Acquisition                        | 74,699           | 146,392          |
| Disposal                           | (343,374)        | (81,113)         |
| Fair value valuation loss          | (26,515)         | (38,110)         |
| Other                              | 39,545           | (1,243)          |
| <b>Balance as of December 31</b>   | <b>1,175,749</b> | <b>1,431,394</b> |

(C) Changes in gain (loss) on valuation of financial assets at fair value through other comprehensive income for the years ended December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>                     | 2024             | 2023           |
|--|------------------|----------------|
| Balance as of January 1                                | 249,121          | 3,636,478      |
| Fair value valuation gain                              | 2,571,076        | 1,548,022      |
| Reclassification to retained earnings due to disposals | (49,887)         | (4,935,379)    |
| Balance as of December 31                              | 2,770,310        | 249,121        |
| Income tax effects on equity                           | (614,995)        | (54,702)       |
| <b>Total</b>   | <b>2,155,315</b> | <b>194,419</b> |

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(D) Details of listed equity securities of financial assets at fair value as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won,<br/>number of shares and percentage)</i> | December 31, 2024         |   |                  | December 31, 2023                 |                                   |
|---|---------------------------|---|------------------|-----------------------------------|-----------------------------------|
|   | Number of<br>shares owned | Percentage of<br>ownership <sup>(*)</sup> (%) | Acquisition cost | Carrying amount<br>(Market value) | Carrying amount<br>(Market value) |
| Samsung Heavy Industries Co., Ltd.                                      | 134,027,281               | 15.2  | 932,158          | 1,514,508                         | 1,038,711                         |
| Hotel Shilla Co., Ltd.  | 2,004,717                 | 5.1   | 13,957           | 73,974                            | 131,108                           |
| iMarketKorea Inc.   | 647,320                   | 1.9   | 324              | 5,179                             | 5,560                             |
| Wonik Holdings Co., Ltd.  | 3,518,342                 | 4.6   | 30,821           | 8,972                             | 11,857                            |
| Wonik IPS Co., Ltd.   | 3,701,872                 | 7.5   | 32,428           | 82,737                            | 125,679                           |
| Wacom Co., Ltd.   | 8,398,400                 | 5.8   | 62,013           | 57,021                            | 50,358                            |
| Corning Incorporated  | 74,000,000                | 8.6   | 3,831,362        | 5,169,226                         | 3,140,978                         |
| Other   |                           |   | 557,554          | 861,115                           | 1,093,963                         |
| <b>Total</b>  |                           |   | <b>5,460,617</b> | <b>7,772,732</b>                  | <b>5,598,214</b>                  |

<sup>(\*)</sup> Ownership represents the Company's ownership of the ordinary shares issued by each entity.

### 7. Trade and Non-Trade Receivables

(A) Trade and non-trade receivables as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i> | December 31, 2024 |                   | December 31, 2023 |                  |
|------------------------------------|-------------------|-------------------|-------------------|------------------|
|                                    | Trade             | Non-trade         | Trade             | Non-trade        |
| Receivables                        | 44,071,714        | 10,491,746        | 37,026,738        | 7,474,967        |
| Less: Loss allowance               | (421,000)         | (84,945)          | (355,456)         | (82,224)         |
| <b>Subtotal</b>                    | <b>43,650,714</b> | <b>10,406,801</b> | <b>36,671,282</b> | <b>7,392,743</b> |
| Less: Non-current                  | (27,641)          | (783,827)         | (23,889)          | (759,495)        |
| <b>Current</b>                     | <b>43,623,073</b> | <b>9,622,974</b>  | <b>36,647,393</b> | <b>6,633,248</b> |

(B) Movements in the loss allowance for receivables for the years ended December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i> | 2024           |               | 2023           |               |
|------------------------------------|----------------|---------------|----------------|---------------|
|                                    | Trade          | Non-trade     | Trade          | Non-trade     |
| Balance as of January 1            | 355,456        | 82,224        | 312,221        | 78,101        |
| Bad debt expense (reversal)        | 61,705         | 1,413         | 62,964         | (297)         |
| Write-off                          | (9,404)        | (3,458)       | (18,875)       | (124)         |
| Other                              | 13,243         | 4,766         | (854)          | 4,544         |
| <b>Balance as of December 31</b>   | <b>421,000</b> | <b>84,945</b> | <b>355,456</b> | <b>82,224</b> |

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(C) The details of trade and non-trade receivables classified by past due date for the purpose of measuring expected credit losses as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>        | December 31, 2024 |                   | December 31, 2023 |                  |
|---|-------------------|-------------------|-------------------|------------------|
|   | Trade             | Non-trade         | Trade             | Non-trade        |
| Receivables not past due                  | 40,986,584        | 10,089,887        | 33,633,006        | 7,077,413        |
| Past due:                                 |                   |                   |                   |                  |
| Less than 31 days past due <sup>(*)</sup> | 2,619,575         | 253,962           | 2,262,296         | 269,390          |
| 31 days to 90 days past due               | 124,204           | 24,623            | 478,371           | 15,369           |
| More than 90 days past due                | 341,351           | 123,274           | 653,065           | 112,795          |
| Subtotal                                  | 3,085,130         | 401,859           | 3,393,732         | 397,554          |
| <b>Total</b>                              | <b>44,071,714</b> | <b>10,491,746</b> | <b>37,026,738</b> | <b>7,474,967</b> |

<sup>(\*)</sup> The Company does not consider the credit risk of non-trade receivables that are overdue for less than or equal to 31 days has been significantly increased.

(D) The maximum exposure to current credit risk is equivalent to the carrying amount of receivables as of December 31, 2024. The Company has entered into insurance contracts with insurers for its major receivables.

### 8. Inventories

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

| <i>(In millions of Korean won)</i> | December 31, 2024 |                     |                   | December 31, 2023 |                     |                   |
|------------------------------------|-------------------|---------------------|-------------------|-------------------|---------------------|-------------------|
|                                    | Gross amount      | Valuation allowance | Carrying amount   | Gross amount      | Valuation allowance | Carrying amount   |
| Finished goods                     | 15,061,526        | (1,219,250)         | 13,842,276        | 16,120,367        | (1,567,353)         | 14,553,014        |
| Work in process                    | 24,808,183        | (2,467,701)         | 22,340,482        | 26,501,664        | (4,303,216)         | 22,198,448        |
| Raw materials and supplies         | 15,442,327        | (1,296,048)         | 14,146,279        | 15,222,937        | (1,525,583)         | 13,697,354        |
| Materials in transit               | 1,425,828         | -                   | 1,425,828         | 1,177,058         | -                   | 1,177,058         |
| <b>Total</b>                       | <b>56,737,864</b> | <b>(4,982,999)</b>  | <b>51,754,865</b> | <b>59,022,026</b> | <b>(7,396,152)</b>  | <b>51,625,874</b> |

Inventories recognized as an expense for the year ended December 31, 2024 amount to ₩181,242,363 million and 2023: ₩177,539,372 million, respectively. The amount includes a loss on the valuation of inventories.

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 9. Investments in Associates and Joint Ventures

(A) Changes in investments in associates and joint ventures 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>       |
|------------------------------------|-------------------|-------------------|
| Balance as of January 1            | 11,767,444        | 10,893,869        |
| Acquisition                        | 11,710            | 78,690            |
| Disposal                           | (33,208)          | (33,464)          |
| Share of profit                    | 751,044           | 887,550           |
| Other <sup>(*)</sup>               | 95,127            | (59,201)          |
| <b>Balance as of December 31</b>   | <b>12,592,117</b> | <b>11,767,444</b> |

<sup>(\*)</sup> Other consists of dividends, (reversal of) impairment, and reclassification.

(B) Major investments in associates and joint ventures as of December 31, 2024 are as follows:

#### (1) Investments in associates

| <b>Investee</b>                       | <b>Nature of relationship with associate</b>  | <b>Percentage of ownership (%)<sup>(*)1</sup></b> | <b>Principal business location</b> | <b>Fiscal period-end</b> |
|---------------------------------------|---|---|------------------------------------|--------------------------|
| Samsung Electro-Mechanics Co., Ltd.   | Manufacture and supply electronic components including passive components, circuit boards, and modules                            | 23.7  | Korea                              | December                 |
| Samsung SDS Co., Ltd.                 | Provide Information Technology services including computer programming, system integration and management and logistical services | 22.6  | Korea                              | December                 |
| Samsung Biologics Co., Ltd.           | Investment in new business  | 31.2  | Korea                              | December                 |
| Samsung SDI Co., Ltd. <sup>(*)2</sup> | Manufacture and supply electronic parts including secondary cell batteries  | 19.6  | Korea                              | December                 |
| Cheil Worldwide, Inc.                 | Advertising agency  | 25.2  | Korea                              | December                 |

<sup>(\*)1</sup> Ownership represents the Company's ownership of the ordinary shares issued by each entity.

<sup>(\*)2</sup> The Company's ownership of ordinary shares outstanding is 20.6%.

#### (2) Investments in joint ventures

| <b>Investee</b>                     | <b>Nature of relationship with joint venture</b> | <b>Percentage of ownership (%)<sup>(*)1</sup></b> | <b>Principal business location</b> | <b>Fiscal period-end</b> |
|-------------------------------------|--|---|------------------------------------|--------------------------|
| Samsung Corning Advanced Glass, LLC | Manufacture and supply industrial glass products | 50.0  | Korea                              | December                 |

<sup>(\*)1</sup> Ownership represents the Company's ownership of the ordinary shares issued by each entity.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(C) Details of investments in associates and joint ventures as of December 31, 2024 and 2023 are as follows:

(1) Investments in associates

| <i>(In millions of Korean won)</i>  |                         | <b>December 31, 2024</b>                              |                        |
|-------------------------------------|-------------------------|---|------------------------|
| <b>Investee</b>                     | <b>Acquisition cost</b> | <b>Net asset value of equity shares<sup>(*)</sup></b> | <b>Carrying amount</b> |
| Samsung Electro-Mechanics Co., Ltd. | 359,237                 | 2,058,412   | 2,067,669              |
| Samsung SDS Co., Ltd.               | 147,963                 | 2,108,195   | 2,120,417              |
| Samsung Biologics Co., Ltd.         | 1,424,358               | 3,403,947   | 3,406,062              |
| Samsung SDI Co., Ltd.               | 1,242,605               | 3,979,333   | 2,923,991              |
| Cheil Worldwide, Inc.               | 506,162                 | 418,029   | 718,561                |
| Other                               | 674,721                 | 844,623   | 1,131,648              |
| <b>Total</b>                        | <b>4,355,046</b>        | <b>12,812,539</b>                                     | <b>12,368,348</b>      |

<sup>(\*)</sup> The Company's portion of net asset value of associates is based on the Company's percentage of ownership.

| <i>(In millions of Korean won)</i>  |                         | <b>December 31, 2023</b>                              |                        |
|-------------------------------------|-------------------------|---|------------------------|
| <b>Investee</b>                     | <b>Acquisition cost</b> | <b>Net asset value of equity shares<sup>(*)</sup></b> | <b>Carrying amount</b> |
| Samsung Electro-Mechanics Co., Ltd. | 359,237                 | 1,837,925   | 1,841,393              |
| Samsung SDS Co., Ltd.               | 147,963                 | 1,955,699   | 1,966,206              |
| Samsung Biologics Co., Ltd.         | 1,424,358               | 3,068,636   | 3,073,595              |
| Samsung SDI Co., Ltd.               | 1,242,605               | 3,726,675   | 2,912,564              |
| Cheil Worldwide, Inc.               | 506,162                 | 368,875   | 669,363                |
| Other                               | 690,481                 | 844,645   | 1,093,799              |
| <b>Total</b>                        | <b>4,370,806</b>        | <b>11,802,455</b>                                     | <b>11,556,920</b>      |

<sup>(\*)</sup> The Company's portion of net asset value of associates is based on the Company's percentage of ownership.

(2) Investments in joint ventures

| <i>(In millions of Korean won)</i> |                         | <b>December 31, 2024</b>                              |                        |
|------------------------------------|-------------------------|---|------------------------|
| <b>Investee</b>                    | <b>Acquisition cost</b> | <b>Net asset value of equity shares<sup>(*)</sup></b> | <b>Carrying amount</b> |
| Samsung Corning Advanced Glass LLC | 215,000                 | 143,198   | 143,178                |
| Other                              | 259,994                 | 74,075  | 80,591                 |
| <b>Total</b>                       | <b>474,994</b>          | <b>217,273</b>  | <b>223,769</b>         |

<sup>(\*)</sup> The Company's portion of net asset value of joint ventures is based on the Company's percentage of ownership.

| <i>(In millions of Korean won)</i> |                         | <b>December 31, 2023</b>                              |                        |
|------------------------------------|-------------------------|---|------------------------|
| <b>Investee</b>                    | <b>Acquisition cost</b> | <b>Net asset value of equity shares<sup>(*)</sup></b> | <b>Carrying amount</b> |
| Samsung Corning Advanced Glass LLC | 215,000                 | 138,939   | 138,938                |
| Other                              | 259,994                 | 72,215  | 71,586                 |
| <b>Total</b>                       | <b>474,994</b>          | <b>211,154</b>  | <b>210,524</b>         |

<sup>(\*)</sup> The Company's portion of net asset value of joint ventures is based on the Company's percentage of ownership.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(D) Details of the changes in investments in associates and joint ventures using the equity method are as follows:

(1) For the year ended December 31, 2024

| <i>(In millions of Korean won)</i>  | <b>Balance as of<br/>January 1</b> | <b>Share of profit</b> | <b>Share of other<br/>comprehensive<br/>income (loss)</b> | <b>Other<sup>(*)</sup></b> | <b>Balance as of<br/>December 31</b> |
|-------------------------------------|------------------------------------|------------------------|---|----------------------------|--------------------------------------|
| Samsung Electro-Mechanics Co., Ltd. | 1,841,393                          | 164,841                | 81,782  | (20,347)                   | 2,067,669                            |
| Samsung SDS Co., Ltd.               | 1,966,206                          | 172,708                | 28,678  | (47,175)                   | 2,120,417                            |
| Samsung Biologics Co., Ltd.         | 3,073,595                          | 336,256                | (3,789)   | -                          | 3,406,062                            |
| Samsung SDI Co., Ltd.               | 2,912,564                          | (37,454)               | 62,344  | (13,463)                   | 2,923,991                            |
| Cheil Worldwide, Inc.               | 669,363                            | 59,476                 | 21,954  | (32,232)                   | 718,561                              |
| Samsung Coming Advanced Glass LLC   | 138,938                            | 4,389                  | (130)   | (19)                       | 143,178                              |
| Other                               | 1,165,385                          | 50,828                 | 42,908  | (46,882)                   | 1,212,239                            |
| <b>Total</b>                        | <b>11,767,444</b>                  | <b>751,044</b>         | <b>233,747</b>  | <b>(160,118)</b>           | <b>12,592,117</b>                    |

<sup>(\*)</sup> Other includes acquisitions, disposals, and dividends.

