

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

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of March 31, 2024 and December 31, 2023, and  
for the three-month periods ended March 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 communication 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 227 subsidiaries, including Samsung Display Co., Ltd. and Samsung Electronics America Inc. The Company also applies the equity method of accounting for its 37 associates and joint ventures, including Samsung Electro-Mechanics Co., Ltd.

##### 1.2 Consolidated Subsidiaries

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

| Region                   | Subsidiaries  | Industry   | 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)                    | 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 HVAC America, LLC                               | Sale of air conditioning products                | 100.0                                      |
|                          | Joyent, Inc.  | Cloud services                                   | 100.0                                      |
|                          | SmartThings, Inc.                                       | Sale of smart home electronics                   | 100.0                                      |
|                          | TeleWorld Solutions, Inc. (TWS)                         | Installation 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  |  |

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

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

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

| <b>Region</b> | <b>Subsidiaries</b>  | <b>Industry</b>                             | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|---------------|--|---|--|
|               | 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  |
| America       | 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, sale and R&D of audio products | 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.    | Sales and R&D of audio products             | 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.                                      | Sales and R&D of audio products             | 100.0  |
|               | Roon Labs, LLC.  | Sale of audio products                      | 100.0  |
|               | Beijing Integrated Circuit Industry International Fund LP      | Venture capital investments                 | 61.4   |
|               | China Materialia New Materials 2016 Limited Partnership        | Venture capital investments                 | 99.0   |

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

| <b>Region</b> | <b>Subsidiaries</b>  | <b>Industry</b>                            | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|---------------|--|--|--|
|               | 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  |
| Europe/CIS    | 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 Display Slovakia, s.r.o., v likvidacii (SDSK)      | Toll processing of display panels          | 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  |
|               | 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 Electronics Overseas B.V. (SEO)                    | 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  |

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

| <b>Region</b> | <b>Subsidiaries</b>                                | <b>Industry</b>                              | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|---------------|--|--|--|
|               | 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, sales and R&D of audio products | 100.0  |
|               | Harman Becker Automotive Systems Italy S.R.L.      | Sale of audio products                       | 100.0  |
|               | Harman Becker Automotive Systems Manufacturing Kft | Manufacture and R&D of audio products        | 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  |
| Europe/CIS    | 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 and R&D of audio products               | 100.0  |
|               | Harman International Romania SRL                   | R&D  | 100.0  |
|               | Harman Management GmbH                             | Management of overseas subsidiaries          | 100.0  |
|               | Harman Professional Kft                            | Manufacture and R&D of audio products        | 100.0  |
|               | Harman Professional Denmark ApS                    | Sale and R&D of audio products               | 100.0  |
|               | Red Bend Software SAS                              | Software design                              | 100.0  |
|               | Studer Professional Audio GmbH                     | Sale and R&D of audio products               | 100.0  |
|               | Harman Connected Services OOO                      | Connected service provider                   | 100.0  |
|               | Harman RUS CIS LLC                                 | Sale of audio products                       | 100.0  |

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

| <b>Region</b>          | <b>Subsidiaries</b>   | <b>Industry</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 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  |
|                        | Samsung R&D Institute Japan Co. Ltd. (SRJ)                            | R&D  | 100.0  |

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

| <b>Region</b>                | <b>Subsidiaries</b>                                       | <b>Industry</b>                                  | <b>Percentage of ownership (%)<sup>(*)</sup></b> |
|------------------------------|---|--|--|
| Asia<br>(Excluding<br>China) | 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, R&D                      | 100.0  |
|                              | Harman International Industries PTY Ltd.                  | Management of overseas subsidiaries              | 100.0  |
|                              | Harman International Japan Co., Ltd.                      | Sale of audio products, R&D                      | 100.0  |
|                              | Harman Singapore Pte. Ltd.                                | Sale of audio products                           | 100.0  |
| China                        | 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  |
|                              | Tianjin Samsung Electronics Co., Ltd. (TSEC)              | Manufacture of TV and monitors                   | 91.2   |
|                              | 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 and R&D of audio products            | 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 and R&D of audio products                   | 100.0  |
|                              | Harman Technology (Shenzhen) Co., Ltd.                    | Sale and R&D of audio products                   | 100.0  |

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

| Region   | Subsidiaries   | Industry  | Percentage of ownership (%) <sup>(*)</sup> |
|----------|--|---|--|
|          | 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                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #22                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #26                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #28                              | Technology business, Venture capital investments                                    | 99.0                                       |
| Domestic | Samsung Venture Capital Union #29                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #32                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #33                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #37                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #40                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #42                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #43                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #45                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #52                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #55                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #56                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #57                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Samsung Venture Capital Union #62                              | Technology business, Venture capital investments                                    | 99.0                                       |
|          | Growth Type Private Equity Trust Specialized In Semiconductors | Investment on semiconductor industry  | 66.7                                       |
|          | System LSI Mutual Benefit Private Equity Trust                 | Investment on semiconductor industry  | 62.5                                       |
|          | Semiconductor Ecosystem General Private Equity Trust           | Investment on semiconductor industry  | 66.7                                       |

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**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 March 31, 2024</b> |                    | <b>For the three-month period ended<br/>March 31, 2024</b> |                                  |
|--|-----------------------------|--------------------|--|----------------------------------|
| <b>Major subsidiaries<sup>(*)</sup></b>                    | <b>Assets</b>               | <b>Liabilities</b> | <b>Sales</b>   | <b>Profit<br/>for the period</b> |
| Samsung Display Co., Ltd.                                  | 59,679,316                  | 5,958,648          | 4,416,769  | 1,988,742                        |
| Samsung Electronics America, Inc. (SEA)                    | 44,265,159                  | 16,100,432         | 10,802,156   | 320,694                          |
| Samsung Asia Pte. Ltd. (SAPL)                              | 27,595,924                  | 346,498            | -  | 4,268,036                        |
| Samsung Austin Semiconductor LLC. (SAS)                    | 19,369,723                  | 9,909,787          | 1,047,393  | 137,751                          |
| Harman and its subsidiaries <sup>(*)2</sup>                | 18,357,132                  | 5,833,817          | 3,188,425  | 181,434                          |
| Samsung (China) Semiconductor Co., Ltd. (SCS)              | 16,604,495                  | 981,073            | 3,062,668  | 278,116                          |
| Samsung Semiconductor, Inc. (SSI)                          | 12,864,862                  | 5,982,046          | 6,886,736  | 71,338                           |
| Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)    | 11,371,976                  | 3,602,504          | 11,035,651   | 955,233                          |
| Samsung (CHINA) Investment Co., Ltd. (SCIC)                | 10,943,384                  | 10,374,957         | 824,353  | 56,727                           |
| Samsung Electronics Europe Holding Cooperatief U.A. (SEEH) | 9,889,972                   | 4,646,810          | -  | 74,334                           |
| Samsung India Electronics Private Ltd. (SIEL)              | 9,036,280                   | 3,998,663          | 4,473,966  | 485,100                          |
| Samsung Electronics Vietnam Co., Ltd. (SEV)                | 6,257,264                   | 2,015,234          | 5,682,381  | 404,813                          |
| Shanghai Samsung Semiconductor Co., Ltd. (SSS)             | 6,111,601                   | 5,690,425          | 7,245,188  | 112,888                          |
| Samsung Display Vietnam Co., Ltd. (SDV)                    | 6,074,465                   | 1,448,676          | 3,580,221  | 167,858                          |
| Samsung Eletronica da Amazonia Ltda. (SEDA)                | 5,367,477                   | 1,820,201          | 2,127,073  | 151,276                          |
| Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)       | 4,332,474                   | 934,331            | 1,685,609  | 55,077                           |
| Thai Samsung Electronics Co., Ltd. (TSE)                   | 3,034,988                   | 651,231            | 1,246,205  | 30,487                           |
| Samsung Electronics (UK) Ltd. (SEUK)                       | 2,977,640                   | 1,972,562          | 1,662,705  | 44,582                           |
| Samsung Electronics Mexico S.A. De C.V. (SEM)              | 2,751,099                   | 1,518,190          | 1,093,900  | 40,778                           |
| Samsung Electronics Europe Logistics B.V. (SELS)           | 2,709,719                   | 2,040,913          | 4,310,686  | 465,913                          |
| Samsung Electronics Taiwan Co., Ltd. (SET)                 | 2,452,532                   | 1,739,421          | 1,493,143  | 52,453                           |
| Samsung International, Inc. (SII)                          | 2,354,443                   | 643,332            | 1,657,803  | 144,799                          |
| Samsung Electronics GmbH (SEG)                             | 2,246,143                   | 2,155,995          | 1,803,932  | 24,164                           |
| SEMES Co., Ltd.  | 2,210,055                   | 645,361            | 576,056  | 36,966                           |
| Samsung Electronics Benelux B.V. (SEBN)                    | 1,953,646                   | 784,939            | 847,508  | 70,004                           |