(2) For the year ended December 31, 2023

| <i>(In millions of Korean won)</i>  | <b>Balance as of<br/>January 1</b> | <b>Share of profit</b> | <b>Share of other<br/>comprehensive<br/>income (loss)</b> | <b>Other<sup>(*)</sup></b> | <b>Balance as of<br/>December 31</b> |
|-------------------------------------|------------------------------------|------------------------|---|----------------------------|--------------------------------------|
| Samsung Electro-Mechanics Co., Ltd. | 1,764,249                          | 106,455                | 7,844   | (37,155)                   | 1,841,393                            |
| Samsung SDS Co., Ltd.               | 1,870,338                          | 154,282                | (2,503)   | (55,911)                   | 1,966,206                            |
| Samsung Biologics Co., Ltd.         | 2,808,673                          | 267,614                | (2,692)   | -                          | 3,073,595                            |
| Samsung SDI Co., Ltd.               | 2,691,223                          | 214,702                | 20,506  | (13,867)                   | 2,912,564                            |
| Cheil Worldwide, Inc.               | 649,161                            | 53,690                 | (94)  | (33,394)                   | 669,363                              |
| Samsung Coming Advanced Glass LLC   | 137,745                            | 1,336                  | (124)   | (19)                       | 138,938                              |
| Other                               | 972,480                            | 89,471                 | 52,175  | 51,259                     | 1,165,385                            |
| <b>Total</b>                        | <b>10,893,869</b>                  | <b>887,550</b>         | <b>75,112</b>   | <b>(89,087)</b>            | <b>11,767,444</b>                    |

<sup>(\*)</sup> Other includes acquisitions, disposals, and dividends.

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (E) Summary of the condensed financial information of major associates and joint ventures

- (1) Summary of condensed financial information of major associates and dividends received from associates as of December 31, 2024 and 2023 and for the years then ended are as follows:

|  | 2024  |                             |                                   |                             |                             |
|--|---|-----------------------------|-----------------------------------|-----------------------------|-----------------------------|
|  | Samsung<br>Electro-<br>Mechanics<br>Co., Ltd. | Samsung<br>SDS Co.,<br>Ltd. | Samsung<br>Biologics<br>Co., Ltd. | Samsung<br>SDI Co.,<br>Ltd. | Cheil<br>Worldwide,<br>Inc. |
| <i>(In millions of Korean won)</i>   |   |                             |                                   |                             |                             |
| <b>1. Condensed financial information</b>                                    |   |                             |                                   |                             |                             |
| <b>Condensed statements of financial position:</b>                           |   |                             |                                   |                             |                             |
| Current assets   | 5,891,746                                     | 9,003,787                   | 5,518,118                         | 10,334,313                  | 2,754,194                   |
| Non-current assets   | 6,900,656                                     | 4,234,543                   | 11,818,179                        | 30,263,032                  | 568,459                     |
| Current liabilities  | 3,056,861                                     | 2,495,409                   | 3,853,188                         | 10,855,694                  | 1,594,190                   |
| Non-current liabilities  | 719,688                                       | 1,037,472                   | 2,578,432                         | 8,174,413                   | 251,659                     |
| Non-controlling interests  | 226,693                                       | 372,330                     | -                                 | 1,800,842                   | 18,806                      |
| <b>Condensed statements of comprehensive income:</b>                         |   |                             |                                   |                             |                             |
| Revenue  | 10,294,103                                    | 13,828,232                  | 4,547,322                         | 16,592,249                  | 4,344,257                   |
| Profit from continuing operations, net of tax <sup>(*1)</sup>                | 640,865                                       | 756,997                     | 1,083,316                         | 544,239                     | 207,515                     |
| Profit from discontinued operations,<br>net of tax <sup>(*1)</sup>           | 38,265  | -                           | -                                 | 55,051                      | -                           |
| Other comprehensive income (loss) <sup>(*1)</sup>                            | 349,340                                       | 144,625                     | (9,132)                           | 722,676                     | 76,571                      |
| Total comprehensive income <sup>(*1)</sup>                                   | 1,028,470                                     | 901,622                     | 1,074,184                         | 1,321,966                   | 284,086                     |
| <b>2. Reconciliation to the carrying amount of investments in associates</b> |   |                             |                                   |                             |                             |
| Net assets (a)   | 8,789,161                                     | 9,333,119                   | 10,904,676                        | 19,766,396                  | 1,457,998                   |
| Ownership percentage (b) <sup>(*2)</sup>                                     | 23.4%   | 22.6%                       | 31.2%                             | 20.1%                       | 28.7%                       |
| Net assets of equity shares (a x b)  | 2,058,412                                     | 2,108,195                   | 3,403,947                         | 3,979,333                   | 418,029                     |
| Goodwill   | 7,081   | 26,801                      | 3,645                             | -                           | 298,779                     |
| Intercompany transactions and other <sup>(*3)</sup>                          | 2,176   | (14,579)                    | (1,530)                           | (1,055,342)                 | 1,753                       |
| Carrying amount of associates  | 2,067,669                                     | 2,120,417                   | 3,406,062                         | 2,923,991                   | 718,561                     |
| <b>3. Dividends from associates</b>  |   |                             |                                   |                             |                             |
| Dividends  | 20,347  | 47,175                      | -                                 | 13,463                      | 32,232                      |

<sup>(\*1)</sup> Profit (loss) attributable to owners of the investee.

<sup>(\*2)</sup> Ownership percentage includes ordinary and preference shares.

<sup>(\*3)</sup> Consists of unrealized gains and losses and other differences.

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| <i>(In millions of Korean won)</i>   | 2023  |                          |                                   |                             |                             |
|--|---|--------------------------|-----------------------------------|-----------------------------|-----------------------------|
|  | Samsung<br>Electro-<br>Mechanics<br>Co., Ltd. | Samsung SDS<br>Co., Ltd. | Samsung<br>Biologics Co.,<br>Ltd. | Samsung<br>SDI Co.,<br>Ltd. | Cheil<br>Worldwide,<br>Inc. |
|  |   |                          |                                   |                             |                             |
| <b>1. Condensed financial information</b>                                    |   |                          |                                   |                             |                             |
| <b>Condensed statements of financial position:</b>                           |   |                          |                                   |                             |                             |
| Current assets   | 5,208,418                                     | 8,160,300                | 5,521,988                         | 9,187,029                   | 2,372,420                   |
| Non-current assets   | 6,449,453                                     | 4,160,724                | 10,524,209                        | 24,851,831                  | 517,085                     |
| Current liabilities  | 2,900,460                                     | 2,391,861                | 4,157,861                         | 8,518,933                   | 1,375,034                   |
| Non-current liabilities  | 727,087                                       | 953,592                  | 2,057,844                         | 5,612,677                   | 216,707                     |
| Non-controlling interests  | 182,613                                       | 317,562                  | -                                 | 1,395,877                   | 11,206                      |
| <b>Condensed statements of comprehensive income:</b>                         |   |                          |                                   |                             |                             |
| Revenue  | 8,892,412                                     | 13,276,844               | 3,694,589                         | 21,436,788                  | 4,138,275                   |
| Profit from continuing operations, net of tax <sup>(*)1</sup>                | 449,857                                       | 693,422                  | 857,691                           | 1,921,820                   | 187,302                     |
| Profit (loss) from discontinued operations,<br>net of tax <sup>(*)1</sup>    | (26,900)                                      | -                        | -                                 | 87,387                      | -                           |
| Other comprehensive income (loss) <sup>(*)1</sup>                            | 45,053  | (11,085)                 | (11,673)                          | 85,394                      | 3,685                       |
| Total comprehensive income <sup>(*)1</sup>                                   | 468,010                                       | 682,337                  | 846,018                           | 2,094,601                   | 190,987                     |
| <b>2. Reconciliation to the carrying amount of investments in associates</b> |   |                          |                                   |                             |                             |
| Net assets (a)   | 7,847,711                                     | 8,658,009                | 9,830,492                         | 18,511,373                  | 1,286,558                   |
| Ownership percentage (b) <sup>(*)2</sup>                                     | 23.4%   | 22.6%                    | 31.2%                             | 20.1%                       | 28.7%                       |
| Net assets of equity shares (a x b)  | 1,837,925                                     | 1,955,699                | 3,068,636                         | 3,726,675                   | 368,875                     |
| Goodwill   | 7,081   | 26,801                   | 3,645                             | -                           | 298,779                     |
| Intercompany transactions and other <sup>(*)3</sup>                          | (3,613)                                       | (16,294)                 | 1,314                             | (814,111)                   | 1,709                       |
| Carrying amount of associates  | 1,841,393                                     | 1,966,206                | 3,073,595                         | 2,912,564                   | 669,363                     |
| <b>3. Dividends from associates</b>  |   |                          |                                   |                             |                             |
| Dividends  | 37,155  | 55,911                   | -                                 | 13,867                      | 33,394                      |

<sup>(\*)1</sup> Profit (loss) attributable to owners of the investee.

<sup>(\*)2</sup> Ownership percentage includes ordinary and preference shares.

<sup>(\*)3</sup> Consists of unrealized gains and losses and other differences.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

- (2) Summary of condensed financial information of major joint ventures and dividends received from joint ventures as of December 31, 2024 and 2023 and for the years then ended are as follows:

|  | <b>Samsung Corning Advanced Glass, LLC</b> |             |
|--|--|-------------|
| <i>(In millions of Korean won)</i>   | <b>2024</b>                                | <b>2023</b> |
| <b>1. Condensed financial information</b>  |  |             |
| <b>Condensed statements of financial position:</b>                               |  |             |
| Current assets   | 120,786                                    | 116,372     |
| Non-current assets   | 199,017                                    | 185,100     |
| Current liabilities  | 33,294                                     | 22,684      |
| Non-current liabilities  | 113  | 911         |
| <b>Condensed statements of comprehensive income:</b>                             |  |             |
| Revenue  | 160,202                                    | 122,446     |
| Profit from continuing operations, net of tax <sup>(*)1</sup>                    | 8,778                                      | 2,672       |
| Other comprehensive income (loss) <sup>(*)1</sup>                                | -  | -           |
| Total comprehensive income (loss) <sup>(*)1</sup>                                | -  | -           |
| <b>2. Reconciliation to the carrying amount of investments in joint ventures</b> |  |             |
| Net assets (a)   | 286,396                                    | 277,877     |
| Ownership percentage (b)   | 50.0%                                      | 50.0%       |
| Net assets of equity shares (a x b)  | 143,198                                    | 138,939     |
| Intercompany transactions and other <sup>(*)2</sup>                              | (20)                                       | (1)         |
| Carrying amount of joint ventures  | 143,178                                    | 138,938     |
| <b>3. Dividends from joint ventures</b>  |  |             |
| Dividends  | -  | -           |

<sup>(\*)1</sup> Profit (loss) attributable to owners of the parent company.

<sup>(\*)2</sup> Consists of unrealized gains and losses and other differences.

- (1) Profit (loss) attributable to owners of the parent company from associates and joint ventures which are not individually material for the years ended December 31, 2024 and 2023 are as follows:

|                                    | <b>2024</b>       | <b>2023</b>           |
|------------------------------------|-------------------|-----------------------|
| <i>(In millions of Korean won)</i> | <b>Associates</b> | <b>Joint ventures</b> |
| Profit from continuing operations  | 48,408            | 2,420                 |
| Other comprehensive income         | 39,152            | 3,756                 |
| <b>Total comprehensive income</b>  | <b>87,560</b>     | <b>6,176</b>          |
|                                    | <b>Associates</b> | <b>Joint ventures</b> |
|                                    | 87,072            | 2,399                 |
|                                    | 50,260            | 1,915                 |
|                                    | <b>137,332</b>    | <b>4,314</b>          |

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(F) Fair value of marketable investments in associates as of December 31, 2024 and 2023 is as follows:

| <i>(In millions of Korean won<br/>and number of shares)</i> | <b>December 31, 2024</b>     |                     | <b>December 31, 2023</b> |                     |
|---|------------------------------|---------------------|--------------------------|---------------------|
|   | <b>Number of shares held</b> | <b>Market value</b> | <b>Market value</b>      | <b>Market value</b> |
| Samsung Electro-Mechanics Co., Ltd.                         | 17,693,084                   | 2,190,404           | 2,710,580                |                     |
| Samsung SDS Co., Ltd.                                       | 17,472,110                   | 2,232,936           | 2,970,259                |                     |
| Samsung Biologics Co., Ltd.                                 | 22,217,309                   | 21,084,226          | 16,885,155               |                     |
| Samsung SDI Co., Ltd.                                       | 13,462,673                   | 3,332,012           | 6,354,382                |                     |
| Cheil Worldwide, Inc.                                       | 29,038,075                   | 492,195             | 552,595                  |                     |

(G) Other matters

- (1) On July 12, 2018, the Korea Securities and Futures Commission determined an initial measure following an investigation relating to Samsung Biologics Co., Ltd., an associate of the Company, and its accounting for its investment in Samsung Bioepis Co., Ltd, a joint venture between Biogen Therapeutics Inc. and Samsung Biologics Co., Ltd. This measure included a recommendation to dismiss the director in charge, prosecution charges, and external auditor designation by the regulator, on the basis that the Joint Venture Agreement was not disclosed in the notes to the financial statements. On November 14, 2018, the Korea Securities and Futures Commission determined a second measure which included a penalty of W 8,000 million, a recommendation to dismiss the CEO, a requirement to restate its financial statements, and further prosecution charges.

To prove justification of its accounting treatment, Samsung Biologics Co., Ltd. filed a suit for cancellation of the aforementioned measures to the Seoul Administrative Court, which is currently in progress. On September 24, 2020, the Seoul Administrative Court announced a decision to cancel the first measure charged by the Korea Securities and Futures Commission and suspended its execution until the final rulings of the appeal. On October 16, 2020, the Korea Securities and Futures Commission appealed the decision and the litigation is in progress at Seoul High Court. On August 14, 2024, Seoul Administrative Court announced a decision to cancel the second measure charged by the Korea Securities and Futures Commission, but on August 28, 2024, the Korea Securities and Futures Commission appealed the decision and the litigation is in progress at Seoul High Court.

Samsung Biologics Co., Ltd. also filed for suspending the execution of the initial and second measures. On January 22, 2019 and February 19, 2019, the Seoul Administrative Court pronounced decisions to suspend the second and initial measures, respectively, until the final rulings. The Korea Securities and Futures Commission immediately appealed against the decisions but the appeals were dismissed by the Seoul High Court on May 13, 2019 and May 24, 2019, in relation to the second and first measures, respectively. On May 23, 2019 and June 10, 2019, the Korea Securities and Futures Commission re-appealed against the dismissals relating to the second and first measures, respectively. On September 6, 2019 and October 11, 2019, the Supreme Court of Korea dismissed the Korea Securities and Futures Commission's re-appeal relating to the second and first measures, respectively, and confirmed the decision to suspend the execution of these measures.

Although the future outcome of the administrative litigation cannot be estimated, should Samsung Biologics Co., Ltd. be required to restate its financial statements to amend its historical accounting treatment relating to its investment in Samsung Bioepis Co., Ltd., the Company's share of profit or loss relating to its equity method investment, the amount of investment in associates, and retained earnings, for the years ended December 31, 2015 to December 31, 2022, and the profit on disposal of investment for the year ended December 31, 2016, may be impacted. Given the timing of completion and the final result of the administrative litigation between Samsung Biologics Co., Ltd. and the Korea Securities and Futures Commission is uncertain and cannot currently be estimated, it is not possible for the Company to recognize the effects of these proceedings in the consolidated financial statements of the current period.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

- (2) The Company's board of directors decided to exercise call options so as to acquire 3.94 million shares of Rainbow Robotics Inc., a Company's associate, from six shareholders including the largest shareholder on December 31, 2024. The aggregate exercise price is ₩267,463 million, and will be paid upon completion of relevant government administrative procedures.

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10. Property, Plant and Equipment

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

| <i>(In millions of Korean won)</i>                    | 2024              |                          |                         |                          |                  | <i>Total</i>       |
|---|-------------------|--------------------------|-------------------------|--------------------------|------------------|--------------------|
|   | Land              | Buildings and structures | Machinery and equipment | Construction in progress | Other            |                    |
| Balance as of January 1                               | 9,999,377         | 43,238,115               | 83,309,168              | 46,720,328               | 3,989,274        | 187,256,262        |
| Acquisition cost                                      | 10,157,963        | 73,689,951               | 328,561,492             | 46,720,328               | 14,058,654       | 473,188,388        |
| Accumulated depreciation and impairment               | (158,586)         | (30,451,836)             | (245,252,324)           | -                        | (10,069,380)     | (285,932,126)      |
| Acquisitions and capital expenditures <sup>(*)1</sup> | 244,885           | 7,057,644                | 40,219,596              | 5,073,120                | 2,346,943        | 54,942,188         |
| Acquisitions through business combinations            | -                 | 49                       | -                       | -                        | 131              | 180                |
| Depreciation  | (50,029)          | (4,268,335)              | (33,744,595)            | -                        | (1,587,023)      | (39,649,982)       |
| Disposals/scrap                                       | (27,321)          | (293,418)                | (44,567)                | (21)                     | (30,537)         | (395,864)          |
| Impairment  | -                 | (231,562)                | (113,246)               | (50,373)                 | (1,256)          | (396,437)          |
| Other <sup>(*)2</sup>                                 | 81,316            | 1,529,452                | 1,280,217               | 1,374,201                | (76,324)         | 4,188,862          |
| <b>Balance as of December 31</b>                      | <b>10,248,228</b> | <b>47,031,945</b>        | <b>90,906,573</b>       | <b>53,117,255</b>        | <b>4,641,208</b> | <b>205,945,209</b> |
| Acquisition cost                                      | 10,435,001        | 82,415,394               | 373,276,338             | 53,117,255               | 15,852,084       | 535,096,072        |
| Accumulated depreciation and impairment               | (186,773)         | (35,383,449)             | (282,369,765)           | -                        | (11,210,876)     | (329,150,863)      |

(\*)1 Acquisition cost and capital expenditures include amounts reclassified from constructions in progress. Capitalized borrowing costs amount to ₩515,824 million and the capitalization interest rate used to calculate the capitalized borrowing costs ranged from 4.2%~5.9%.

(\*)2 Other includes effects of changes in foreign currency exchange rates.

| <i>(In millions of Korean won)</i>                    | 2023             |                          |                         |                          |                  | <i>Total</i>       |
|---|------------------|--------------------------|-------------------------|--------------------------|------------------|--------------------|
|   | Land             | Buildings and structures | Machinery and equipment | Construction in progress | Other            |                    |
| Balance as of January 1                               | 9,892,167        | 40,706,918               | 79,714,631              | 33,607,564               | 4,124,108        | 168,045,388        |
| Acquisition cost                                      | 10,024,569       | 67,713,808               | 303,000,627             | 33,607,564               | 13,248,490       | 427,595,058        |
| Accumulated depreciation and impairment               | (132,402)        | (27,006,890)             | (223,285,996)           | -                        | (9,124,382)      | (259,549,670)      |
| Acquisitions and capital expenditures <sup>(*)1</sup> | 172,262          | 6,498,611                | 33,641,691              | 13,141,766               | 1,462,032        | 54,916,362         |
| Acquisitions through business combinations            | -                | 18,125                   | 20,140                  | 34,698                   | 165              | 73,128             |
| Depreciation  | (49,367)         | (3,884,333)              | (30,031,617)            | -                        | (1,567,094)      | (35,532,411)       |
| Disposals/scrap                                       | (25,934)         | (181,700)                | (37,681)                | (256)                    | (30,547)         | (276,118)          |
| Impairment  | -                | (30,864)                 | (47,044)                | -                        | (7,449)          | (85,357)           |
| Reclassification to held-for-sale                     | (6,615)          | (54,318)                 | (37,101)                | (6,255)                  | (14,100)         | (118,389)          |
| Other <sup>2</sup>                                    | 16,864           | 165,676                  | 86,149                  | (57,189)                 | 22,159           | 233,659            |
| <b>Balance as of December 31</b>                      | <b>9,999,377</b> | <b>43,238,115</b>        | <b>83,309,168</b>       | <b>46,720,328</b>        | <b>3,989,274</b> | <b>187,256,262</b> |
| Acquisition cost                                      | 10,157,963       | 73,689,951               | 328,561,492             | 46,720,328               | 14,058,654       | 473,188,388        |
| Accumulated depreciation and impairment               | (158,586)        | (30,451,836)             | (245,252,324)           | -                        | (10,069,380)     | (285,932,126)      |

(\*)1 Acquisition cost and capital expenditures include amounts reclassified from constructions in progress. Capitalized borrowing costs amount to ₩204,814 million and the capitalization interest rate used to calculate the capitalized borrowing costs ranged from 3.9%~5.8%.

(\*)2 Other includes effects of changes in foreign currency exchange rates and effects of the deduction of government grants.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

| <i>(In millions of Korean won)</i> | 2024           |                          |                         |                |                  |
|------------------------------------|----------------|--------------------------|-------------------------|----------------|------------------|
|                                    | Land           | Buildings and structures | Machinery and equipment | Other          | Total            |
| Balance as of January 1            | 481,610        | 4,034,052                | 137,574                 | 795,796        | 5,449,032        |
| Acquisition                        | 22,407         | 975,685                  | 89,158                  | 208,838        | 1,296,088        |
| Depreciation                       | (49,939)       | (940,196)                | (59,946)                | (166,338)      | (1,216,419)      |
| Cancellation of contracts          | (8,816)        | (175,484)                | (184)                   | (15,893)       | (200,377)        |
| Other <sup>(*)</sup>               | 34,785         | 261,502                  | 11,578                  | 24,696         | 332,561          |
| <b>Balance as of December 31</b>   | <b>480,047</b> | <b>4,155,559</b>         | <b>178,180</b>          | <b>847,099</b> | <b>5,660,885</b> |

<sup>(\*)</sup> Other includes effects of changes in foreign currency exchange rates.

| <i>(In millions of Korean won)</i> | 2023           |                          |                         |                |                  |
|------------------------------------|----------------|--------------------------|-------------------------|----------------|------------------|
|                                    | Land           | Buildings and structures | Machinery and equipment | Other          | Total            |
| Balance as of January 1            | 503,203        | 3,451,596                | 175,151                 | 787,659        | 4,917,609        |
| Acquisition                        | 38,677         | 1,594,886                | 10,058                  | 158,842        | 1,802,463        |
| Depreciation                       | (49,367)       | (871,275)                | (47,174)                | (147,178)      | (1,114,994)      |
| Cancellation of contracts          | (12,461)       | (174,426)                | (279)                   | (6,904)        | (194,070)        |
| Reclassification to held-for-sale  | (4,305)        | (17)                     | -                       | (414)          | (4,736)          |
| Other <sup>(*)</sup>               | 5,863          | 33,288                   | (182)                   | 3,791          | 42,760           |
| <b>Balance as of December 31</b>   | <b>481,610</b> | <b>4,034,052</b>         | <b>137,574</b>          | <b>795,796</b> | <b>5,449,032</b> |

<sup>(\*)</sup> Other includes effects of changes in foreign currency exchange rates.

(C) Details of depreciation of property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>            | 2024              | 2023              |
|---|-------------------|-------------------|
| Cost of sales                                 | 35,084,501        | 31,647,926        |
| Selling and administrative expenses and other | 4,565,481         | 3,884,485         |
| <b>Total</b>                                  | <b>39,649,982</b> | <b>35,532,411</b> |

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 11. Intangible Assets

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

| <i>(In millions of Korean won)</i>        | <b>2024</b>                                 |                             |                   |                  |                   | <b>Total</b>      |
|---|---|-----------------------------|-------------------|------------------|-------------------|-------------------|
|   | <b>Intellectual<br/>property<br/>rights</b> | <b>Development<br/>cost</b> | <b>Membership</b> | <b>Goodwill</b>  | <b>Other</b>      |                   |
| Balance as of January 1                   | 4,424,566                                   | -                           | 256,859           | 6,457,619        | 11,602,818        | 22,741,862        |
| Acquisitions                              | 357,137                                     | -                           | 16,763            | -                | 2,262,202         | 2,636,102         |
| Acquisition through business combinations | -   | -                           | -                 | 145,254          | 34,572            | 179,826           |
| Amortization                              | (289,623)                                   | -                           | -                 | -                | (2,691,217)       | (2,980,840)       |
| Disposals/scrap                           | (37,376)                                    | -                           | (209)             | -                | (16,543)          | (54,128)          |
| Impairment                                | (25,340)                                    | -                           | (864)             | -                | -                 | (26,204)          |
| Other <sup>(*)</sup>                      | 360,002                                     | -                           | 349               | 565,668          | 315,929           | 1,241,948         |
| <b>Balance as of December 31</b>          | <b>4,789,366</b>                            | <b>-</b>                    | <b>272,898</b>    | <b>7,168,541</b> | <b>11,507,761</b> | <b>23,738,566</b> |

(\*) Other includes the cumulative effect of changes in foreign currency exchange rates and others.

| <i>(In millions of Korean won)</i>        | <b>2023</b>                                 |                             |                   |                  |                   | <b>Total</b>      |
|---|---|-----------------------------|-------------------|------------------|-------------------|-------------------|
|   | <b>Intellectual<br/>property<br/>rights</b> | <b>Development<br/>cost</b> | <b>Membership</b> | <b>Goodwill</b>  | <b>Other</b>      |                   |
| Balance as of January 1                   | 4,278,750                                   | 85,018                      | 253,554           | 6,014,422        | 9,586,010         | 20,217,754        |
| Acquisitions                              | 401,561                                     | -                           | 6,251             | -                | 4,608,488         | 5,016,300         |
| Acquisition through business combinations | 3,944                                       | -                           | -                 | 315,136          | 37,758            | 356,838           |
| Amortization                              | (276,781)                                   | (85,018)                    | -                 | -                | (2,772,349)       | (3,134,148)       |
| Disposals/scrap                           | (41,492)                                    | -                           | (8,656)           | -                | (44)              | (50,192)          |
| Impairment                                | (6,265)                                     | -                           | 3,738             | -                | (2,900)           | (5,427)           |
| Reclassification to held-for-sale         | (2)   | -                           | -                 | (58,455)         | (4,405)           | (62,862)          |
| Other <sup>(*)</sup>                      | 64,851                                      | -                           | 1,972             | 186,516          | 150,260           | 403,599           |
| <b>Balance as of December 31</b>          | <b>4,424,566</b>                            | <b>-</b>                    | <b>256,859</b>    | <b>6,457,619</b> | <b>11,602,818</b> | <b>22,741,862</b> |

(\*) Other includes the cumulative effect of changes in foreign currency exchange rates and others.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (B) Goodwill

Goodwill is allocated to each cash-generating unit. Details of goodwill as of 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> |
|------------------------------------|--------------------------|--------------------------|
| DX                                 | 1,463,566                | 1,256,815                |
| DS                                 | 176,885                  | 164,607                  |
| SDC                                | 380,897                  | 343,967                  |
| Harman                             | 5,146,242                | 4,691,440                |
| Other                              | 951                      | 790                      |
| <b>Total</b>                       | <b>7,168,541</b>         | <b>6,457,619</b>         |

The Company tests goodwill for impairment annually and the recoverable amount of each cash-generating units is determined based on value-in-use calculations. The value-in-use calculation is based on estimates of pre-tax cash flows based on financial budgets approved by management for the next five years (or longer if the medium and long-term plans are reasonable, such as in new technology business). A constant growth rate assumption (but not exceeding the industry average growth rate) has been used to calculate the perpetual cash flows for periods beyond the five-year period.

#### (C) Details of amortization of intangible assets 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>      |
|---|------------------|------------------|
| Cost of sales                                 | 2,019,693        | 2,197,662        |
| Selling and administrative expenses and other | 961,147          | 936,486          |
| <b>Total</b>                                  | <b>2,980,840</b> | <b>3,134,148</b> |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**12. Borrowings**

(A) Details of the carrying amounts of borrowings as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>             | <b>Financial institutions</b> | <b>Interest rates (%)</b> |                          |                          |
|--|-------------------------------|---------------------------|--------------------------|--------------------------|
|  |                               | <b>as of Dec 31, 2024</b> | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
| <b>Short-term borrowings</b>                   |                               |                           |                          |                          |
| Collateralized borrowings <sup>(*)1</sup>      | Woori Bank and others         | 0.4~14.9                  | 12,834,446               | 6,610,049                |
| Non-collateralized borrowings                  | Citibank and others           | 0.0~53.0                  | 338,058                  | 504,552                  |
| <b>Total</b>                                   |                               |                           | <b>13,172,504</b>        | <b>7,114,601</b>         |
| <b>Current portion of long-term borrowings</b> |                               |                           |                          |                          |
| Bank borrowings                                | BNP and others                | 0.0~55.3                  | 510,756                  | 304,082                  |
| Lease liabilities <sup>(*)2</sup>              | CSSD and others               | 4.6                       | 1,100,526                | 998,439                  |
| <b>Total</b>                                   |                               |                           | <b>1,611,282</b>         | <b>1,302,521</b>         |
| <b>Long-term borrowings</b>                    |                               |                           |                          |                          |
| Bank borrowings                                | BNP and others                | 0.0~7.4                   | 6,537                    | -                        |
| Lease liabilities <sup>(*)2</sup>              | CSSD and others               | 4.6                       | 3,929,323                | 3,724,850                |
| <b>Total</b>                                   |                               |                           | <b>3,935,860</b>         | <b>3,724,850</b>         |

(\*)1 Collateralized borrowings are secured by trade receivables.

(\*)2 Interest expenses arising from the lease liabilities for the years ended December 31, 2024 and 2023 amount to ₩223,938 million and ₩197,202 million, respectively, which were determined using the weighted average incremental borrowing rate. Short-term lease payments and low-valued asset lease payments that are not included in lease liabilities during the years ended December 31, 2024 and 2023 amount to ₩159,262 million and ₩158,395 million, respectively.