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

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



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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

(2) 2023

| <i>(In millions of Korean won)</i>                         | <b>As of December 31, 2023</b> |                    | <b>For the three-month period ended<br/>March 31, 2023</b> |                                  |
|--|--------------------------------|--------------------|--|----------------------------------|
|  | <b>Assets</b>                  | <b>Liabilities</b> | <b>Sales</b>   | <b>Profit<br/>for the period</b> |
| <b>Major subsidiaries<sup>(*1)</sup></b>                   |                                |                    |  |                                  |
| Samsung Display Co., Ltd.                                  | 65,328,568                     | 7,266,213          | 5,590,642  | 1,533,158                        |
| Samsung Electronics America, Inc. (SEA)                    | 41,926,899                     | 15,322,780         | 10,820,272   | 215,264                          |
| Samsung Asia Pte. Ltd. (SAPL)                              | 22,234,942                     | 282,614            | -  | 6,633,188                        |
| Harman and its subsidiaries(*2)                            | 17,956,557                     | 6,009,675          | 3,162,476  | 80,823                           |
| Samsung Austin Semiconductor LLC. (SAS)                    | 16,714,945                     | 7,791,914          | 955,210  | 104,118                          |
| Samsung (China) Semiconductor Co., Ltd. (SCS)              | 15,808,283                     | 870,453            | 2,570,175  | 326,822                          |
| Samsung Semiconductor, Inc. (SSI)                          | 12,796,440                     | 6,276,293          | 4,963,535  | 126,986                          |
| Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)    | 12,554,481                     | 3,593,527          | 8,617,574  | 296,034                          |
| Samsung (CHINA) Investment Co., Ltd. (SCIC)                | 10,222,557                     | 8,797,991          | 871,611  | 165,215                          |
| Samsung Electronics Europe Holding Cooperatief U.A. (SEEH) | 9,660,481                      | 4,585,806          | -  | 8,475                            |
| Samsung India Electronics Private Ltd. (SIEL)              | 7,738,259                      | 3,373,730          | 3,813,918  | 333,280                          |
| Samsung Display Vietnam Co., Ltd. (SDV)                    | 7,383,485                      | 1,570,459          | 5,188,088  | 450,095                          |
| Samsung Electronics Vietnam Co., Ltd. (SEV)                | 7,301,860                      | 2,215,062          | 5,696,296  | 462,841                          |
| Samsung Eletronica da Amazonia Ltda. (SEDA)                | 5,542,627                      | 1,587,911          | 1,915,702  | 132,232                          |
| Shanghai Samsung Semiconductor Co., Ltd. (SSS)             | 5,262,086                      | 4,552,030          | 2,919,973  | 64,077                           |
| Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)       | 4,043,677                      | 843,736            | 1,497,391  | 198,526                          |
| Thai Samsung Electronics Co., Ltd. (TSE)                   | 3,039,379                      | 640,512            | 1,218,750  | 89,052                           |
| Samsung Electronics (UK) Ltd. (SEUK)                       | 2,902,722                      | 1,976,067          | 1,527,336  | 72,350                           |
| SEMES Co., Ltd.  | 2,187,919                      | 659,607            | 726,353  | 24,283                           |
| Samsung Electronics Mexico S.A. De C.V. (SEM)              | 2,153,032                      | 1,038,115          | 842,543  | 59,287                           |
| Samsung Electronics GmbH (SEG)                             | 2,097,706                      | 2,033,152          | 1,641,944  | 60,288                           |
| Samsung International, Inc. (SII)                          | 1,879,442                      | 383,763            | 1,755,989  | 365,590                          |
| Samsung Electronics Taiwan Co., Ltd. (SET)                 | 1,797,627                      | 1,139,056          | 945,813  | 2,199                            |
| Samsung Electronics Benelux B.V. (SEBN)                    | 1,794,552                      | 639,120            | 831,705  | 106,217                          |
| Samsung Electronics Europe Logistics B.V. (SELS)           | 1,639,004                      | 1,443,005          | 4,242,449  | 184,428                          |

(\*1) Summary of financial information is based on separate financial statements of each subsidiary.

(\*2) Consolidated financial data of an intermediate company that includes Harman International Industries, Inc. and its subsidiaries.

**1.4 Changes in Consolidation Scope**

Changes in consolidation scope during the three-month period ended March 31, 2024 are as follows:

| <b>Change</b> | <b>Region</b>         | <b>Subsidiary</b>                 | <b>Description</b> |
|---------------|-----------------------|-----------------------------------|--------------------|
|               | America               | Harman Financial Group LLC        | Liquidation        |
|               | Asia(Excluding China) | DOWOOINSYS VINA COMPANY LIMITED   | Sale of business   |
| Excluded      |                       | Dowooinys Co., Ltd.               | Sale of business   |
|               | Europe/CIS            | Gf-System Co., Ltd.               | Sale of business   |
|               |                       | Samsung Venture Capital Union #48 | Liquidation        |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

2. Material Accounting Policies

2.1 Basis of Presentation

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

The interim consolidated financial statements for the three-month period ended March 31, 2024 have been prepared in accordance with Korean IFRS 1034, *Interim Financial Reporting*. These interim consolidated financial statements have been prepared in accordance with the Korean IFRS which is effective as of March 31, 2024.

(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 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 application of amendments does not have a significant impact on the Company’s interim 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 application of amendments does not have a significant impact on the Company’s interim consolidated financial statements.

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

The amendments add to the disclosure objectives in Korean IFRS 1007, *Statement of Cash Flows*, that information about supplier financing arrangements should be disclosed to enable users of financial statements to assess the impact of those arrangements on the Company’s liabilities and cash flows. The amendments also amend Korean IFRS 1107, *Financial Instruments: Presentation*, to add supplier financing arrangements as an example of a requirement to disclose information about an entity’s exposure to concentrations of liquidity risk. The application of amendments does not have a significant impact on the Company’s interim consolidated financial statements.

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

The amended accounting standard issued that is not yet effective for the annual reporting period commencing 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*

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

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The amendments require exchangeability of two currencies should be assessed in order to clarify reporting of foreign currency transactions in the absence of normal-functioning foreign exchange market. The amendments also require applicable spot exchange rate should be determined when the assessment indicates two currencies lack exchangeability. The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early application permitted.

#### **2.2 Accounting Policies**

Material accounting policies and method of computation used in the preparation of the interim consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended December 31, 2023, except for the changes due to the application of amendments of standards described in Note 2.1 and as described below.

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year considering global minimum top-up tax. The estimated average annual effective income tax rate is applied to the pre-tax income of the interim period.

#### **2.3 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 dollars at the rate of ₩ 1,328.2 to \$1, the average exchange rate for the three-month period ended March 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 at any other rate.

#### **2.4 Material Accounting Estimates and Assumptions**

In preparing the interim consolidated financial statements, the management of the Company makes judgements, estimates and assumptions on matters which affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, by definition, seldom equal the related actual results

Material accounting estimates and assumptions made in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2023, except for the estimates used to determine the income tax expense.

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**3. Financial Instruments by Category**

Categorizations of financial assets and liabilities as of March 31, 2024 and December 31, 2023 are as follows:

(1) As of March 31, 2024

| <i>(In millions of Korean won)</i>                                | <b>Financial assets measured at amortized cost</b> | <b>Financial assets measured at fair value through other comprehensive income</b> | <b>Financial assets measured at fair value through profit or loss</b> | <b>Other financial assets<sup>(*)</sup></b> | <b>Total</b>       |
|---|--|---|---|---|--------------------|
| <b>Financial assets</b>   |  |   |   |   |                    |
| Cash and cash equivalents   | 61,906,097   | -   | -   | -   | 61,906,097         |
| Short-term financial instruments                                  | 35,458,597   | -   | -   | -   | 35,458,597         |
| Short-term financial assets at amortized cost                     | -  | -   | -   | -   | -                  |
| Short-term financial assets at fair value through profit or loss  | -  | -   | 28,132  | -   | 28,132             |
| Trade receivables   | 41,145,391   | -   | -   | -   | 41,145,391         |
| Financial assets at fair value through other comprehensive income | -  | 8,180,091   | -   | -   | 8,180,091          |
| Financial assets at fair value through profit or loss             | -  | -   | 1,414,332   | -   | 1,414,332          |
| Other   | 11,559,628   | -   | 486,073   | 73,929                                      | 12,119,630         |
| <b>Total</b>  | <b>150,069,713</b>                                 | <b>8,180,091</b>  | <b>1,928,537</b>  | <b>73,929</b>                               | <b>160,252,270</b> |

(\*) Other financial assets include derivatives designated as hedging instruments which are not subject to categorizations.

| <i>(In millions of Korean won)</i>       | <b>Financial liabilities measured at amortized cost</b> | <b>Financial liabilities measured at fair value through profit or loss</b> | <b>Other financial liabilities<sup>(*)</sup></b> | <b>Total</b>      |
|--|---|--|--|-------------------|
| <b>Financial liabilities</b>             |   |  |  |                   |
| Trade payables                           | 12,419,094  | -  | -  | 12,419,094        |
| Short-term borrowings                    | 311,521   | -  | 9,323,027  | 9,634,548         |
| Other payables                           | 15,019,429  | -  | -  | 15,019,429        |
| Current portion of long-term liabilities | 400,730   | -  | 1,046,761  | 1,447,491         |
| Debentures                               | 560,590   | -  | -  | 560,590           |
| Long-term borrowings                     | -   | -  | 3,861,524  | 3,861,524         |
| Long-term other payables                 | 4,658,208   | -  | -  | 4,658,208         |
| Other                                    | 11,569,291  | 33,656   | 22,381   | 11,625,328        |
| <b>Total</b>                             | <b>44,938,863</b>                                       | <b>33,656</b>  | <b>14,253,693</b>                                | <b>59,226,212</b> |

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

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

(2) As of December 31, 2023

| <i>(In millions of Korean won)</i>                                   | <b>Financial assets<br/>measured at<br/>amortized<br/>cost</b> | <b>Financial assets<br/>measured at<br/>fair value<br/>through other<br/>comprehensive<br/>income</b> | <b>Financial<br/>assets<br/>measured at<br/>fair value<br/>through<br/>profit or loss</b> | <b>Other<br/>financial<br/>assets<sup>(*)</sup></b> | <b>Total</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  | 14,840,275         |
| <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> |

(\*) Other financial assets include derivatives designated as hedging instruments which are not subject to categorizations.

| <i>(In millions of Korean won)</i>       | <b>Financial<br/>liabilities<br/>measured at<br/>amortized cost</b> | <b>Financial<br/>liabilities<br/>measured at<br/>fair value through<br/>profit or loss</b> | <b>Other financial<br/>liabilities<sup>(*)</sup></b> | <b>Total</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 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> |

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

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**4. Financial Assets at Fair Value**

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

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

| <i>(In millions of Korean won)</i> | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------|-----------------------|--------------------------|
| Non-current                        |                       |                          |
| Equity instruments                 | 8,180,091             | 7,481,297                |

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

| <i>(In millions of Korean won)</i> | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------|-----------------------|--------------------------|
| Current                            |                       |                          |
| Debt instruments                   | 28,132                | 27,112                   |
| Non-current                        |                       |                          |
| Equity instruments                 | 713,275               | 812,358                  |
| Debt instruments                   | 701,057               | 619,036                  |
| Subtotal                           | 1,414,332             | 1,431,394                |
| <b>Total</b>                       | <b>1,442,464</b>      | <b>1,458,506</b>         |

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

| <i>(In millions of Korean won and<br/>number of shares and percentage)</i> | <b>March 31, 2024</b>             |  |                         | <b>December 31, 2023</b>                  |   |
|--|-----------------------------------|--|-------------------------|---|---|
|  | <b>Number of<br/>shares owned</b> | <b>Percentage of<br/>ownership<sup>(*)</sup> (%)</b> | <b>Acquisition cost</b> | <b>Carrying amount<br/>(Market value)</b> | <b>Carrying amount<br/>(Market value)</b> |
| Samsung Heavy Industries Co., Ltd.   | 134,027,281                       | 15.2   | 932,158                 | 1,147,274                                 | 1,038,711                                 |
| Hotel Shilla Co., Ltd.   | 2,004,717                         | 5.1  | 13,957                  | 120,283                                   | 131,108                                   |
| iMarketKorea Inc.  | 647,320                           | 1.9  | 324                     | 5,502                                     | 5,560                                     |
| Wonik Holdings Co.,Ltd.  | 3,518,342                         | 4.6  | 30,821                  | 14,496                                    | 11,857                                    |
| Wonik IPS Co., Ltd.  | 3,701,872                         | 7.5  | 32,428                  | 153,628                                   | 125,679                                   |
| Wacom Co., Ltd.  | 8,398,400                         | 5.5  | 62,013                  | 49,826                                    | 50,358                                    |
| Corning Incorporated   | 80,000,000                        | 9.3  | 3,980,636               | 3,551,242                                 | 3,140,978                                 |
| Other  |                                   |  | 463,089                 | 1,073,965                                 | 1,093,963                                 |
| <b>Total</b>   |                                   |  | <b>5,515,426</b>        | <b>6,116,216</b>                          | <b>5,598,214</b>                          |

(\*) Ownership represents the Company's ownership of the total ordinary shares issued by each entity.

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**5. Inventories**

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

| <i>(In millions of Korean won)</i> | March 31, 2024    |                     |                   | December 31, 2023 |                     |                   |
|------------------------------------|-------------------|---------------------|-------------------|-------------------|---------------------|-------------------|
|                                    | Gross amount      | Valuation allowance | Carrying amount   | Gross amount      | Valuation allowance | Carrying amount   |
| Finished goods                     | 15,448,722        | (1,101,316)         | 14,347,406        | 16,120,367        | (1,567,353)         | 14,553,014        |
| Work in process                    | 25,366,463        | (2,559,954)         | 22,806,509        | 26,501,664        | (4,303,216)         | 22,198,448        |
| Raw materials and supplies         | 16,640,738        | (1,865,309)         | 14,775,429        | 15,222,937        | (1,525,583)         | 13,697,354        |
| Materials in transit               | 1,418,356         | -                   | 1,418,356         | 1,177,058         | -                   | 1,177,058         |
| <b>Total</b>                       | <b>58,874,279</b> | <b>(5,526,579)</b>  | <b>53,347,700</b> | <b>59,022,026</b> | <b>(7,396,152)</b>  | <b>51,625,874</b> |

**6. Investments in Associates and Joint Ventures**

(A) Changes in investments in associates and joint ventures for the three-month periods ended March 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i> | 2024              | 2023              |
|------------------------------------|-------------------|-------------------|
| Balance as of January 1            | 11,767,444        | 10,893,869        |
| Acquisition                        | 6,342             | 62,182            |
| Disposal                           | (11,731)          | (4,661)           |
| Share of profit                    | 214,833           | 213,841           |
| Other <sup>(*)</sup>               | (69,115)          | 33,392            |
| <b>Balance as of March 31</b>      | <b>11,907,773</b> | <b>11,198,623</b> |

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

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

(1) Investments in associates

| Investee                             | Nature of relationship  | Percentage of ownership <sup>(*)</sup> (%) | Principal business location | Fiscal period-end |
|--------------------------------------|---|--|-----------------------------|-------------------|
| 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(IT) 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>(*)</sup> | Manufacture and supply electronic parts including secondary cell batteries  | 19.6                                       | Korea                       | December          |
| Cheil Worldwide, Inc.                | Advertising agency  | 25.2                                       | Korea                       | December          |

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

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

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

(2) Investments in joint ventures

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

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

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

(1) Investments in associates

*(In millions of Korean won)*

| March 31, 2024                      |                  |   |                   |
|-------------------------------------|------------------|---|-------------------|
| Investee                            | Acquisition cost | Net asset value of equity shares <sup>(*)</sup> | Carrying amount   |
| Samsung Electro-Mechanics Co., Ltd. | 359,237          | 1,879,909                                       | 1,886,185         |
| Samsung SDS Co., Ltd.               | 147,963          | 1,970,569                                       | 1,981,551         |
| Samsung Biologics Co., Ltd.         | 1,424,358        | 3,124,744                                       | 3,129,303         |
| Samsung SDI Co., Ltd.               | 1,242,605        | 3,804,325                                       | 2,951,145         |
| Cheil Worldwide, Inc.               | 506,162          | 355,168   | 655,678           |
| Other                               | 690,831          | 844,983   | 1,091,546         |
| <b>Total</b>                        | <b>4,371,156</b> | <b>11,979,698</b>                               | <b>11,695,408</b> |

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

*(In millions of Korean won)*

| December 31, 2023                   |                  |   |                   |
|-------------------------------------|------------------|---|-------------------|
| Investee                            | Acquisition cost | Net asset value of equity shares <sup>(*)</sup> | Carrying amount   |
| 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.