(B) Maturities of long-term borrowings outstanding as of December 31, 2024 are as follows:

| <i>(In millions of Korean won)</i> | <b>Lease liabilities</b> |
|------------------------------------|--------------------------|
| <b>Repayment in:</b>               |                          |
| 2025                               | 510,756                  |
| 2026                               | 1,770                    |
| 2027                               | 1,953                    |
| 2028                               | 1,106                    |
| 2029 and thereafter                | 1,708                    |
| <b>Total</b>                       | <b>517,293</b>           |

(C) Maturities of lease liabilities outstanding as of December 31, 2024 are as follows:

| <i>(In millions of Korean won)</i> | <b>Lease liabilities</b> |
|------------------------------------|--------------------------|
| <b>Repayment in:</b>               |                          |
| 2025                               | 1,304,227                |
| 2026                               | 1,047,520                |
| 2027                               | 828,443                  |
| 2028                               | 642,638                  |
| 2029 and thereafter                | 1,969,015                |
| <b>Total</b>                       | <b>5,791,843</b>         |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**13. Debentures**

(A) Details of the carrying amounts of debentures as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>                    | <b>Issue date</b> | <b>Due date</b> | <b>Interest rate (%)</b>  | <b>December 31, 2024</b>       | <b>December 31, 2023</b>       |
|---|-------------------|-----------------|---------------------------|--------------------------------|--------------------------------|
|   |                   |                 | <b>as of Dec 31, 2024</b> |                                |                                |
| US dollar denominated straight bonds <sup>(*1)</sup>  | Oct. 2, 1997      | Oct. 1, 2027    | 7.7                       | 22,050<br>(US \$ 15 million)   | 25,788<br>(US \$ 20 million)   |
| US dollar denominated debenture bonds <sup>(*2)</sup> | May 11, 2015      | May 15, 2025    | 4.2                       | 588,000<br>(US \$ 400 million) | 515,760<br>(US \$ 400 million) |
| Less: Discounts                                       |                   |                 |                           | (255)                          | (370)                          |
| Add: Premium  |                   |                 |                           | 743                            | 2,794                          |
| Less: Current portion                                 |                   |                 |                           | (596,008)                      | (6,354)                        |
| <b>Total</b>  |                   |                 |                           | <b>14,530</b>                  | <b>537,618</b>                 |

(<sup>(\*1)</sup>) US dollar denominated straight bonds are repaid annually for twenty years after a ten-year grace period from the date of issuance. Interest is paid semi-annually in arrears.

(<sup>(\*2)</sup>) Harman International Industries, Inc. issued US dollar denominated debenture bonds. These debentures are repaid on the maturity and interest is paid semi-annually in arrears.

(B) Repayment schedule of debentures outstanding as of December 31, 2024 are as follows:

| <i>(In millions of Korean won)</i> | <b>Debentures</b> |
|------------------------------------|-------------------|
| <b>Repayment in:</b>               |                   |
| 2025                               | 595,350           |
| 2026                               | 7,350             |
| 2027                               | 7,350             |
| <b>Total</b>                       | <b>610,050</b>    |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**14. Net Defined Benefit Liabilities (Assets)**

- (A) Details of net defined benefit liabilities (assets) recognized in the statements of financial position as of 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> |
|---|--------------------------|--------------------------|
| Present value of funded defined benefit obligations   | 16,965,629               | 15,403,976               |
| Present value of unfunded defined benefit obligations | 379,155                  | 319,689                  |
| <b>Subtotal</b>                                       | <b>17,344,784</b>        | <b>15,723,665</b>        |
| Fair value of plan assets                             | (19,912,945)             | (20,172,327)             |
| <b>Total</b>  | <b>(2,568,161)</b>       | <b>(4,448,662)</b>       |

- (B) The components of defined benefit costs recognized in profit or loss 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 cost               | 1,400,834        | 1,294,308      |
| Net interest income                | (259,108)        | (354,220)      |
| Past service cost                  | (676)            | 4,839          |
| Other                              | 47,897           | 9,491          |
| <b>Total</b>                       | <b>1,188,947</b> | <b>954,418</b> |

The amount recognized as expenses of defined contribution plans for the years ended December 31, 2024 and 2023 are ₩382,391 million and ₩203,004 million, respectively.

- (C) The expenses related to the defined benefit plans recognized in the statements of profit or loss 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>    |
|---|------------------|----------------|
| Cost of sales                                 | 462,180          | 378,104        |
| Selling and administrative expenses and other | 726,767          | 576,314        |
| <b>Total</b>                                  | <b>1,188,947</b> | <b>954,418</b> |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(D) Changes in the defined benefit obligations 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>       |
|---|-------------------|-------------------|
| Balance as of January 1   | 15,723,665        | 14,010,308        |
| Current service cost  | 1,400,834         | 1,294,308         |
| Interest cost   | 840,271           | 805,084           |
| Past service cost   | (676)             | 4,839             |
| Remeasurement:  |                   |                   |
| Actuarial gains or losses arising from changes in demographic assumptions | 76,762            | 62,291            |
| Actuarial gains or losses arising from changes in financial assumptions   | 595,095           | 266,505           |
| Other   | 141,212           | 123,165           |
| Benefits paid   | (1,466,188)       | (846,457)         |
| Other <sup>(*)</sup>  | 33,809            | 3,622             |
| <b>Balance as of December 31</b>  | <b>17,344,784</b> | <b>15,723,665</b> |

<sup>(\*)</sup> Other includes effects of changes in foreign currency exchange rates and reclassifications as held for sales.

(E) Changes in the fair value of plan assets 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>       |
|------------------------------------|-------------------|-------------------|
| Balance as of January 1            | 20,172,327        | 19,593,910        |
| Interest income on plan assets     | 1,099,379         | 1,159,304         |
| Remeasurement of plan assets       | (213,636)         | (654,005)         |
| Contributions paid by the employer | 114,173           | 746,068           |
| Benefits paid                      | (1,267,778)       | (687,125)         |
| Other <sup>(*)</sup>               | 8,480             | 14,175            |
| <b>Balance as of December 31</b>   | <b>19,912,945</b> | <b>20,172,327</b> |

<sup>(\*)</sup> Other includes effects of changes in foreign currency exchange rates and reclassifications as held for sales.

The reasonable estimate of the employer contributions expected to be paid in 2024 in respect of the defined benefit plans as of December 31, 2024 is ₩2,081,723 million.

(F) Plan assets as of December 31, 2024 and 2023 consist of the following:

| <i>(In millions of Korean won)</i>                                | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---|--------------------------|--------------------------|
| Principal guaranteed fixed income financial instruments and other | 15,685,547               | 18,178,623               |
| Indirect investment instruments                                   | 4,128,450                | 1,908,087                |
| Other   | 98,948                   | 85,617                   |
| <b>Total</b>  | <b>19,912,945</b>        | <b>20,172,327</b>        |

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(G) The principal actuarial assumptions as of December 31, 2024 and 2023 are as follows:

| <i>(In percentage)</i>                                  | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---|--------------------------|--------------------------|
| Discount rate   | 4.0~5.1                  | 3.9~5.9                  |
| Salary growth rate (including the effects of inflation) | 2.0~5.9                  | 3.0~6.3                  |

(H) The sensitivity analysis of the defined benefit obligations as of December 31, 2024 and 2023 to changes in the principal assumptions is as follows:

| <i>(In millions of Korean won)</i> | <b>Defined benefit obligations</b> |                          |
|------------------------------------|------------------------------------|--------------------------|
|                                    | <b>December 31, 2024</b>           | <b>December 31, 2023</b> |
| <b>Discount rate</b>               |                                    |                          |
| 1% p increase                      | 15,743,077                         | 14,291,442               |
| 1% p decrease                      | 19,203,081                         | 17,385,125               |
| <b>Salary growth rate</b>          |                                    |                          |
| 1% p increase                      | 19,173,312                         | 17,365,127               |
| 1% p decrease                      | 15,736,900                         | 14,280,988               |

(I) The weighted average maturity of the defined benefit obligations is 9.98 years as of December 31, 2024.

### 15. Provisions

Changes in provisions for the year ended December 31, 2024 are as follows:

| <i>(In millions of Korean won)</i> | <b>Warranty (A)</b> | <b>Royalty expenses (B)</b> | <b>Long-term incentives (C)</b> | <b>Other (D, E)</b> | <b>Total</b>      |
|------------------------------------|---------------------|-----------------------------|---------------------------------|---------------------|-------------------|
| Balance as of January 1            | 2,540,212           | 1,838,052                   | 993,751                         | 4,031,311           | 9,403,326         |
| Charged to profit or loss          | 2,090,900           | 1,315,779                   | 265,696                         | 2,461,978           | 6,134,353         |
| Payment                            | (2,035,240)         | (532,481)                   | (458,731)                       | (1,603,945)         | (4,630,397)       |
| Other <sup>(*)</sup>               | 138,629             | 172,551                     | 12,295                          | 105,756             | 429,231           |
| <b>Balance as of December 31</b>   | <b>2,734,501</b>    | <b>2,793,901</b>            | <b>813,011</b>                  | <b>4,995,100</b>    | <b>11,336,513</b> |

<sup>(\*)</sup> Other includes effects of changes in foreign currency exchange rates.

- (A) The Company accrues warranty provisions for estimated costs of quality assurance, exchanges, repairs, recalls, and future services based on historical experience and terms of warranty programs.
- (B) The Company recognizes provisions for the estimated royalty expenses that are under negotiation with counterparties. The timing and amount of payment depend on the settlement of the negotiation.
- (C) The Company has a long-term incentive plan for its executives based on a three-year management performance criteria and recognizes a provision for the estimated incentive cost.
- (D) The Company records provisions for estimated losses from contracts associated with discontinued products.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(E) The Company makes provisions for the emission in excess of the emission rights held by the Company. Details of emission rights and liabilities as of December 31, 2024 are as follows:

(1) The amount of emission rights allocated free of charge in the current commitment period and the estimated amount of emission as of December 31, 2024 are as follows:

| <i>(In million metric tons)</i>                         | <b>December 31, 2024</b> |
|---|--------------------------|
| Emission rights allocated free of charge <sup>(*)</sup> | 17.95                    |
| Estimated volume of emission                            | 18.07                    |

<sup>(\*)</sup>As of December 31, 2024, emission rights allocated free of charge for the remainder of the plan period are 16.29 million metric tons (2025: 16.29 million metric tons).

(2) Changes in the emission rights for the year ended December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>             | <b>2024</b>  | <b>2023</b>  |
|--|--------------|--------------|
| Balance as of January 1                        | 3,137        | 19,567       |
| Increase                                       | -            | 1,272        |
| Utilization                                    | -            | (17,702)     |
| <b>Balance as of December 31<sup>(*)</sup></b> | <b>3,137</b> | <b>3,137</b> |

<sup>(\*)</sup>The quantity of emission rights is 34.23 million metric tons and there is no emission rights provided as provision of collateral as of December 31, 2024.

(3) Changes in emissions liabilities for the year ended December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i> | <b>2024</b> | <b>2023</b> |
|------------------------------------|-------------|-------------|
| Balance as of January 1            | 137         | 32,838      |
| Charged to profit or loss          | 37          | (15,210)    |
| Utilization                        | -           | (17,491)    |
| <b>Balance as of December 31</b>   | <b>174</b>  | <b>137</b>  |

## 16. Commitments and Contingencies

### (A) Litigation

As of December 31, 2024, the Company is involved in various claims, disputes, and investigations conducted by regulatory bodies that arose during the normal course of business with numerous entities. Although the outflow of resources and timing of these matters are uncertain, the Company believes the outcome will not have a material impact on the financial position of the Company.

### (B) Other commitments

- (1) As of December 31, 2024, the Company has trade financing agreements, trade notes receivable discounting facilities, and loan facilities secured by accounts receivable with 27 financial institutions, including Woori Bank, with a combined limit of ₩23,536,721 million. In addition, the Company has a trade financing agreement with 22 financial institutions, including Shinhan Bank, with a limit of ₩18,172,601 million, and loan facilities with 12 banks, including Woori Bank, with a limit of ₩2,204,609 million.
- (2) As of December 31, 2024, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩8,596,696 million.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### **17. Contract Liabilities**

Contract liabilities from contracts with customers as of 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> |
|-------------------------------------|--------------------------|--------------------------|
| Contract liabilities <sup>(*)</sup> | 13,523,368               | 13,327,724               |

<sup>(\*)</sup> Contract liabilities include advances received, accrued expenses, other current liabilities and others.

The revenue recognized for the year ended December 31, 2024 in relation to the contract liabilities carried forward as of January 1, 2024 amounts to ₩1,314,325 million.

#### **18. Share Capital**

As of December 31, 2024, the Company's total number of authorized shares is 25,000,000,000 shares (₩100 per share). As well as its ordinary shares, the Company also has non-cumulative preference shares that are eligible for an additional 1% cash dividend over par value per annum compared to ordinary shares, but without voting rights. The Company has issued 5,969,782,550 shares of ordinary shares and 822,886,700 shares of preference shares as of December 31, 2024, excluding the number of retired shares. The number of shares outstanding is different from the aforementioned number of shares issued due to purchase of treasury shares. Due to the retirement of shares, the total par value of the shares issued which excludes the number of retired shares is ₩679,267 million (ordinary shares of ₩596,978 million and preference shares of ₩82,289 million), which does not agree with paid-in capital of ₩897,514 million.

| <i>(Number of shares)</i> | <b>Ordinary shares outstanding</b> | <b>Preference shares outstanding</b> |
|---------------------------|------------------------------------|--------------------------------------|
| As of January 1, 2023     | 5,969,782,550                      | 822,886,700                          |
| Treasury shares purchased | -                                  | -                                    |
| As of December 31, 2023   | 5,969,782,550                      | 822,886,700                          |
| As of January 1, 2024     | 5,969,782,550                      | 822,886,700                          |
| Treasury shares purchased | (29,700,000)                       | (4,050,000)                          |
| As of December 31, 2024   | 5,940,082,550                      | 818,836,700                          |

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19. Retained Earnings

(A) Retained earnings as of December 31, 2024 and 2023 consist of the following:

| <i>(In millions of Korean won)</i> | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------|--------------------------|--------------------------|
| Discretionary reserve and other    | 224,424,501              | 208,198,003              |
| Unappropriated retained earnings   | 146,088,687              | 138,454,235              |
| <b>Total</b>                       | <b>370,513,188</b>       | <b>346,652,238</b>       |

(B) Details of interim and year-end dividends are as follows:

(1) Interim dividends (Record date: March 31, June 30 and September 30, 2024 and 2023)

| <i>(In millions of Korean won and number of shares)</i> |   | <b>2024</b>                          | <b>2023</b>                  |
|---|---|--------------------------------------|------------------------------|
| 1 <sup>st</sup> Quarter                                 | Number of shares eligible for dividends | Ordinary shares<br>Preference shares | 5,969,782,550<br>822,886,700 |
|   | Dividend rate (based on par value)      | Ordinary/Preference                  | 361%<br>361%                 |
|   |   | Ordinary shares                      | 2,155,092<br>2,155,092       |
|   | Dividend amount                         | Preference shares                    | 297,062<br>297,062           |
|   |   | <b>Total</b>                         | 2,452,154<br>2,452,154       |
| 2 <sup>nd</sup> Quarter                                 | Number of shares eligible for dividends | Ordinary shares<br>Preference shares | 5,969,782,550<br>822,886,700 |
|   | Dividend rate (based on par value)      | Ordinary/Preference                  | 361%<br>361%                 |
|   |   | Ordinary shares                      | 2,155,092<br>2,155,092       |
|   | Dividend amount                         | Preference shares                    | 297,062<br>297,062           |
|   |   | <b>Total</b>                         | 2,452,154<br>2,452,154       |
| 3 <sup>rd</sup> Quarter                                 | Number of shares eligible for dividends | Ordinary shares<br>Preference shares | 5,969,782,550<br>822,886,700 |
|   | Dividend rate (based on par value)      | Ordinary/Preference                  | 361%<br>361%                 |
|   |   | Ordinary shares                      | 2,155,092<br>2,155,092       |
|   | Dividend amount                         | Preference shares                    | 297,062<br>297,062           |
|   |   | <b>Total</b>                         | 2,452,154<br>2,452,154       |