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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

(2) Investments in joint ventures

| <i>(In millions of Korean won)</i> |                         | <b>March 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                 | 138,229  | 138,228                |  |
| Other                              | 259,994                 | 74,287   | 74,137                 |  |
| <b>Total</b>                       | <b>474,994</b>          | <b>212,516</b>   | <b>212,365</b>         |  |

(\*) 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>         |  |

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

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

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

| <i>(In millions of Korean won)</i>  | <b>Balance as of January 1</b> | <b>Share of profit (loss)</b> | <b>Share of other comprehensive income (loss)</b> | <b>Other <sup>(*)</sup></b> | <b>Balance as of March 31</b> |
|-------------------------------------|--------------------------------|-------------------------------|---|-----------------------------|-------------------------------|
| Samsung Electro-Mechanics Co., Ltd. | 1,841,393                      | 45,620                        | 19,518  | (20,346)                    | 1,886,185                     |
| Samsung SDS Co., Ltd.               | 1,966,206                      | 48,113                        | 14,407  | (47,175)                    | 1,981,551                     |
| Samsung Biologics Co., Ltd.         | 3,073,595                      | 56,544                        | (836)   | -                           | 3,129,303                     |
| Samsung SDI Co., Ltd.               | 2,912,564                      | 34,211                        | 17,833  | (13,463)                    | 2,951,145                     |
| Cheil Worldwide, Inc.               | 669,363                        | 12,260                        | 6,287   | (32,232)                    | 655,678                       |
| Samsung Corning Advanced Glass LLC  | 138,938                        | (710)                         | -   | -                           | 138,228                       |
| Other                               | 1,165,385                      | 18,795                        | (17,400)  | (1,097)                     | 1,165,683                     |
| <b>Total</b>                        | <b>11,767,444</b>              | <b>214,833</b>                | <b>39,809</b>                                     | <b>(114,313)</b>            | <b>11,907,773</b>             |

(\*) Other consists of acquisitions, disposals, dividends, impairment and reclassification.

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

(2) For the three-month period ended March 31, 2023

| <i>(In millions of Korean won)</i>  | <b>Balance as of<br/>January 1</b> | <b>Share of<br/>profit (loss)</b> | <b>Share of other<br/>comprehensive<br/>income (loss)</b> | <b>Other<sup>(*)</sup></b> | <b>Balance as of<br/>March 31</b> |
|-------------------------------------|------------------------------------|-----------------------------------|---|----------------------------|-----------------------------------|
| Samsung Electro-Mechanics Co., Ltd. | 1,764,249                          | 27,365                            | 19,529  | (37,156)                   | 1,773,987                         |
| Samsung SDS Co., Ltd.               | 1,870,338                          | 45,756                            | 21,635  | (55,911)                   | 1,881,818                         |
| Samsung Biologics Co., Ltd.         | 2,808,673                          | 44,686                            | 54  | -                          | 2,853,413                         |
| Samsung SDI Co., Ltd.               | 2,691,223                          | 60,907                            | 59,168  | (13,867)                   | 2,797,431                         |
| Cheil Worldwide, Inc.               | 649,161                            | 11,400                            | 7,525   | (33,393)                   | 634,693                           |
| Samsung Corning Advanced Glass LLC  | 137,745                            | (1,036)                           | -   | -                          | 136,709                           |
| Other                               | 972,480                            | 24,763                            | 57,737  | 65,592                     | 1,120,572                         |
| <b>Total</b>                        | <b>10,893,869</b>                  | <b>213,841</b>                    | <b>165,648</b>  | <b>(74,735)</b>            | <b>11,198,623</b>                 |

(\*) Other consists of acquisitions, disposals, dividends, impairment, and reclassification.

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

(1) Summary of financial information of major associates and dividends received from associates as of March 31, 2024 and December 31, 2023, and for the three-month periods ended March 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>                           | <b>2024</b>   |                                      |  |                                      |                                      |
|--|---|--------------------------------------|--|--------------------------------------|--------------------------------------|
|  | <b>Samsung<br/>Electro-<br/>Mechanics<br/>Co., Ltd.</b> | <b>Samsung<br/>SDS Co.,<br/>Ltd.</b> | <b>Samsung<br/>Biologics<br/>Co., Ltd.</b> | <b>Samsung<br/>SDI Co.,<br/>Ltd.</b> | <b>Cheil<br/>Worldwide,<br/>Inc.</b> |
| <b>1. Condensed financial information</b>                    |   |                                      |  |                                      |                                      |
| <b>Condensed statements of financial position:</b>           |   |                                      |  |                                      |                                      |
| Current assets   | 5,606,634   | 8,255,477                            | 5,602,200                                  | 10,044,641                           | 2,309,628                            |
| Non-current assets   | 6,573,296   | 4,201,862                            | 10,920,992                                 | 25,405,992                           | 503,430                              |
| Current liabilities  | 3,208,121   | 2,431,603                            | 4,646,078                                  | 9,831,986                            | 1,348,013                            |
| Non-current liabilities                                      | 754,850   | 982,052                              | 1,866,876                                  | 5,013,562                            | 214,421                              |
| Non-controlling interests                                    | 189,981   | 319,844                              | -  | 1,708,004                            | 11,872                               |
| <b>Condensed statements of comprehensive income:</b>         |   |                                      |  |                                      |                                      |
| Revenue  | 2,624,289   | 3,247,268                            | 946,903                                    | 5,130,893                            | 1,018,010                            |
| Profit from continuing operations, net of tax <sup>(*)</sup> | 183,179   | 210,895                              | 179,362                                    | 273,134                              | 42,727                               |
| Loss from discontinued operations, net of tax <sup>(*)</sup> | (373)   | -                                    | -  | -                                    | -                                    |
| Other comprehensive income <sup>(*)</sup>                    | 83,481  | 63,780                               | 383  | 179,519                              | 21,886                               |
| Total comprehensive income <sup>(*)</sup>                    | 266,287   | 274,675                              | 179,745                                    | 452,653                              | 64,613                               |
| <b>2. Dividends from associates</b>                          |   |                                      |  |                                      |                                      |
| Dividends  | 20,347  | 47,175                               | -  | 13,463                               | 32,232                               |

(\*) Profit (loss) attributable to owners of the investee

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

|  | 2023  |                             |                                   |                             |                             |
|--|---|-----------------------------|-----------------------------------|-----------------------------|-----------------------------|
| <i>(In millions of Korean won)</i>                           | 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. |
| <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  | 2,021,763                                     | 3,400,923                   | 720,922                           | 5,354,845                   | 941,601                     |
| Profit from continuing operations, net of tax <sup>(*)</sup> | 118,079                                       | 202,485                     | 141,755                           | 439,283                     | 39,753                      |
| Other comprehensive income <sup>(*)</sup>                    | 103,812                                       | 95,781                      | 182                               | 358,999                     | 30,281                      |
| Total comprehensive income <sup>(*)</sup>                    | 221,891                                       | 298,266                     | 141,937                           | 798,282                     | 70,034                      |
| <b>2. Dividends from associates</b>                          |   |                             |                                   |                             |                             |
| Dividends  | 37,155  | 55,911                      | -                                 | 13,867                      | 33,394                      |

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

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

- (2) Summary of financial information of major joint ventures and dividends received from joint ventures as of March 31, 2024 and December 31, 2023, and for the three-month periods ended March 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>                   | <b>Samsung Corning Advanced Glass, LLC</b> |             |
|--|--|-------------|
|  | <b>2024</b>                                | <b>2023</b> |
| <b>Condensed financial information</b>               |  |             |
| <b>Condensed statements of financial position:</b>   |  |             |
| Current assets                                       | 119,825                                    | 116,372     |
| Non-current assets                                   | 182,292                                    | 185,100     |
| Current liabilities                                  | 24,708                                     | 22,684      |
| Non-current liabilities                              | 952  | 911         |
| <b>Condensed statements of comprehensive income:</b> |  |             |
| Revenue  | 35,370                                     | 22,099      |
| Profit (loss) for the period                         | (1,420)                                    | (2,071)     |
| Other comprehensive income                           | -  | -           |
| Total comprehensive income                           | (1,420)                                    | (2,071)     |
| <b>Dividends from joint ventures</b>                 |  |             |
| Dividends  | -  | -           |

- (3) Profit (loss) attributable to owners of the parent company from associates and joint ventures which are not individually material for the three-month periods ended March 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i> | <b>2024</b>       |                       | <b>2023</b>       |                       |
|------------------------------------|-------------------|-----------------------|-------------------|-----------------------|
|                                    | <b>Associates</b> | <b>Joint ventures</b> | <b>Associates</b> | <b>Joint ventures</b> |
| Profit from continuing operations  | 18,101            | 694                   | 24,199            | 564                   |
| Other comprehensive income (loss)  | (17,824)          | 424                   | 53,082            | 4,655                 |
| <b>Total comprehensive income</b>  | <b>277</b>        | <b>1,118</b>          | <b>77,281</b>     | <b>5,219</b>          |

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

(F) Details of marketable investments in associates as of March 31, 2024 and December 31, 2023 are as follows:

| <i>(In millions of Korean won<br/>and number of shares)</i> | <b>March 31, 2024</b>        |                     | <b>December 31, 2023</b> |
|---|------------------------------|---------------------|--------------------------|
|   | <b>Number of shares held</b> | <b>Market value</b> | <b>Market value</b>      |
| Samsung Electro-Mechanics Co., Ltd.                         | 17,693,084                   | 2,630,962           | 2,710,580                |
| Samsung SDS Co., Ltd.                                       | 17,472,110                   | 2,856,690           | 2,970,259                |
| Samsung Biologics Co., Ltd.                                 | 22,217,309                   | 18,462,584          | 16,885,155               |
| Samsung SDI Co., Ltd.                                       | 13,462,673                   | 6,340,919           | 6,354,382                |
| Cheil Worldwide, Inc.                                       | 29,038,075                   | 545,335             | 552,595                  |

(G) Other matters

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 ₩ 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 appeal. On October 16, 2020, 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 and onwards, 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 current period consolidated financial statements.

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**7. Property, Plant and Equipment**

(A) Changes in property, plant and equipment for the three-month periods ended March 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              | 187,256,262        | 168,045,388        |
| Acquisition and capital expenditures | 11,773,595         | 11,343,333         |
| Depreciation                         | (9,231,310)        | (8,800,895)        |
| Disposals/scrap/impairment           | (130,748)          | (207,911)          |
| Other <sup>(*)</sup>                 | 1,487,761          | 1,477,601          |
| <b>Balance as of March 31</b>        | <b>191,155,560</b> | <b>171,857,516</b> |

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

(B) Details of depreciation of property, plant and equipment for the three-month periods ended March 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>             | <b>2024</b>      | <b>2023</b>      |
|--|------------------|------------------|
| Cost of sales                                  | 8,197,276        | 7,863,833        |
| Selling and administrative expenses, and other | 1,034,034        | 937,062          |
| <b>Total</b>                                   | <b>9,231,310</b> | <b>8,800,895</b> |

(C) Right-of-use assets as of March 31, 2024 amount to ₩ 5,612,305 million (December 31, 2023: ₩ 5,449,032 million). During the three-month periods ended March 31, 2024 and 2023, newly recognized right-of-use assets amount to ₩ 464,894 million and ₩ 604,534 million, respectively, with relevant depreciation of ₩ 292,806 million and ₩ 288,193 million, respectively.

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**8. Intangible Assets**

(A) Changes in intangible assets for the three-month periods ended March 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            | 22,741,862        | 20,217,754        |
| External acquisitions              | 844,734           | 3,805,353         |
| Amortization                       | (719,482)         | (785,598)         |
| Disposals/scrap/impairment         | (9,522)           | (15,204)          |
| Other <sup>(*)</sup>               | 389,011           | 395,398           |
| <b>Balance as of March 31</b>      | <b>23,246,603</b> | <b>23,617,703</b> |

<sup>(\*)</sup> Other includes the cumulative effect of changes in foreign currency exchange rates and business combinations.

(B) Details of amortization of intangible assets for the three-month periods ended March 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>            | <b>2024</b>    | <b>2023</b>    |
|---|----------------|----------------|
| Cost of sales                                 | 484,976        | 552,375        |
| Selling and administrative expenses and other | 234,506        | 233,223        |
| <b>Total</b>                                  | <b>719,482</b> | <b>785,598</b> |

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**9. Borrowings**

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

| <i>(In millions of Korean won)</i>             | <b>Financial institutions</b> | <b>Interest rates (%)<br/>as of March 31, 2024</b> | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|--|-------------------------------|--|-----------------------|--------------------------|
| <b>Short-term borrowings</b>                   |                               |  |                       |                          |
| Collateralized borrowings <sup>(*)</sup>       | Woori Bank and others         | 0.0~13.2   | 9,323,027             | 6,610,049                |
| Non-collateralized borrowings                  | Citibank and others           | 0.0~62.2   | 311,521               | 504,552                  |
| <b>Total</b>                                   |                               |  | <b>9,634,548</b>      | <b>7,114,601</b>         |
| <b>Current portion of long-term borrowings</b> |                               |  |                       |                          |
| Bank borrowings                                | BNP and others                | 36.1~61.5  | 394,084               | 304,082                  |
| Lease liabilities <sup>(*)</sup>               | CSSD and others               | 4.4  | 1,046,761             | 998,439                  |
| <b>Total</b>                                   |                               |  | <b>1,440,845</b>      | <b>1,302,521</b>         |
| <b>Long-term borrowings</b>                    |                               |  |                       |                          |
| Lease liabilities <sup>(*)</sup>               | CSSD and others               | 4.4  | 3,861,524             | 3,724,850                |

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

(\*) Interest expenses arising from the lease liabilities for the three-month periods ended March 31, 2024 and 2023 amount to ₩ 53,023 million and ₩ 45,462 million, respectively, which are determined using the weighted average incremental borrowing rate. The right-of-use assets are pledged as collateral to the lessor in the event of default.

**10. Debentures**

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

| <i>(In millions of Korean won)</i>                  | <b>Issue date</b> | <b>Due date</b> | <b>Interest rate (%)<br/>as of March 31, 2024</b> | <b>March 31, 2024</b>          | <b>December 31, 2023</b>       |
|---|-------------------|-----------------|---|--------------------------------|--------------------------------|
| US dollar denominated straight bonds <sup>(*)</sup> | 1997.10.2         | 2027.10.1       | 7.7   | 26,936<br>(US \$ 20 million)   | 25,788<br>(US \$ 20 million)   |
| US dollar denominated debentures <sup>(*)</sup>     | 2015.5.11         | 2025.5.15       | 4.2   | 538,720<br>(US \$ 400 million) | 515,760<br>(US \$ 400 million) |
| Less: Discounts                                     |                   |                 |   | (347)                          | (370)                          |
| Add: Premium  |                   |                 |   | 1,927                          | 2,794                          |
| Less: Current portion                               |                   |                 |   | (6,646)                        | (6,354)                        |
| <b>Total</b>  |                   |                 |   | <b>560,590</b>                 | <b>537,618</b>                 |

(\*) 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.