(2) Year-end dividends (Record date: December 31, 2024 and 2023)

| <i>(In millions of Korean won and number of shares)</i> |                                      | <b>2024</b>                  | <b>2023</b>                  |
|---|--------------------------------------|------------------------------|------------------------------|
| Number of shares eligible for dividends                 | Ordinary shares<br>Preference shares | 5,940,082,550<br>818,836,700 | 5,969,782,550<br>822,886,700 |
| Dividend rate (based on par value)                      | Ordinary shares<br>Preference shares | 363%<br>364%                 | 361%<br>362%                 |
| Dividend amount   | Ordinary shares<br>Preference shares | 2,156,250<br>298,057         | 2,155,092<br>297,884         |
|   | <b>Total</b>                         | <b>2,454,307</b>             | <b>2,452,976</b>             |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**20. Other Components of Equity**

(A) Other components of equity as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>   | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Gain on valuation of financial assets at fair value through other comprehensive income | 2,155,315         | 194,419           |
| Share of other comprehensive income of associates and joint ventures                   | 424,575           | 185,144           |
| Foreign currency translation differences for foreign operations                        | 18,614,960        | 3,651,112         |
| Remeasurement of net defined benefit assets  | (3,596,943)       | (2,849,526)       |
| Treasury shares  | (1,811,775)       | -                 |
| Other  | 86,876            | 98,981            |
| <b>Total</b>   | <b>15,873,008</b> | <b>1,280,130</b>  |

(B) Treasury shares as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won and number of shares)</i> | 2024                                 | 2023                    |
|---|--------------------------------------|-------------------------|
| Number of treasury shares purchased                     | Ordinary shares<br>Preference shares | 29,700,000<br>4,050,000 |
| Acquisition cost  | Ordinary shares<br>Preference shares | 1,625,252<br>186,523    |
|   |                                      | -                       |

**21. Expenses by Nature**

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

| <i>(In millions of Korean won)</i>                    | 2024               | 2023               |
|---|--------------------|--------------------|
| Changes in finished goods, work in process, and other | 571,892            | (644,905)          |
| Raw materials used, merchandise purchased, and other  | 93,861,545         | 96,219,181         |
| Wages and salaries                                    | 32,877,167         | 30,405,245         |
| Post-employment benefit                               | 1,571,338          | 1,157,422          |
| Depreciation  | 39,649,982         | 35,532,411         |
| Amortization  | 2,980,840          | 3,134,148          |
| Welfare   | 6,823,800          | 6,472,979          |
| Utilities   | 8,403,851          | 7,502,408          |
| Outsourcing   | 7,822,607          | 7,058,833          |
| Advertising   | 5,428,555          | 5,213,896          |
| Sales promotion                                       | 7,300,311          | 6,894,395          |
| Other   | 60,853,054         | 53,422,505         |
| <b>Total<sup>(*)</sup></b>                            | <b>268,144,942</b> | <b>252,368,518</b> |

<sup>(\*)</sup> Equal to sum of cost of sales and selling and administrative expenses in the consolidated statements of profit or loss.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**22. 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>       |
|--|-------------------|-------------------|
| <b>Selling and administrative expenses</b> |                   |                   |
| Wages and salaries                         | 8,647,408         | 8,324,562         |
| Post-employment benefit                    | 453,164           | 299,369           |
| Commissions                                | 8,807,740         | 8,753,442         |
| Depreciation                               | 1,689,079         | 1,649,335         |
| Amortization                               | 716,646           | 688,786           |
| Advertising                                | 5,428,555         | 5,213,896         |
| Sales promotion                            | 7,300,311         | 6,894,395         |
| Transportation                             | 2,960,237         | 1,721,614         |
| Service                                    | 3,843,980         | 3,968,816         |
| Other                                      | 6,737,412         | 6,125,999         |
| <b>Subtotal</b>                            | <b>46,584,532</b> | <b>43,640,214</b> |
| <b>Research and development expenses</b>   |                   |                   |
| Research and development                   | 34,998,142        | 28,339,724        |
| <b>Total</b>                               | <b>81,582,674</b> | <b>71,979,938</b> |

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

Details of 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>      |
|---|------------------|------------------|
| <b>Other non-operating income</b>                 |                  |                  |
| Dividend income                                   | 134,952          | 164,203          |
| Rental income                                     | 155,928          | 150,273          |
| Gain on disposal of property, plant and equipment | 81,647           | 104,663          |
| Other   | 1,587,811        | 761,309          |
| <b>Total</b>                                      | <b>1,960,338</b> | <b>1,180,448</b> |

| <i>(In millions of Korean won)</i>                | <b>2024</b>      | <b>2023</b>      |
|---|------------------|------------------|
| <b>Other non-operating expenses</b>               |                  |                  |
| Loss on disposal of property, plant and equipment | 124,018          | 85,799           |
| Donations   | 216,219          | 243,377          |
| Other   | 1,284,992        | 754,151          |
| <b>Total</b>                                      | <b>1,625,229</b> | <b>1,083,327</b> |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**24. Financial Income and Expenses**

Details of financial 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>       |
|--|-------------------|-------------------|
| <b>Financial income</b>  |                   |                   |
| Interest income  | 4,819,128         | 4,358,022         |
| Financial assets measured at amortized cost                    | 4,818,923         | 4,357,792         |
| Financial assets measured at fair value through profit or loss | 205               | 230               |
| Foreign exchange differences                                   | 10,997,621        | 10,608,661        |
| Gain from derivatives  | 886,555           | 1,133,465         |
| <b>Total</b>   | <b>16,703,304</b> | <b>16,100,148</b> |

| <i>(In millions of Korean won)</i>               | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| <b>Financial expenses</b>                        |                   |                   |
| Interest expenses                                | 903,918           | 930,253           |
| Financial liabilities measured at amortized cost | 176,503           | 510,865           |
| Other financial liabilities                      | 727,415           | 419,388           |
| Foreign exchange differences                     | 11,360,618        | 10,711,058        |
| Loss from derivatives                            | 721,148           | 1,004,219         |
| <b>Total</b>                                     | <b>12,985,684</b> | <b>12,645,530</b> |

The Company recognizes foreign exchange gains and losses arising from foreign currency transactions and translation as financial income and expenses.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**25. Income Tax Expense**

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

| <i>(In millions of Korean won)</i>                           | <b>2024</b>      | <b>2023</b>        |
|--|------------------|--------------------|
| <b>Current taxes</b>   |                  |                    |
| Current tax on profits for the year                          | 6,302,022        | 5,660,505          |
| Global minimum top-up tax                                    | 429,824          | -                  |
| Adjustments recognized in the current year                   | 642,014          | (725,524)          |
| Subtotal   | 7,373,860        | 4,934,981          |
| <b>Deferred taxes</b>  |                  |                    |
| Changes in deferred taxes arising from unused tax credits    | (5,228,946)      | (5,346,657)        |
| Changes in deferred taxes arising from temporary differences | (196,702)        | (3,061,001)        |
| Changes in deferred taxes arising from unused tax losses     | 1,023,962        | (1,041,996)        |
| Other  | 106,209          | 33,838             |
| Subtotal   | (4,295,477)      | (9,415,816)        |
| <b>Income tax expense</b>                                    | <b>3,078,383</b> | <b>(4,480,835)</b> |

(B) The difference between the income tax expense on the Company's profit before tax and the theoretical amount computed using the weighted-average tax rate applicable to the profit before tax of each of the Company's entities is as follows:

| <i>(In millions of Korean won)</i>  | <b>2024</b>      | <b>2023</b>        |
|---|------------------|--------------------|
| <b>Profit before income tax</b>   |                  |                    |
| <b>Tax calculated at weighted average of applicable tax rates<sup>(*)</sup></b> | 37,529,734       | 11,006,265         |
| <b>Adjustments:</b>   |                  |                    |
| Permanent differences   | (220,405)        | 219,374            |
| Temporary differences for which no deferred income tax was recognized           | (14,079)         | (12,588)           |
| Tax credits and exemptions  | (6,566,360)      | (6,706,820)        |
| Results of interest in subsidiaries, etc.                                       | 759,731          | (389,305)          |
| Impact of changes in tax rates  | (12,943)         | (3,926)            |
| Global minimum top-up tax   | 429,824          | -                  |
| Other   | 72,907           | 511,235            |
| Subtotal  | (5,551,325)      | (6,382,030)        |
| <b>Income tax expense</b>   | <b>3,078,383</b> | <b>(4,480,835)</b> |

<sup>(\*)</sup> The statutory tax rate is the weighted average of the statutory tax rates applicable to the Company's year-end profits as of December 31, 2024 and 2023, which vary by tax jurisdictions.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(C) The movement in deferred income tax assets and liabilities for the years ended December 31, 2024 and 2023 are as follows:

|  | 2024                          |                        | 2023                            |                               |                        |                                 |
|--|-------------------------------|------------------------|---------------------------------|-------------------------------|------------------------|---------------------------------|
|  | Balance<br>as of<br>January 1 | Increase<br>(Decrease) | Balance<br>as of<br>December 31 | Balance<br>as of<br>January 1 | Increase<br>(Decrease) | Balance<br>as of<br>December 31 |
| <i>(In millions of Korean won)</i>   |                               |                        |                                 |                               |                        |                                 |
| <b>Deferred tax arising from temporary differences</b>   |                               |                        |                                 |                               |                        |                                 |
| Revaluation of land  | (898,687)                     | 1,998                  | (896,689)                       | (898,505)                     | (182)                  | (898,687)                       |
| Investments in subsidiaries, associates and joint ventures <sup>(*)</sup>                        | (4,902,607)                   | (975,243)              | (5,877,850)                     | (4,960,247)                   | 57,640                 | (4,902,607)                     |
| Accumulated depreciation and other   | (1,883,690)                   | 741,224                | (1,142,466)                     | (2,566,535)                   | 682,845                | (1,883,690)                     |
| Accrued income   | 67,722                        | (29,641)               | 38,081                          | 39,680                        | 28,042                 | 67,722                          |
| Provisions, accrued expenses, and other  | 7,142,616                     | 249,150                | 7,391,766                       | 5,219,130                     | 1,923,486              | 7,142,616                       |
| Foreign currency translation   | 172,903                       | 72,746                 | 245,649                         | 185,900                       | (12,997)               | 172,903                         |
| Asset impairment losses  | 235,745                       | 839                    | 236,584                         | 234,734                       | 1,011                  | 235,745                         |
| Other  | (588,545)                     | 135,629                | (452,916)                       | (969,702)                     | 381,157                | (588,545)                       |
| <b>Subtotal</b>  | <b>(654,543)</b>              | <b>196,702</b>         | <b>(457,841)</b>                | <b>(3,715,545)</b>            | <b>3,061,002</b>       | <b>(654,543)</b>                |
| <b>Deferred tax arising from tax losses</b>  |                               |                        |                                 |                               |                        |                                 |
| Unused tax losses  | 1,318,354                     | (1,023,962)            | 294,392                         | 276,358                       | 1,041,996              | 1,318,354                       |
| <b>Deferred tax arising from unused tax credits</b>  |                               |                        |                                 |                               |                        |                                 |
| Unused tax credits   | 8,093,087                     | 5,228,946              | 13,322,033                      | 2,746,430                     | 5,346,657              | 8,093,087                       |
| <b>Deferred tax recognized in equity</b>   |                               |                        |                                 |                               |                        |                                 |
| Loss on valuation of financial assets at fair value through other comprehensive income and other | (206,835)                     | (563,985)              | (770,820)                       | (50,392)                      | (156,443)              | (206,835)                       |
| Remeasurement of net defined benefit liabilities   | 1,041,185                     | 279,288                | 1,320,473                       | 733,135                       | 308,050                | 1,041,185                       |
| <b>Subtotal</b>  | <b>834,350</b>                | <b>(284,697)</b>       | <b>549,653</b>                  | <b>682,743</b>                | <b>151,607</b>         | <b>834,350</b>                  |
| <b>Net deferred tax assets (liabilities)</b>   | <b>9,591,248</b>              | <b>4,116,989</b>       | <b>13,708,237</b>               | <b>(10,014)</b>               | <b>9,601,262</b>       | <b>9,591,248</b>                |
| Deferred tax assets  | 10,211,797                    | 4,024,671              | 14,236,468                      | 5,101,318                     | 5,110,479              | 10,211,797                      |
| Deferred tax liabilities   | (620,549)                     | 92,318                 | (528,231)                       | (5,111,332)                   | 4,490,783              | (620,549)                       |

(\*) Deferred tax assets are not recognized if it is probable that the temporary differences will not reverse in the foreseeable future for investments in subsidiaries, associates and joint ventures.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The Company assessed that it is probable that deferred tax asset will be realized to the extent that the Company's expected average annual taxable losses and tax credits that can be utilized in each accounting period. However, the following temporary differences have not been recognized for tax purposes as it is not probable that they will be realized in the future as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i> | <b>2024</b> | <b>2023</b> |
|------------------------------------|-------------|-------------|
| Unused tax losses                  | 583,820     | 597,176     |
| Unused tax credits                 | 75,679      | 118,694     |

Expected expiry dates of unused tax losses and credits for which no deferred tax asset is recognized are as follows:

| <i>(In millions of Korean won)</i> | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028 and after</b> |
|------------------------------------|-------------|-------------|-------------|-----------------------|
| Unused tax losses                  | 82,248      | 5,675       | 5,675       | 490,222               |
| Unused tax credits                 | 3,088       | 1,115       | 54,628      | 16,848                |

(D) Details of the period when the deferred tax assets (liabilities) are expected to be recovered (settled) as of 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> |
|--|--------------------------|--------------------------|
| Deferred tax assets                                    |                          |                          |
| Deferred tax assets to be recovered within 12 months   | 219,670                  | 9,392,311                |
| Deferred tax assets to be recovered after 12 months    | 14,016,798               | 819,485                  |
| Subtotal   | <b>14,236,468</b>        | <b>10,211,796</b>        |
| Deferred tax liabilities                               |                          |                          |
| Deferred tax liabilities to be settled after 12 months | (528,231)                | (620,549)                |
| <b>Total</b>   | <b>13,708,237</b>        | <b>9,591,247</b>         |

(E) Global minimum top-up tax

The Company is required to pay additional tax for the difference between global minimum top-up tax rate of 15% and GloBE effective tax rate of each country where its constituent companies are domiciled in accordance with the Pilar Two. As Vietnam's GloBE effective tax rate is less than 15% and Qualified Domestic Minimum Top-up Tax (QDMTT) comes into effect, the Company recognizes the Pilar Two corporate income tax as current tax expense, while subsidiaries in other countries are expected to have no or minimal impact under the Pilar Two. The Company has applied the temporary exemption for recognition and disclosure of the relevant deferred tax assets (liabilities).