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



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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

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

- (A) Details of net defined benefit liabilities (assets) recognized in the statement of financial position as of March 31, 2024 and December 31, 2023 are as follows:

| <i>(In millions of Korean won)</i>                    | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|---|-----------------------|--------------------------|
| Present value of funded defined benefit obligations   | 15,504,318            | 15,403,976               |
| Present value of unfunded defined benefit obligations | 335,832               | 319,689                  |
| <b>Subtotal</b>                                       | <b>15,840,150</b>     | <b>15,723,665</b>        |
| Fair value of plan assets                             | (19,917,529)          | (20,172,327)             |
| <b>Total</b>  | <b>(4,077,379)</b>    | <b>(4,448,662)</b>       |

- (B) The components of defined benefit costs recognized in profit or loss for the three-month periods ended March 31, 2024 and 2023 relating to defined benefit plans are as follows:

| <i>(In millions of Korean won)</i> | <b>2024</b>    | <b>2023</b>    |
|------------------------------------|----------------|----------------|
| Current service cost               | 354,156        | 323,685        |
| Net interest income                | (64,618)       | (89,746)       |
| Past service cost                  | (163)          | (255)          |
| Other                              | 4,534          | 7,929          |
| <b>Total</b>                       | <b>293,909</b> | <b>241,613</b> |

- (C) The expenses related to defined benefit plans recognized in the statement of profit or loss for the three-month periods ended March 31, 2024 and 2023 are as follows:

| <i>(In millions of Korean won)</i>            | <b>2024</b>    | <b>2023</b>    |
|---|----------------|----------------|
| Cost of sales                                 | 117,751        | 103,181        |
| Selling and administrative expenses and other | 176,158        | 138,432        |
| <b>Total</b>                                  | <b>293,909</b> | <b>241,613</b> |

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**12. Provisions**

Changes in the provisions for the three-month period ended March 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          | 577,767             | 384,521                     | 41,627                          | 1,442,676           | 2,446,591         |
| Payment                            | (473,574)           | (317,888)                   | (188,490)                       | (317,140)           | (1,297,092)       |
| Other <sup>(*)</sup>               | 39,779              | 5,671                       | 5,101                           | 32,665              | 83,216            |
| <b>Balance as of March 31</b>      | <b>2,684,184</b>    | <b>1,910,356</b>            | <b>851,989</b>                  | <b>5,189,512</b>    | <b>10,636,041</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 negotiations.
- (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 future expenses expected to be incurred for products that have been discontinued from manufacturing and sales.
- (E) The Company makes provisions for the emission in excess of the emission rights held by the Company for the applicable years. Details of emission rights and liabilities as of March 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 March 31, 2024 are as follows:

| <i>(In ten thousand metric tons)</i>     | <b>March 31, 2024</b> |
|--|-----------------------|
| Emission rights allocated free of charge | 1,689                 |
| Estimated volume of emission             | 1,761                 |

- (2) Changes in the emission rights for the three-month periods ended March 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 (decrease)                | -            | -             |
| <b>Balance as of March 31</b>      | <b>3,137</b> | <b>19,567</b> |

- (3) Changes in emissions liabilities for the three-month periods ended March 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          | 35          | (1)           |
| Utilization                        | -           | -             |
| <b>Balance as of March 31</b>      | <b>172</b>  | <b>32,837</b> |

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

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

#### 13. Commitments and Contingencies

##### (A) Litigation

As of March 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

As of March 31, 2024, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩ 16,672,510 million.

#### 14. Contract Liabilities

The Company has recognized contract liabilities related to contracts with customers as follows:

| <i>(In millions of Korean won)</i>  | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|-------------------------------------|-----------------------|--------------------------|
| Contract liabilities <sup>(*)</sup> | 13,586,115            | 13,327,724               |

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

#### 15. Share Capital

As of March 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 March 31, 2024, excluding retired shares. As of March 31, 2024, the number of shares outstanding is the same as the number of shares issued above, and no changes were made to the number of shares outstanding during the three-month period ended March 31, 2024 and the year ended December 31, 2023. 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.

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**16. Retained Earnings**

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

| <i>(In millions of Korean won)</i> | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------|-----------------------|--------------------------|
| Discretionary reserve and other    | 208,786,001           | 208,198,003              |
| Unappropriated retained earnings   | 142,061,853           | 138,454,235              |
| <b>Total</b>                       | <b>350,847,854</b>    | <b>346,652,238</b>       |

(B) Details of interim dividends are as follows:

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

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**17. Other Components of Equity**

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

| <i>(In millions of Korean won)</i>   | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|--|-----------------------|--------------------------|
| Gain on valuation of financial assets at fair value through other comprehensive income | 629,632               | 194,419                  |
| Share of other comprehensive income of associates and joint ventures                   | 233,738               | 185,144                  |
| Gain on overseas business translation  | 8,124,915             | 3,651,112                |
| Remeasurement of net defined benefit liabilities (assets)                              | (2,932,385)           | (2,849,526)              |
| Other  | 109,908               | 98,981                   |
| <b>Total</b>   | <b>6,165,808</b>      | <b>1,280,130</b>         |

**18. Expenses by Nature**

Expenses by nature for the three-month periods ended March 31, 2024 and 2023 consist of the following:

| <i>(In millions of Korean won)</i>                    | <b>2024</b>       | <b>2023</b>       |
|---|-------------------|-------------------|
| Changes in finished goods, work in process, and other | (399,265)         | (2,216,760)       |
| Raw materials used, merchandise purchased, and other  | 24,298,463        | 27,196,920        |
| Wages and salaries                                    | 8,075,000         | 7,901,166         |
| Post-employment benefit                               | 347,810           | 278,289           |
| Depreciation  | 9,231,310         | 8,800,895         |
| Amortization  | 719,482           | 785,598           |
| Welfare   | 1,724,478         | 1,541,276         |
| Utilities   | 2,023,182         | 1,861,110         |
| Outsourcing   | 1,770,506         | 1,680,919         |
| Advertising   | 1,434,926         | 1,145,343         |
| Sales promotion                                       | 1,837,394         | 1,672,952         |
| Other   | 14,246,306        | 12,457,485        |
| <b>Total<sup>(*)</sup></b>                            | <b>65,309,592</b> | <b>63,105,193</b> |

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

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**19. Selling and Administrative Expenses**

Selling and administrative expenses for the three-month periods ended March 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                         | 2,179,210         | 2,072,409         |
| Post-employment benefit                    | 77,591            | 69,512            |
| Commissions                                | 2,083,504         | 2,103,924         |
| Depreciation                               | 412,997           | 403,646           |
| Amortization                               | 175,047           | 168,939           |
| Advertising                                | 1,434,926         | 1,145,343         |
| Sales promotion                            | 1,837,394         | 1,672,952         |
| Transportation                             | 714,535           | 414,405           |
| Service                                    | 1,241,559         | 1,021,736         |
| Other                                      | 1,446,457         | 1,446,500         |
| <b>Subtotal</b>                            | <b>11,603,220</b> | <b>10,519,366</b> |
| <b>Research and development expenses</b>   |                   |                   |
| Research and development                   | 7,820,040         | 6,578,734         |
| <b>Total</b>                               | <b>19,423,260</b> | <b>17,098,100</b> |

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

Details of other non-operating income and expenses for the three-month periods ended March 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                                   | 39,457         | 47,894         |
| Rental income                                     | 38,914         | 37,942         |
| Gain on disposal of property, plant and equipment | 9,335          | 34,449         |
| Other   | 357,575        | 384,010        |
| <b>Total</b>                                      | <b>445,281</b> | <b>504,295</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 | 26,048         | 9,392          |
| Donations   | 77,476         | 73,083         |
| Other   | 277,869        | 121,507        |
| <b>Total</b>                                      | <b>381,393</b> | <b>203,982</b> |

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**21. Financial Income and Expenses**

Details of financial income and expenses for the three-month periods ended March 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  | 1,172,185        | 1,060,446        |
| Financial assets measured at amortized cost                    | 1,172,152        | 1,060,380        |
| Financial assets measured at fair value through profit or loss | 33               | 66               |
| Foreign exchange differences                                   | 2,120,929        | 3,120,012        |
| Gain from derivatives  | 191,390          | 447,591          |
| <b>Total</b>   | <b>3,484,504</b> | <b>4,628,049</b> |

| <i>(In millions of Korean won)</i>               | <b>2024</b>      | <b>2023</b>      |
|--|------------------|------------------|
| <b>Financial expenses</b>                        |                  |                  |
| Interest expenses                                | 242,772          | 291,677          |
| Financial liabilities measured at amortized cost | 66,927           | 151,856          |
| Other financial liabilities                      | 175,845          | 139,821          |
| Foreign exchange differences                     | 2,240,061        | 3,375,878        |
| Losses from derivatives                          | 179,678          | 288,446          |
| <b>Total</b>                                     | <b>2,662,511</b> | <b>3,956,001</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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**22. Income Tax Expense**

Income tax expense is recognized based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year considering global minimum top-up tax. The average annual tax rate expected as of March 31, 2024 to be effective for the year ended December 31, 2024 is 12.4%.