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 26. Earnings per Share

##### (A) Basic earnings per share

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

###### (1) Ordinary shares

| <i>(In millions of Korean won, thousands of number of shares)</i> | <b>2024</b>  | <b>2023</b>  |
|---|--------------|--------------|
| Profit for the year attributable to owners of the parent company  | 33,621,363   | 14,473,401   |
| Profit for the year available for ordinary shares                 | 29,547,625   | 12,719,321   |
| Weighted-average number of ordinary shares outstanding            | 5,969,672    | 5,969,783    |
| <b>Basic earnings per ordinary share (in Korean won)</b>          | <b>4,950</b> | <b>2,131</b> |

###### (2) Preference shares

| <i>(In millions of Korean won, thousands of number of shares)</i> | <b>2024</b>  | <b>2023</b>  |
|---|--------------|--------------|
| Profit for the year attributable to owners of the parent company  | 33,621,363   | 14,473,401   |
| Profit for the year available for preference shares               | 4,073,738    | 1,754,080    |
| Weighted-average number of preference shares outstanding          | 822,871      | 822,887      |
| <b>Basic earnings per preference share (in Korean won)</b>        | <b>4,951</b> | <b>2,132</b> |

##### (B) Diluted earnings per share

The Company does not have dilutive potential ordinary shares and as a result, basic earnings per share and diluted earnings per share are the same for the years ended December 31, 2024 and 2023.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**27. Statements of Cash Flows**

(A) The Company used the indirect method to present cash flows from operating activities. Adjustments and changes in assets and liabilities arising from operating activities for the years ended December 31, 2024 and 2023 are as follows:

- Adjustments

| <i>(In millions of Korean won)</i>                        | 2024              | 2023              |
|---|-------------------|-------------------|
| <b>Adjustments:</b>                                       |                   |                   |
| Income tax expense (income)                               | 3,078,383         | (4,480,835)       |
| Financial income  | (7,412,419)       | (6,156,093)       |
| Financial expenses  | 3,879,286         | 3,076,837         |
| Post-employment benefits                                  | 1,571,338         | 1,157,422         |
| Depreciation  | 39,649,982        | 35,532,411        |
| Amortization  | 2,980,840         | 3,134,148         |
| Bad debt expense  | 61,705            | 62,964            |
| Dividend income   | (134,952)         | (164,203)         |
| Share of profit of associates and joint ventures          | (751,044)         | (887,550)         |
| Gain on disposal of property, plant and equipment         | (81,647)          | (104,663)         |
| Loss on disposal of property, plant and equipment         | 124,018           | 85,799            |
| (Reversal of) loss on valuation of inventories and others | (527,092)         | 5,037,579         |
| Other   | 508,681           | 225,718           |
| <b>Total</b>  | <b>42,947,079</b> | <b>36,519,534</b> |

- Changes in assets and liabilities arising from operating activities

| <i>(In millions of Korean won)</i>         | 2024               | 2023               |
|--|--------------------|--------------------|
| <b>Changes in assets and liabilities :</b> |                    |                    |
| Increase in trade receivables              | (2,496,105)        | (90,243)           |
| Decrease (increase) in other receivables   | (642,629)          | 325,894            |
| Increase in prepaid expenses               | (369,269)          | (390,636)          |
| Decrease (increase) in inventories         | 2,541,364          | (3,206,615)        |
| Increase (decrease) in trade payables      | (2,573,560)        | 318,432            |
| Increase in other payables                 | 1,035,043          | 785,534            |
| Increase in advances received              | 235,827            | 138,188            |
| Increase (decrease) in withholdings        | 65,954             | (411,028)          |
| Decrease in accrued expenses               | (156,596)          | (3,704,020)        |
| Increase in provisions                     | 1,503,956          | 1,566,904          |
| Payment of post-employment benefits        | (1,697,139)        | (938,691)          |
| Decrease in external reserve assets        | 1,153,605          | 100,384            |
| Other                                      | (168,008)          | 47,152             |
| <b>Total</b>                               | <b>(1,567,557)</b> | <b>(5,458,745)</b> |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(B) Significant non-cash investing and financing transactions 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> |
|--|-------------|-------------|
| Valuation of financial assets at fair value through other comprehensive income | 3,106,853   | 1,548,022   |
| Valuation of investments in associates and joint ventures                      | 233,746     | 75,112      |
| Reclassification of construction in progress to property, plant and equipment  | 48,452,108  | 39,749,735  |
| New lease contracts established  | 1,296,088   | 1,802,463   |
| Reclassification of current portion of debentures and long-term borrowings     | 2,207,290   | 1,308,875   |

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

(1) 2024

| <i>(In millions of Korean won)</i>  | <b>As of<br/>January 1</b> | <b>Cash flows<br/>from financing<br/>activities</b> | <b>Non-cash transactions</b>   |                            | <b>As of<br/>December 31</b> |
|-------------------------------------|----------------------------|---|--------------------------------|----------------------------|------------------------------|
|                                     |                            |   | <b>New lease<br/>contracts</b> | <b>Other<sup>(*)</sup></b> |                              |
| Short-term borrowings               | 7,114,601                  | 5,871,346   | -                              | 186,557                    | 13,172,504                   |
| Debentures and long-term borrowings | 5,571,343                  | (959,554)   | 1,296,088                      | 249,803                    | 6,157,680                    |
| <b>Total</b>                        | <b>12,685,944</b>          | <b>4,911,792</b>                                    | <b>1,296,088</b>               | <b>436,360</b>             | <b>19,330,184</b>            |

<sup>(\*)</sup> Other includes accrued interest and effects of changes in foreign currency exchange rates.

(2) 2023

| <i>(In millions of Korean won)</i>  | <b>As of<br/>January 1</b> | <b>Cash flows<br/>from financing<br/>activities</b> | <b>Non-cash transactions</b>   |                            | <b>As of<br/>December 31</b> |
|-------------------------------------|----------------------------|---|--------------------------------|----------------------------|------------------------------|
|                                     |                            |   | <b>New lease<br/>contracts</b> | <b>Other<sup>(*)</sup></b> |                              |
| Short-term borrowings               | 5,147,315                  | 2,145,400   | -                              | (178,114)                  | 7,114,601                    |
| Debentures and long-term borrowings | 5,185,927                  | (864,867)   | 1,497,058                      | (246,775)                  | 5,571,343                    |
| <b>Total</b>                        | <b>10,333,242</b>          | <b>1,280,533</b>                                    | <b>1,497,058</b>               | <b>(424,889)</b>           | <b>12,685,944</b>            |

<sup>(\*)</sup> Other includes accrued interest and effects of changes in foreign currency exchange rates.

For the years ended December 31, 2024 and 2023, cash outflows from repayment of the principal of lease liabilities (financial activities) amount to ₩1,184,788 million and ₩1,098,944 million, respectively, while cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩223,938 million and ₩197,202 million, respectively.

(D) The Company recorded cash inflows and outflows from short-term financial instruments with frequent transactions, large gross amounts and short-term maturities, as well as from short-term borrowings on a net basis. As of December 31, 2024, most of the Company's cash and cash equivalents consist mainly of bank deposits.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 28. Financial Risk Management

The Company manages its financial risks with a focus on minimizing market risk, credit risk, liquidity risk and others arising from its operating activities. To this end, the Company closely monitors and responds to each risk factor.

The Company establishes global financial management standards and manages the risks by periodically measuring customer's and counterparties' financial risk, applying currency hedges, and reviewing cash flows.

The Company also manages foreign exchange risk by monitoring foreign exchange rate fluctuations through local financial centers in the major regions (United States, United Kingdom, Singapore, China, Brazil, and Russia), which act as an agent for the subsidiaries in each region to manage foreign exchange transactions. In addition, local finance centers in the major regions respond to liquidity risk through a regionally integrated financial structure.

The Company's financial assets subject to financial risk management consist of cash and cash equivalents, short-term financial instruments, financial assets at amortized cost, trade receivables and others, while its financial liabilities consist of trade payables, borrowings, and others.

##### (A) Market risk

###### (1) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from its global operations through transactions in currencies other than its functional currency. The main currencies in which the Company is exposed to foreign exchange risk are the US dollar and European Euro.

The Company focuses on minimizing the impact of foreign exchange fluctuation by matching levels of assets and liabilities denominated in each foreign currency. To minimize exchange position, the Company's foreign exchange management policy requires normal business transactions, including import and export, as well as financing transactions such as depositing and borrowing, to be in local currency or match as closely as possible cash inflows and outflows incurred in the respective foreign currencies. This reduces but does not eliminate the foreign exchange risk to which the Company is exposed. Moreover, the Company periodically evaluates and monitors the foreign exchange risk to efficiently mitigate such risk, and the speculative foreign exchange transactions are strictly prohibited.

As of December 31, 2024 and 2023, the impact on profit or loss (before tax) of a 5% change in exchange rates on the Company's financial assets and financial liabilities denominated in a major foreign currency other than the functional currency would be as follows:

| <i>(In millions of Korean won)</i> | December 31, 2024 |           | December 31, 2023 |           |
|------------------------------------|-------------------|-----------|-------------------|-----------|
|                                    | Increase          | Decrease  | Increase          | Decrease  |
| USD                                | 365,273           | (365,273) | 418,776           | (418,776) |
| EUR                                | 88,649            | (88,649)  | 151,740           | (151,740) |

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (2) Interest rate risk

Interest rate risk for floating interest rate financial instruments can be defined as the risk of changes in the fair value of components of the statements of financial position due to changes in the market interest rates, and the risk of changes in the future cash flows of interest income and expenses arising from investing and financing activities. The Company's exposure to interest rate risk arises primarily from interest-bearing deposits and floating interest rate debt obligations, and the Company manages its exposure to interest rate risk to minimize uncertainty and cost of financing resulting from changes in interest rates.

As of December 31, 2024 and 2023, the effect on profit or loss before tax of a 1% change in interest rates on the Company's variable rate financial assets and liabilities at the reporting date would have been as follows:

| <i>(In millions of Korean won)</i> | December 31, 2024 |                  | December 31, 2023 |                  |
|------------------------------------|-------------------|------------------|-------------------|------------------|
|                                    | Increase          | Decrease         | Increase          | Decrease         |
| Financial assets                   | 141,671           | (141,671)        | 210,617           | (210,617)        |
| Financial liabilities              | (5,702)           | 5,702            | (6,197)           | 6,197            |
| <b>Net effect</b>                  | <b>135,969</b>    | <b>(135,969)</b> | <b>204,420</b>    | <b>(204,420)</b> |

#### (3) Price risk

The Company's investment portfolio consists of direct and indirect investments in equity instruments classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which is in line with the Company's strategy.

As of December 31, 2024 and 2023, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩76,865 million and ₩52,510 million, respectively, and changes in profit before tax of ₩862 million and ₩3,472 million, respectively.

#### (B) Credit risk

Credit risk arises during the normal course of transactions and investing activities where customers or other parties fail to discharge an obligation. The Company monitors and sets the customer's and counterparty's credit limit on a periodic basis based on their financial conditions, default history and other factors. Adequate insurance coverage is maintained for trade receivables related to trading partners situated in higher risk countries.

Credit risk can arise from transactions with financial institutions including financial instrument transactions such as cash and cash equivalents, deposits, and derivative instruments. To minimize such risk, the Company transacts only with banks that have a strong international credit rating (S&P A and above), and new transactions with financial institutions which the Company does not have an existing relationship are subject to the completion of risk assessments prior to commencement of transactions. The Company generally enters into financial agreements without restrictions, such as debt ratio covenants, provision of collateral and/or repayment of loans/borrowings, and otherwise separate approvals are obtained.

The carrying amount of the Company's financial assets is net of impairment losses and the Company's maximum exposure to credit risk equals the carrying amount of its financial assets.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (C) Liquidity risk

Liquidity risk is the risk that a company will have difficulty in meeting all its financial obligations. The Company's main sources of liquidity are cash generated from operations and funds raised from the capital markets and financial institutions, while its main liquidity needs are for investments in production, research and development, working capital and dividends. Due to the nature of the Company's business, which involves large investments, maintaining adequate levels of liquidity is critical. The Company maintains and manages adequate liquidity through forecasting periodic cash flows, estimating required cash levels, and monitoring inflows and outflows of cash.

The Company has established Cash Pooling by region to respond effectively to liquidity risks, even when individual companies within a region are underfunded. Cash Pooling is a system that shares funds between underfunded and overfunded companies, minimizing the liquidity risk of individual companies, easing the burden of fund management, and reducing financial costs.

In addition, the Company has secured credit lines for its overseas subsidiaries by means of payment guarantees from the head office in the event of large liquidity needs, and, at the end of the period, the Company had investment grade ratings of Aa2 from Moody's and AA- from S&P, enabling it to raise funds on the capital market in a timely manner.

As of December 31, 2024 and 2023, the maturity analysis of financial liabilities, based on the remaining period from the reporting date to the contractual maturity date, is as follows:

| <i>(In millions of Korean won)</i> | <b>December 31, 2024</b>      |                   |                |                    |                              |
|------------------------------------|-------------------------------|-------------------|----------------|--------------------|------------------------------|
|                                    | <b>Less than<br/>3 months</b> | <b>~ 6 months</b> | <b>~1 year</b> | <b>1 ~ 5 years</b> | <b>More than<br/>5 years</b> |
| Financial liabilities              | 55,955,211                    | 1,369,038         | 1,890,467      | 7,659,645          | 1,993,483                    |

  

| <i>(In millions of Korean won)</i> | <b>December 31, 2023</b>      |                   |                |                    |                              |
|------------------------------------|-------------------------------|-------------------|----------------|--------------------|------------------------------|
|                                    | <b>Less than<br/>3 months</b> | <b>~ 6 months</b> | <b>~1 year</b> | <b>1 ~ 5 years</b> | <b>More than<br/>5 years</b> |
| Financial liabilities              | 43,302,421                    | 589,743           | 1,529,785      | 7,811,246          | 2,337,792                    |

The cash flows included in the maturity classification, based on the remaining period to the contractual maturity date, are undiscounted expected cash outflows.

The Company's derivative financial liabilities of ₩36,795 million (December 31, 2023: ₩44,252 million) has been included within the less than 3 months bucket. These are the Company's trading portfolio of derivative instruments, on a net settlement term, of which the contractual maturities are not essential for understanding its cash flows. These contracts are managed on a net fair value basis rather than by the maturity date. Net settled derivatives consist of forwards on currency rates used by the Company to manage the exchange rate profile.

Derivatives that are settled on a gross basis by the delivery of underlying items, including derivatives for hedging, will be settled within the next 35 months from the end of the reporting period. These derivatives are not included in the table above.

Under supplier finance arrangement with a bank, a supplier which provided goods or services to the Company may elect to receive early payment of their invoices from and the bank and the Company repays the bank on the payment due date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide willing suppliers early payment terms. The Company does not derecognize the original trade or other payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

There is no maximum liquidity risk exposure from those other than the above financial liabilities (e.g., payment and performance guarantees) as of December 31, 2024.

#### (D) Derivative financial instruments

The Company uses cash flow hedge accounting to hedges of the exposure to changes in the price of inventories. As of December 31, 2024, the Company's derivative financial instruments designated as cash flow hedges are as follows:

| <i>(In millions of Korean won)</i>  | December 31, 2024 |               | December 31, 2023 |               |
|-------------------------------------|-------------------|---------------|-------------------|---------------|
|                                     | Assets            | Liabilities   | Assets            | Liabilities   |
| Currency forward exchange contracts |                   |               |                   |               |
| Current                             | 30,318            | 30,152        | 50,018            | 15,031        |
| Non-current                         | 13,944            | 27,612        | 19,853            | 18,099        |
| <b>Total</b>                        | <b>44,262</b>     | <b>57,764</b> | <b>69,871</b>     | <b>33,130</b> |

For the years ended December 31, 2024 and 2023, the Company recognizes the gains and losses relating to the effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges in other comprehensive income, which amount to the loss of ₩38,946 million (after tax) and gain of ₩927 million (after tax), respectively, and recognizes the gains relating to the ineffective portion in profit or loss, which amount to the gain of ₩1,063 million (before tax) and ₩1,304 million (before tax), respectively. For the years ended December 31, 2024 and 2023, gains and losses reclassified directly from other comprehensive income to profit or loss amount to the gain of ₩6,642 million (after tax) and ₩6,692 million (after tax), respectively, and the gains reclassified from other comprehensive income to the carrying amount of inventory amount to the gain of ₩35,333 million (after tax) and ₩51,614 million (after tax), respectively.

#### (E) Capital risk management

The purpose of capital management is to maintain a sound capital structure and protect the Company's ability to continue to provide benefits to its shareholders and stakeholders as a going concern. The Company monitors capital on the basis of credit ratings and debt ratio.

The debt ratio as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i> | December 31, 2024 | December 31, 2023 |
|------------------------------------|-------------------|-------------------|
| Total liabilities                  | 112,339,878       | 92,228,115        |
| Total equity                       | 402,192,070       | 363,677,865       |
| <b>Debt ratio</b>                  | <b>27.9%</b>      | <b>25.4%</b>      |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(F) Fair value measurement**

(1) Carrying amounts and fair value of financial instruments by category as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>                                | December 31, 2024  |            | December 31, 2023  |            |
|---|--------------------|------------|--------------------|------------|
|   | Carrying amount    | Fair value | Carrying amount    | Fair value |
| <b>Financial assets</b>   |                    |            |                    |            |
| Cash and cash equivalents   | 53,705,579         | (*1)       | 69,080,893         | (*1)       |
| Short-term financial instruments                                  | 58,909,334         | (*1)       | 22,690,924         | (*1)       |
| Short-term financial assets at amortized cost                     | -                  | -          | 608,281            | (*1)       |
| Short-term financial assets at fair value through profit or loss  | 36,877             | 36,877     | 27,112             | 27,112     |
| Trade receivables   | 43,623,073         | (*1)       | 36,647,393         | (*1)       |
| Financial assets at fair value through other comprehensive income | 10,580,932         | 10,580,932 | 7,481,297          | 7,481,297  |
| Financial assets at fair value through profit or loss             | 1,175,749          | 1,175,749  | 1,431,394          | 1,431,394  |
| Other(*2)   | 14,898,880         | 520,656    | 14,840,275         | 546,021    |
| <b>Total financial assets</b>                                     | <b>182,930,424</b> |            | <b>152,807,569</b> |            |
| <b>Financial liabilities</b>                                      |                    |            |                    |            |
| Trade payables  | 12,370,177         | (*1)       | 11,319,824         | (*1)       |
| Short-term borrowings   | 13,172,504         | (*1)       | 7,114,601          | (*1)       |
| Other payables  | 17,390,861         | (*1)       | 13,996,395         | (*1)       |
| Current portion of long-term liabilities                          | 2,207,290          | 594,010    | 1,308,875          | 6,757      |
| - Long-term borrowing   | 1,611,282          | (*1)(*3)   | 1,302,521          | (*1)(*3)   |
| - Debentures  | 596,008            | 594,010    | 6,354              | 6,757      |
| Debentures  | 14,530             | 16,427     | 537,618            | 529,254    |
| Long-term borrowings  | 3,935,860          | (*1)(*3)   | 3,724,850          | (*1)(*3)   |
| Long-term other payables  | 4,779,141          | (*1)       | 4,907,875          | (*1)       |
| Other(*2)   | 13,793,044         | 94,559     | 11,414,008         | 83,463     |
| <b>Total financial liabilities</b>                                | <b>67,663,407</b>  |            | <b>54,324,046</b>  |            |

(\*1) Assets and liabilities whose carrying amount is a reasonable approximation of fair value are excluded from the fair value disclosures.

(\*2) Assets measured at the cost of ₩14,378,224 million and ₩14,294,254 million as of December 31, 2024 and 2023, respectively, and liabilities measured at the cost of ₩13,698,485 million and ₩11,330,545 million at December 31, 2024 and 2023, respectively, are excluded as their carrying amounts are a reasonable estimate of fair value.

(\*3) Lease liabilities, classified under the current portion of long-term liabilities and long-term borrowings, are excluded from the fair value disclosures in accordance with *Korean IFRS 1107*.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

- (2) Fair value hierarchy classifications of the financial instruments that are measured at or only disclosed their fair value as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>                                | <b>December 31, 2024</b> |                |                |                      |
|---|--------------------------|----------------|----------------|----------------------|
|   | <b>Level 1</b>           | <b>Level 2</b> | <b>Level 3</b> | <b>Total balance</b> |
| <b>Financial assets</b>   |                          |                |                |                      |
| Short-term financial assets at fair value through profit or loss  | -                        | 36,877         | -              | 36,877               |
| Financial assets at fair value through other comprehensive income | 7,686,545                | -              | 2,894,387      | 10,580,932           |
| Financial assets at fair value through profit or loss             | 86,187                   | -              | 1,089,562      | 1,175,749            |
| Other   | -                        | 98,159         | 422,497        | 520,656              |
| <b>Financial liabilities</b>                                      |                          |                |                |                      |
| Current portion of debentures                                     | -                        | 594,010        | -              | 594,010              |
| Debentures  | -                        | 16,427         | -              | 16,427               |
| Other   | -                        | 94,559         | -              | 94,559               |

| <i>(In millions of Korean won)</i>                                | <b>December 31, 2023</b> |                |                |                      |
|---|--------------------------|----------------|----------------|----------------------|
|   | <b>Level 1</b>           | <b>Level 2</b> | <b>Level 3</b> | <b>Total balance</b> |
| <b>Financial assets</b>   |                          |                |                |                      |
| Short-term financial assets at fair value through profit or loss  | -                        | 27,112         | -              | 27,112               |
| Financial assets at fair value through other comprehensive income | 5,250,993                | -              | 2,230,304      | 7,481,297            |
| Financial assets at fair value through profit or loss             | 347,221                  | -              | 1,084,173      | 1,431,394            |
| Other   | -                        | 130,364        | 415,657        | 546,021              |
| <b>Financial liabilities</b>                                      |                          |                |                |                      |
| Current portion of debentures                                     | -                        | 6,757          | -              | 6,757                |
| Debentures  | -                        | 529,254        | -              | 529,254              |
| Other   | -                        | 83,463         | -              | 83,463               |

The levels of the fair value hierarchy and its application to financial assets and liabilities are described below.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The instruments included in Level 1 are listed equity investments, most of which are classified as financial assets at fair value through other comprehensive income.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Company performs the fair value measurements required for financial reporting purposes, including Level 3 fair values, and discusses valuation processes and results in line with the financial reporting timelines. The Company's policy is to recognize transfers between levels at the end of the reporting period if corresponding events or changes in circumstances have occurred.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted to present value

Other techniques, such as discounted cash flow analysis, binomial distribution model, etcetera, are used to determine fair value for the remaining financial instruments. For trade and other receivables that are classified as current assets, the book value approximates a reasonable estimate of fair value.

#### (3) Valuation technique and the inputs

The Company utilizes a present value technique to discount future cash flows using proper interest rates for corporate bonds, government and public bonds, and bank debentures that are classified as Level 2 in the fair value hierarchy.

The following table presents the valuation technique and the inputs used for major financial instruments classified as Level 3 as of December 31, 2024.

*(In millions of Korean won and percentage)*

| Classification   | Fair value | Valuation technique  | Level 3 inputs  | Input range (Weighted average)  |
|--|------------|----------------------|---|---------------------------------|
| <b>Financial assets at fair value through other comprehensive income</b> |            |                      |   |                                 |
| Samsung Venture Investment   | 36,253     | Discounted cash flow | Permanent growth rate<br>Weighted average cost of capital | 1.0%<br>14.5%                   |
| MiCo Ceramics Co., Ltd.  | 49,794     | Discounted cash flow | Permanent growth rate<br>Weighted average cost of capital | 0.0%<br>10.3%                   |
| TCL China Star Optoelectronics Technology Co. Ltd. (CSOT)                | 1,518,963  | Discounted cash flow | Permanent growth rate<br>Weighted average cost of capital | 0.0%<br>9.3%                    |
| China Star Optoelectronics Semiconductor Display Technology Ltd (CSOSDT) | 314,942    | Discounted cash flow | Permanent growth rate<br>Weighted average cost of capital | 0.0%<br>9.3%                    |
| <b>Others</b>  |            |                      |   |                                 |
| Call option on equity instruments  | 373,681    | Binomial model       | Risk-free discount rate<br>Price volatility               | 2.7%<br>47.6%                   |
| Put option on equity instruments   | 48,816     | Binomial model       | Risk-free discount rate<br>Price volatility               | 3.5%~4.6%, 1.4%<br>26.4%, 40.6% |

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(4) Changes in Level 3 instruments 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>      |
|---|------------------|------------------|
| <b>Financial assets</b>                         |                  |                  |
| Balance as of January 1                         | 3,730,134        | 3,303,227        |
| Acquisitions                                    | 250,695          | 207,023          |
| Disposals                                       | (133,546)        | (124,477)        |
| Amount recognized in profit or loss             | 23,415           | 297,680          |
| Amount recognized in other comprehensive income | 322,885          | 46,725           |
| Other   | 212,863          | (44)             |
| <b>Balance as of December 31</b>                | <b>4,406,446</b> | <b>3,730,134</b> |
| <br><i>(In millions of Korean won)</i>          |                  |                  |
| <b>Financial Liabilities</b>                    |                  |                  |
| Balance as of January 1                         | -                | 7,404            |
| Amount recognized in profit or loss             | -                | 619              |
| Other   | -                | (8,023)          |
| <b>Balance as of December 31</b>                | <b>-</b>         | <b>-</b>         |

(5) Sensitivity analysis for recurring fair value measurements categorized within Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the amounts represent the most favorable or unfavorable.

The results of the sensitivity analysis for effect on income or loss before tax from changes in inputs for major financial instruments which are categorized within Level 3 and subject to sensitivity analysis are as follows:

| <i>(In millions of Korean won)</i>   | <b>Favorable changes</b> |                       | <b>Unfavorable changes</b> |                       |               |
|--|--------------------------|-----------------------|----------------------------|-----------------------|---------------|
|  | <b>Classification</b>    | <b>Profit or loss</b> | <b>Equity</b>              | <b>Profit or loss</b> | <b>Equity</b> |
| Financial assets at fair value through other comprehensive income (loss) <sup>(*1)</sup> | -                        | 207,262               | -                          | (134,940)             | -             |
| Other <sup>(*2)</sup>  | 144,566                  | -                     | (131,073)                  | -                     | -             |

<sup>(\*1)</sup> For equity securities, changes in fair value are calculated by increasing or decreasing perpetual growth rate and weighted average cost of capital (-1.0%~1.0%), which are significant unobservable inputs.

<sup>(\*2)</sup> Changes in fair value were calculated by increasing or decreasing underlying asset price (20%) and price volatility (10%), which are significant unobservable inputs.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### **29. Segment Information**

##### (A) Operating segment information

The chief operating decision-maker has been identified as the Management Committee. The Company determines operating segments based on the segment information reported to the Management Committee. The Management Committee reviews the operating profits of each operating segment in order to evaluate the performance and to make strategic decisions regarding the allocation of resources to each segment.

Revenue consists mostly of product sales. The operating segments are product-based and are identified based on the internal organization and revenue streams. As of the reporting date, the operating segments are comprised of DX, DS, SDC, Harman, and others.

The segment information including depreciation, amortization and operating profits is prepared after adjusting intercompany transactions. Total assets and liabilities of each operating segment are excluded from the disclosure as these have not been provided regularly to the Management Committee.

##### (1) For the year ended December 31, 2024

| <i>(In millions of Korean won)</i> | <b>DX</b>   | <b>DS</b>   | <b>SDC</b> | <b>Harman</b> | <b>Intercompany reconciliations</b> | <b>Total<sup>(*)</sup></b> |
|------------------------------------|-------------|-------------|------------|---------------|-------------------------------------|----------------------------|
| Revenue                            | 174,887,683 | 111,065,950 | 29,157,820 | 14,274,930    | (28,515,480)                        | 300,870,903                |
| Depreciation                       | 2,576,351   | 34,097,568  | 2,432,338  | 342,627       | -                                   | 39,649,982                 |
| Amortization                       | 1,634,046   | 674,945     | 233,604    | 207,607       | -                                   | 2,980,840                  |
| Operating profit                   | 12,439,897  | 15,094,486  | 3,733,429  | 1,307,580     | -                                   | 32,725,961                 |

<sup>(\*)</sup> Other operating segments are not separately disclosed.

Revenue by major product for the year ended December 31, 2024 are as follows:

| <i>(In millions of Korean won)</i> | <b>TV, monitor, and other</b> | <b>Smartphone and other</b> | <b>Memory</b> | <b>Display panels</b> | <b>Total<sup>(*)</sup></b> |
|------------------------------------|-------------------------------|-----------------------------|---------------|-----------------------|----------------------------|
| Revenue                            | 30,931,628                    | 114,424,862                 | 84,463,005    | 29,157,820            | 300,870,903                |

<sup>(\*)</sup> Other products are not separately disclosed.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(2) For the year ended December 31, 2023

| <i>(In millions of Korean won)</i> | <b>DX</b>   | <b>DS</b>    | <b>SDC</b> | <b>Harman</b> | <b>Intercompany reconciliations</b> | <b>Total<sup>(*)</sup></b> |
|------------------------------------|-------------|--------------|------------|---------------|-------------------------------------|----------------------------|
| Revenue                            | 169,992,337 | 66,594,471   | 30,975,373 | 14,388,454    | (23,015,141)                        | 258,935,494                |
| Depreciation                       | 2,524,199   | 29,371,056   | 3,108,935  | 327,572       | -                                   | 35,532,411                 |
| Amortization                       | 1,721,938   | 754,901      | 222,045    | 200,896       | -                                   | 3,134,148                  |
| Operating profit (loss)            | 14,384,705  | (14,879,458) | 5,566,478  | 1,173,702     | -                                   | 6,566,976                  |

<sup>(\*)</sup> Other operating segments are not separately disclosed.

Revenue by major product for the year ended December 31, 2023 are as follows:

| <i>(In millions of Korean won)</i> | <b>TV, monitor, and other</b> | <b>Smartphone and other</b> | <b>Memory</b> | <b>Display panels</b> | <b>Total<sup>(*)</sup></b> |
|------------------------------------|-------------------------------|-----------------------------|---------------|-----------------------|----------------------------|
| Revenue                            | 30,375,193                    | 108,632,515                 | 44,125,386    | 30,975,373            | 258,935,494                |

<sup>(\*)</sup> Other products are not separately disclosed.