**23. Earnings per Share**

(A) Basic earnings per share

Basic earnings per share for the three-month periods ended March 31, 2024 and 2023 are calculated as follows:

(1) Ordinary shares

| <i>(In millions of Korean won and thousands of number of shares)</i> | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| Profit for the period attributable to owners of the parent company   | 6,621,030   | 1,401,252   |
| Profit for the period available for ordinary shares                  | 5,818,936   | 1,231,500   |
| Weighted-average number of ordinary shares outstanding               | 5,969,783   | 5,969,783   |
| <b>Basic earnings per ordinary share (in Korean won)</b>             | <b>975</b>  | <b>206</b>  |

(2) Preference shares

| <i>(In millions of Korean won and thousands of number of shares)</i> | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| Profit for the period attributable to owners of the parent company   | 6,621,030   | 1,401,252   |
| Profit for the period available for preference shares                | 802,094     | 169,752     |
| Weighted-average number of preference shares outstanding             | 822,887     | 822,887     |
| <b>Basic earnings per preference share (in Korean won)</b>           | <b>975</b>  | <b>206</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 three-month periods ended March 31, 2024 and 2023.



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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**24. Statements of Cash Flows**

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 three-month periods ended March 31, 2024 and 2023 are as follows:

- Adjustments

| <i>(In millions of Korean won)</i>                | <b>2024</b>      | <b>2023</b>       |
|---|------------------|-------------------|
| Adjustments:                                      |                  |                   |
| Income tax expense                                | 952,015          | 251,780           |
| Financial income                                  | (2,077,714)      | (2,267,376)       |
| Financial expenses                                | 1,520,022        | 1,797,505         |
| Post-employment benefits                          | 347,810          | 278,289           |
| Depreciation                                      | 9,231,310        | 8,800,895         |
| Amortization                                      | 719,482          | 785,598           |
| Bad debt expense (reversal)                       | (31,709)         | 67,557            |
| Dividend income                                   | (39,457)         | (47,894)          |
| Share of profit of associates and joint ventures  | (214,833)        | (213,841)         |
| Gain on disposal of property, plant and equipment | (9,335)          | (34,449)          |
| Loss on disposal of property, plant and equipment | 26,048           | 9,392             |
| Loss (gain) on valuation of inventories           | (1,648,575)      | 2,475,649         |
| Others  | (28,045)         | (195,008)         |
| <b>Total</b>                                      | <b>8,747,019</b> | <b>11,708,097</b> |

- Changes in assets and liabilities arising from operating activities

| <i>(In millions of Korean won)</i>       | <b>2024</b>        | <b>2023</b>        |
|--|--------------------|--------------------|
| Changes in assets and liabilities :      |                    |                    |
| Decrease (increase) in trade receivables | (3,609,636)        | 411,960            |
| Decrease (increase) in other receivables | (223,276)          | 1,151,428          |
| Decrease (increase) in prepaid expenses  | 36,117             | (422,761)          |
| Decrease (increase) in inventories       | 627,518            | (3,731,787)        |
| Increase in trade payables               | 446,091            | 1,071,670          |
| Increase (decrease) in other payables    | 479,925            | (4,473)            |
| Increase (decrease) in advances received | 171,189            | (47,042)           |
| Increase (decrease) in withholdings      | 13,584             | (528,193)          |
| Decrease in accrued expenses             | (1,229,733)        | (5,169,031)        |
| Increase in provisions                   | 1,149,499          | 1,287,161          |
| Payment of post-employment benefits      | (289,829)          | (162,758)          |
| Others                                   | (966,738)          | (296,713)          |
| <b>Total</b>                             | <b>(3,395,289)</b> | <b>(6,440,539)</b> |

For the three-month periods ended March 31, 2024 and 2023, cash outflows from principal portion of lease liabilities (financial activities) amount to ₩ 286,357 million and ₩ 261,755 million, respectively, and cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩ 53,023 million and ₩ 45,462 million, respectively.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

25. Financial Risk Management

The Company manages its financial risks with a focus on minimizing market risk, credit risk, and liquidity risk 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, periodically measures customer's and counterparty's financial risk, and manages the risk with currency hedges and review of 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 may 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.

(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 statement 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.

(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 March 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 ₩ 58,830 million and ₩ 111,415 million, respectively, and changes in profit before tax of ₩ 2,333 million and ₩ 5,354 million, respectively.

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

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

#### (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 high risk countries.

Credit risk also can arise from transactions with financial institutions including transactions in financial instruments 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 is equal to the carrying amount of its financial assets.

#### (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.

#### (D) 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 ratios as of March 31, 2024 and December 31, 2023 are as follows:

| <i>(In millions of Korean won)</i> | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------|-----------------------|--------------------------|
| Total liabilities                  | 98,983,688            | 92,228,115               |
| Total equity                       | 371,916,124           | 363,677,865              |
| <b>Debt ratio</b>                  | 26.6%                 | 25.4%                    |

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

(E) Fair value measurement

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

| <i>(In millions of Korean won)</i>                                | March 31, 2024     |                     | December 31, 2023  |                     |
|---|--------------------|---------------------|--------------------|---------------------|
|   | Carrying amount    | Fair value          | Carrying amount    | Fair value          |
| <b>Financial assets</b>   |                    |                     |                    |                     |
| Cash and cash equivalents   | 61,906,097         | (*)                 | 69,080,893         | (*)                 |
| Short-term financial instruments                                  | 35,458,597         | (*)                 | 22,690,924         | (*)                 |
| Short-term financial assets at amortized cost                     | -                  | (*)                 | 608,281            | (*)                 |
| Short-term financial assets at fair value through profit or loss  | 28,132             | 28,132              | 27,112             | 27,112              |
| Trade receivables   | 41,145,391         | (*)                 | 36,647,393         | (*)                 |
| Financial assets at fair value through other comprehensive income | 8,180,091          | 8,180,091           | 7,481,297          | 7,481,297           |
| Financial assets at fair value through profit or loss             | 1,414,332          | 1,414,332           | 1,431,394          | 1,431,394           |
| Other <sup>(*2)</sup>   | 12,119,630         | 560,002             | 14,840,275         | 546,021             |
| <b>Total financial assets</b>                                     | <b>160,252,270</b> |                     | <b>152,807,569</b> |                     |
| <b>Financial liabilities</b>                                      |                    |                     |                    |                     |
| Trade payables  | 12,419,094         | (*)                 | 11,319,824         | (*)                 |
| Short-term borrowings   | 9,634,548          | (*)                 | 7,114,601          | (*)                 |
| Other payables  | 15,019,429         | (*)                 | 13,996,395         | (*)                 |
| Current portion of long-term liabilities                          | 1,447,491          | 7,121               | 1,308,875          | 6,757               |
| - Long-term borrowings  | 1,440,845          | (*) <sup>(*3)</sup> | 1,302,521          | (*) <sup>(*3)</sup> |
| - Debentures  | 6,646              | 7,121               | 6,354              | 6,757               |
| Debentures  | 560,590            | 553,826             | 537,618            | 529,254             |
| Long-term borrowings  | 3,861,524          | (*) <sup>(*3)</sup> | 3,724,850          | (*) <sup>(*3)</sup> |
| Long-term other payables  | 4,658,208          | (*)                 | 4,907,875          | (*)                 |
| Other <sup>(*2)</sup>   | 11,625,328         | 56,037              | 11,414,008         | 83,463              |
| <b>Total financial liabilities</b>                                | <b>59,226,212</b>  |                     | <b>54,324,046</b>  |                     |

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

(\*) Assets measured at the cost of ₩ 11,559,628 million as of March 31, 2024 (December 31, 2023: ₩ 14,294,254 million) and liabilities measured at the cost of ₩ 11,569,291 million as of March 31, 2024 (December 31, 2023: ₩ 11,330,545 million) are excluded as the carrying amount is a reasonable estimation of fair value.