#### (B) Regional information

The regional information provided to the Management Committee for the reportable segments as of and for the years ended December 31, 2024 and 2023 are as follows:

(1) As of and for the year ended December 31, 2024

| <i>(In millions of Korean won)</i> | <b>Korea</b> | <b>America</b> | <b>Europe</b> | <b>Asia and Africa</b> | <b>China</b> | <b>Intercompany elimination</b> | <b>Consolidated</b> |
|------------------------------------|--------------|----------------|---------------|------------------------|--------------|---------------------------------|---------------------|
| Revenue                            | 39,826,088   | 118,828,546    | 50,118,754    | 48,171,377             | 43,926,138   | -                               | 300,870,903         |
| Non-current assets <sup>(*)</sup>  | 177,190,869  | 28,361,758     | 6,736,899     | 9,681,791              | 10,007,583   | (2,295,125)                     | 229,683,775         |

<sup>(\*)</sup> Financial instruments, deferred tax assets, investments in associates and joint ventures, and others are excluded from non-current assets.

(2) As of and for the year ended December 31, 2023

| <i>(In millions of Korean won)</i> | <b>Korea</b> | <b>America</b> | <b>Europe</b> | <b>Asia and Africa</b> | <b>China</b> | <b>Intercompany elimination</b> | <b>Consolidated</b> |
|------------------------------------|--------------|----------------|---------------|------------------------|--------------|---------------------------------|---------------------|
| Revenue                            | 45,599,419   | 92,136,669     | 48,108,965    | 44,814,355             | 28,276,086   | -                               | 258,935,494         |
| Non-current assets <sup>(*)</sup>  | 163,312,301  | 20,346,775     | 6,288,864     | 8,737,541              | 12,191,879   | (879,236)                       | 209,998,124         |

<sup>(\*)</sup> Financial instruments, deferred tax assets, investments in associates and joint ventures, and others are excluded from non-current assets.

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30. Related Party Transactions

#### (A) Sale and purchase transactions

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

|  |                                       | <b>2024</b>      |   |   |
|--|---------------------------------------|------------------|---|---|
| <i>(In millions of<br/>Korean won)</i> | <b>Name of company<sup>(*)1</sup></b> | <b>Sales</b>     | <b>Disposal of<br/>non-current<br/>assets</b> | <b>Purchase of<br/>non-current<br/>assets</b> |
| Associates and joint ventures          | Samsung SDS Co., Ltd.                 | 104,837          | 21,504  | 2,130,399                                     |
|  | Samsung Electro-Mechanics Co., Ltd.   | 46,773           | -   | 1,196,979                                     |
|  | Samsung SDI Co., Ltd.                 | 107,474          | -   | 664,368                                       |
|  | Cheil Worldwide Inc.                  | 35,535           | -   | 1,004,792                                     |
|  | Other                                 | 1,167,252        | 122   | 12,656,359                                    |
| <b>Total</b>                           |                                       | <b>1,461,871</b> | <b>21,626</b>                                 | <b>17,652,897</b>                             |
| <b>Total</b>                           |                                       | <b>1,461,871</b> | <b>21,626</b>                                 | <b>17,652,897</b>                             |
| Other related parties                  | Samsung C&T Co., Ltd.                 | 23,472           | -   | 262,652                                       |
|  | Other                                 | 757,640          | -   | 1,395,795                                     |
|  | <b>Total</b>                          | <b>781,112</b>   | <b>-</b>                                      | <b>1,658,447</b>                              |
| Other <sup>(*)2</sup>                  | Samsung E&A Co., Ltd.                 | 2,464            | -   | 72,000  |
|  | S-1                                   | 12,320           | -   | 541,532                                       |
|  | Other                                 | 247,997          | -   | 562,134                                       |
|  | <b>Total</b>                          | <b>262,781</b>   | <b>-</b>                                      | <b>1,175,666</b>                              |

<sup>(\*)1</sup> Transactions with separate entities that are related parties of the Company.

<sup>(\*)2</sup> Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

|  |                                       | <b>2023</b>      |   |   |
|--|---------------------------------------|------------------|---|---|
| <i>(In millions of<br/>Korean won)</i> | <b>Name of company<sup>(*)1</sup></b> | <b>Sales</b>     | <b>Disposal of<br/>non-current<br/>assets</b> | <b>Purchase of<br/>non-current<br/>assets</b> |
| Associates and joint ventures          | Samsung SDS Co., Ltd.                 | 202,810          | -   | 1,984,263                                     |
|  | Samsung Electro-Mechanics Co., Ltd.   | 69,782           | -   | 1,113,058                                     |
|  | Samsung SDI Co., Ltd.                 | 110,025          | -   | 754,792                                       |
|  | Cheil Worldwide Inc.                  | 38,930           | -   | 948,677                                       |
|  | Other                                 | 1,023,702        | -   | 12,540,601                                    |
| <b>Total</b>                           |                                       | <b>1,445,249</b> | <b>-</b>                                      | <b>17,341,391</b>                             |
| Other related parties                  | Samsung C&T Co., Ltd.                 | 49,366           | 70  | 270,079                                       |
|  | Other                                 | 582,978          | -   | 1,675,564                                     |
|  | <b>Total</b>                          | <b>632,344</b>   | <b>70</b>                                     | <b>1,945,643</b>                              |
| Other <sup>(*)2</sup>                  | Samsung E&A Co., Ltd.                 | 1,358            | -   | 35,482  |
|  | S-1                                   | 9,720            | -   | 527,232                                       |
|  | Other                                 | 239,223          | -   | 1,251,775                                     |
|  | <b>Total</b>                          | <b>250,301</b>   | <b>-</b>                                      | <b>1,814,489</b>                              |

<sup>(\*)1</sup> Transactions with separate entities that are related parties of the Company.

<sup>(\*)2</sup> Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

# Samsung Electronics Co., Ltd. and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (B) Balances of receivables and payables

Balances of receivables and payables arising from the sales and purchases of goods and services as of December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i> | <b>Name of company<sup>(*)1</sup></b> | <b>December 31, 2024</b> |                                |
|------------------------------------|---------------------------------------|--------------------------|--------------------------------|
|                                    |                                       | <b>Receivables</b>       | <b>Payables<sup>(*)2</sup></b> |
| Associates and joint ventures      | Samsung SDS Co., Ltd.                 | 23,493                   | 617,140                        |
|                                    | Samsung Electro-Mechanics Co., Ltd.   | 5,704                    | 113,971                        |
|                                    | Samsung SDI Co., Ltd.                 | 123,940                  | 50,278                         |
|                                    | Cheil Worldwide Inc.                  | 206                      | 436,315                        |
|                                    | Other                                 | 311,560                  | 1,380,625                      |
| <b>Total</b>                       |                                       | <b>464,903</b>           | <b>2,598,329</b>               |
| Other related parties              | Samsung C&T Co., Ltd.                 | 205,420                  | 1,868,959                      |
|                                    | Other                                 | 19,784                   | 743,167                        |
|                                    | <b>Total</b>                          |                          | <b>225,204</b>                 |
| Other <sup>(*)3</sup>              | Samsung E&A Co., Ltd.                 | 513                      | 1,919,798                      |
|                                    | S-1                                   | 2,660                    | 66,988                         |
|                                    | Other                                 | 16,848                   | 626,382                        |
|                                    | <b>Total</b>                          |                          | <b>20,021</b>                  |
| <b>Total</b>                       |                                       | <b>2,613,168</b>         |                                |

<sup>(\*)1</sup> Balances due from and to separate entities that are related parties of the Company.

<sup>(\*)2</sup> Payables and others include lease liabilities.

<sup>(\*)3</sup> Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

| <i>(In millions of Korean won)</i> | <b>Name of company<sup>(*)1</sup></b> | <b>December 31, 2023</b> |                                |
|------------------------------------|---------------------------------------|--------------------------|--------------------------------|
|                                    |                                       | <b>Receivables</b>       | <b>Payables<sup>(*)2</sup></b> |
| Associates and joint ventures      | Samsung SDS Co., Ltd.                 | 84,747                   | 458,723                        |
|                                    | Samsung Electro-Mechanics Co., Ltd.   | 1,894                    | 138,405                        |
|                                    | Samsung SDI Co., Ltd.                 | 117,690                  | 92,854                         |
|                                    | Cheil Worldwide Inc.                  | 137                      | 440,414                        |
|                                    | Other                                 | 310,708                  | 1,268,131                      |
| <b>Total</b>                       |                                       | <b>515,176</b>           | <b>2,398,527</b>               |
| Other related parties              | Samsung C&T Co., Ltd.                 | 213,538                  | 1,955,976                      |
|                                    | Other                                 | 23,155                   | 318,355                        |
|                                    | <b>Total</b>                          |                          | <b>236,693</b>                 |
| Other <sup>(*)3</sup>              | Samsung E&A Co., Ltd.                 | 305                      | 807,098                        |
|                                    | S-1                                   | 1,289                    | 49,955                         |
|                                    | Other                                 | 16,096                   | 390,073                        |
|                                    | <b>Total</b>                          |                          | <b>17,690</b>                  |
| <b>Total</b>                       |                                       | <b>1,247,126</b>         |                                |

<sup>(\*)1</sup> Balances due from and to separate entities that are related parties of the Company.

<sup>(\*)2</sup> Payables and others include lease liabilities.

<sup>(\*)3</sup> Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- (C) For the years ended December 31, 2024 and 2023, the Company invested ₩11,710 million and ₩78,690 million, respectively, in associates and joint ventures. In addition, the Company made a capital recovery of ₩33,178 million and ₩33,457 million from its investments in associates and joint ventures during the years ended December 31, 2024 and 2023, respectively.
- (D) For the years ended December 31, 2024 and 2023, the Company declared dividends of ₩1,610,832 million and ₩1,650,995 million, respectively, to related parties. In addition, for the years ended December 31, 2024 and 2023, the Company declared dividends of ₩128,232 million and ₩128,232 million, respectively, to the entities that are not related parties of the Company in accordance with Korean IFRS 1024, but belong to the same conglomerate according to the Monopoly Regulation and Fair Trade Act. As of December 31, 2024 and 2023, there are no dividends payable to related parties.
- (E) For the years ended December 31, 2024 and 2023, the Company entered into lease agreements with its related parties amounting to ₩31,076 million and ₩3,791 million, respectively, and the lease payments made to the related parties were ₩41,800 million and ₩25,443 million, respectively.
- (F) Key management compensation

The compensation paid or payable to key management (executive directors) for their services for the years ended December 31, 2024 and 2023 consists of:

| <i>(In millions of Korean won)</i> | <b>2024</b> | <b>2023</b> |
|------------------------------------|-------------|-------------|
| Short-term employee benefits       | 9,991       | 14,073      |
| Post-employment benefits           | 600         | 557         |
| Other long-term employee benefits  | 8,078       | 7,834       |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**31. Information for Non-Controlling Interests**

(A) Changes in non-controlling interests

The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of subsidiaries that are material to the Company for the years ended December 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>      | <b>Samsung Display Co., Ltd. and its subsidiaries</b> |                  |
|---|---|------------------|
|   | <b>2024</b>   | <b>2023</b>      |
| Percentage of non-controlling interests | 15.2%   | 15.2%            |
| Balance as of January 1                 | 9,727,674   | 8,853,712        |
| Profit for the year                     | 779,506   | 941,786          |
| Dividends                               | (1,022,540)   | (43,646)         |
| Other                                   | 345,013   | (24,178)         |
| <b>Balance as of December 31</b>        | <b>9,829,653</b>                                      | <b>9,727,674</b> |

(B) The summarized financial information for the subsidiary with non-controlling interests that are material to the Company before the intercompany eliminations for the years ended December 31, 2024 and 2023 are as follows:

(1) Summarized consolidated statements of financial position

| <i>(In millions of Korean won)</i> | <b>Samsung Display Co., Ltd. and its subsidiaries</b> |                          |
|------------------------------------|---|--------------------------|
|                                    | <b>December 31, 2024</b>                              | <b>December 31, 2023</b> |
| Current assets                     | 22,421,643  | 24,721,411               |
| Non-current assets                 | 50,635,008  | 46,413,723               |
| Current liabilities                | 6,667,092   | 5,821,885                |
| Non-current liabilities            | 1,501,348   | 1,485,250                |
| Equity attributable to:            |   |                          |
| Owners of the parent company       | 64,888,211  | 63,827,999               |
| Non-controlling interests          | 64,849,566  | 63,769,776               |
|                                    | 38,645  | 58,223                   |

(2) Summarized consolidated statements of comprehensive income

| <i>(In millions of Korean won)</i>          | <b>Samsung Display Co., Ltd. and its subsidiaries</b> |             |
|---|---|-------------|
|   | <b>2024</b>   | <b>2023</b> |
| Sales                                       | 29,135,660  | 30,950,579  |
| Profit for the year                         | 5,087,437   | 6,331,238   |
| Other comprehensive income (loss)           | 2,652,443   | (108,689)   |
| Total comprehensive income attributable to: | 7,739,880   | 6,222,549   |
| Owners of the parent company                | 7,730,156   | 6,217,248   |
| Non-controlling interests                   | 9,724   | 5,301       |

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(3) Summarized consolidated statements of cash flows

| <i>(In millions of Korean won)</i>                           | <b>Samsung Display Co., Ltd. and its subsidiaries</b> |             |
|--|---|-------------|
|  | <b>2024</b>   | <b>2023</b> |
| Cash flows from operating activities                         | 6,570,627   | 9,244,331   |
| Cash flows used in investing activities                      | (5,907,733)   | (3,931,091) |
| Cash flows used in financing activities                      | (5,975,290)   | (277,515)   |
| Reclassified as held-for-sale                                | -   | (14,153)    |
| Effect of exchange rate changes on cash and cash equivalents | 183,925   | (1,534)     |
| Increase (decrease) in cash and cash equivalents             | (5,128,471)   | 5,020,038   |
| Cash and cash equivalents at beginning of the year           | 7,329,248   | 2,309,210   |
| Cash and cash equivalents at end of year                     | 2,200,777   | 7,329,248   |

### 32. Assets and Liabilities Held-for-Sale

During the year ended December 31, 2023, the Company's management decided to sell its 56.8% ownership in Dowooinsys Co., Ltd. to three parties, including New Power Plasma Co., Ltd. The sale and purchase agreement was signed on December 7, 2023, and the sale was completed on January 31, 2024.

- (1) Details of assets and liabilities classified as held-for-sale as of December 31, 2023 are as follows:  
 (2)

| <i>(In millions of Korean won)</i>                  | <b>December 31, 2023</b>    |                                  |
|---|-----------------------------|----------------------------------|
|   | <b>Assets held-for-sale</b> | <b>Liabilities held-for-sale</b> |
| Cash and cash equivalents                           | 14,153                      | 27,608                           |
| Trade receivables                                   | 1,316                       | 34,046                           |
| Inventories   | 4,697                       | -                                |
| Other current assets                                | 13,134                      | -                                |
| Property, plant and equipment and intangible assets | 181,251                     | -                                |
| Other non-current assets                            | 3,313                       | -                                |
| <b>Total</b>  | <b>217,864</b>              | <b>61,654</b>                    |

- (3) Details of accumulated other comprehensive income (loss) attributable to assets held-for-sale are as follows:

| <i>(In millions of Korean won)</i> | <b>December 31, 2023</b>                        |              |
|------------------------------------|---|--------------|
|                                    | <b>Foreign currency translation, net of tax</b> | <b>(217)</b> |
|                                    |   |              |

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**33. Subsequent Events**

Based on a resolution by the board of directors on November 15, 2024, the Company is in the process of purchasing treasury shares. Subsequent to December 31, 2024, the Company acquired a total of 23.3 million shares (20.44 million ordinary shares and 2.86 million preferred shares).