(\*) 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

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

| <i>(In millions of Korean won)</i>                                | <b>March 31, 2024</b> |                |                |                      |
|---|-----------------------|----------------|----------------|----------------------|
|   | <b>Level 1</b>        | <b>Level 2</b> | <b>Level 3</b> | <b>Total balance</b> |
| <b>1) Assets</b>  |                       |                |                |                      |
| Short-term financial assets at fair value through profit or loss  | -                     | 28,132         | -              | 28,132               |
| Financial assets at fair value through other comprehensive income | 5,882,959             | -              | 2,297,132      | 8,180,091            |
| Financial assets at fair value through profit or loss             | 233,257               | -              | 1,181,075      | 1,414,332            |
| Other   | -                     | 110,397        | 449,605        | 560,002              |
| <b>2) Liabilities</b>   |                       |                |                |                      |
| Current portion of debentures                                     | -                     | 7,121          | -              | 7,121                |
| Debentures  | -                     | 553,826        | -              | 553,826              |
| Other   | -                     | 56,037         | -              | 56,037               |
| <b>December 31, 2023</b>  |                       |                |                |                      |
| <i>(In millions of Korean won)</i>                                | <b>Level 1</b>        | <b>Level 2</b> | <b>Level 3</b> | <b>Total balance</b> |
| <b>1) 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>2) 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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 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 March 31, 2024.

*(In millions of Korean won and percentage)*

| Classification  | Fair value | Valuation technique  | Level 3 inputs                   | Input range     |
|---|------------|----------------------|----------------------------------|-----------------|
| <b>Financial assets at fair value through other comprehensive income</b>  |            |                      |                                  |                 |
| Samsung Venture Investment  | 33,250     | Discounted cash flow | Permanent growth rate            | 1.0%            |
|   |            |                      | Weighted average cost of capital | 16.6%           |
| MiCo Ceramics Co., Ltd.   | 34,662     | Discounted cash flow | Permanent growth rate            | 0.0%            |
|   |            |                      | Weighted average cost of capital | 15.4%           |
| TCL China Star Optoelectronics Technology Co., Ltd. (CSOT)                | 1,306,526  | Discounted cash flow | Permanent growth rate            | 0.0%            |
|   |            |                      | Weighted average cost of capital | 10.5%           |
| China Star Optoelectronics Semiconductor Display Technology Ltd. (CSOSDT) | 221,741    | Discounted cash flow | Permanent growth rate            | 0.0%            |
|   |            |                      | Weighted average cost of capital | 10.5%           |
| <b>Others</b>   |            |                      |                                  |                 |
| Call option on equity instruments   | 422,676    | Binomial model       | Risk-free rate                   | 3.5%            |
|   |            |                      | Price volatility                 | 69.7%           |
| Put option on equity instruments  | 26,929     | Binomial model       | Risk-free rate                   | 3.9%~5.2%, 1.9% |
|   |            |                      | Price volatility                 | 21.8%, 24.6%    |

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

(4) Changes in Level 3 instruments for the three-month periods ended March 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                                    | 29,994      | 45,261      |
| Disposals                                       | (6,092)     | (22,638)    |
| Amount recognized in profit for the period      | 48,572      | 256,578     |
| Amount recognized in other comprehensive income | 16,585      | (298,342)   |
| Other   | 108,619     | (620)       |
| Balance as of March 31                          | 3,927,812   | 3,283,466   |

| <i>(In millions of Korean won)</i>         | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| <b>Financial liabilities</b>               |             |             |
| Balance as of January 1                    | -           | 7,404       |
| Amount recognized in profit for the period | -           | -           |
| Other                                      | -           | -           |
| Balance as of March 31                     | -           | 7,404       |

(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>Profit or loss</b>    | <b>Equity</b> | <b>Profit or loss</b>      | <b>Equity</b> |
| Financial assets at fair value through other comprehensive income <sup>(*1)</sup> | -                        | 161,113       | -                          | (111,219)     |
| Others <sup>(*2)</sup>  | 108,637                  | -             | (108,367)                  | -             |

<sup>(\*1)</sup> For equity securities, changes in fair value are calculated by increasing or the growth rate (-1%~1%) and the discount rate, which are significant unobservable inputs.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

26. 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 three-month period ended March 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                            | 47,292,742 | 23,137,290 | 5,386,418  | 3,200,250     | (7,101,099)                         | 71,915,601                 |
| Depreciation                       | 639,747    | 7,849,063  | 607,414    | 85,397        | -                                   | 9,231,310                  |
| Amortization                       | 402,536    | 152,446    | 56,385     | 53,252        | -                                   | 719,482                    |
| Operating profit                   | 4,074,891  | 1,914,015  | 340,684    | 240,839       | -                                   | 6,606,009                  |

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

Net revenue by major product for the three-month period ended March 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                            | 7,233,971                     | 32,791,373                  | 17,494,267    | 5,386,418             | 71,915,601                 |

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

(2) For the three-month period ended March 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                            | 46,222,513 | 13,734,475  | 6,614,151  | 3,165,897     | (5,991,665)                         | 63,745,371                 |
| Depreciation                       | 615,404    | 7,222,761   | 832,834    | 80,028        | -                                   | 8,800,895                  |
| Amortization                       | 417,358    | 206,609     | 55,023     | 49,103        | -                                   | 785,598                    |
| Operating profit                   | 4,208,760  | (4,581,854) | 776,016    | 128,949       | -                                   | 640,178                    |

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



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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

Net revenue by major product for the three-month period ended March 31, 2023 are as follows:

| <i>(In millions of Korean won)</i> | <b>TV, monitor, and<br/>other</b> | <b>Smartphone and<br/>other</b> | <b>Memory</b> | <b>Display panels</b> | <b>Total<sup>(*)</sup></b> |
|------------------------------------|-----------------------------------|---------------------------------|---------------|-----------------------|----------------------------|
| Revenue                            | 7,434,935                         | 30,744,551                      | 8,916,997     | 6,614,151             | 63,745,371                 |

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

**(B) Regional information**

The regional information provided to the Management Committee for the reportable segments as of and for the three-month periods ended March 31, 2024 and 2023 are as follows:

**(1) As of and for the period ended March 31, 2024**

| <i>(In millions of Korean won)</i> | <b>Korea</b> | <b>America</b> | <b>Europe</b> | <b>Asia<br/>and Africa</b> | <b>China</b> | <b>Intercompany<br/>elimination</b> | <b>Total</b> |
|------------------------------------|--------------|----------------|---------------|----------------------------|--------------|-------------------------------------|--------------|
| Revenue                            | 9,413,447    | 25,388,843     | 13,219,027    | 12,679,313                 | 11,214,971   | -                                   | 71,915,601   |
| Non-current assets <sup>(*)</sup>  | 166,034,578  | 22,724,212     | 6,421,842     | 9,071,180                  | 11,840,825   | (1,690,474)                         | 214,402,163  |

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

**(2) As of and for the period ended March 31, 2023**

| <i>(In millions of Korean won)</i> | <b>Korea</b> | <b>America</b> | <b>Europe</b> | <b>Asia<br/>and Africa</b> | <b>China</b> | <b>Intercompany<br/>elimination</b> | <b>Total</b> |
|------------------------------------|--------------|----------------|---------------|----------------------------|--------------|-------------------------------------|--------------|
| Revenue                            | 11,300,428   | 22,762,451     | 12,582,923    | 11,534,339                 | 5,565,230    | -                                   | 63,745,371   |
| Non-current assets <sup>(*)</sup>  | 150,663,992  | 15,167,060     | 6,135,315     | 9,249,314                  | 15,224,391   | (964,853)                           | 195,475,219  |

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

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**27. Related Party Transactions**

(A) Transactions with related parties

Transactions with related parties for the three-month periods ended March 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>Purchases</b> | <b>Purchase of<br/>non-current<br/>assets</b> |
|  | Samsung SDS Co.,Ltd.                  | 63,908         | -   | 473,033          | 58,026  |
|  | Samsung Electro-Mechanics Co., Ltd.   | 27,477         | -   | 347,141          | -   |
| Associates and<br>joint ventures       | Samsung SDI Co., Ltd.                 | 36,837         | -   | 179,184          | 8,556   |
|  | Cheil Worldwide Inc.                  | 33,003         | -   | 232,204          | 6,375   |
|  | Other                                 | 312,544        | 122   | 3,062,248        | 35,974  |
|  | <b>Total</b>                          | <b>473,769</b> | <b>122</b>                                    | <b>4,293,810</b> | <b>108,931</b>                                |
| Other related<br>parties               | Samsung C&T Co., Ltd.                 | 7,997          | -   | 53,210           | 1,588,496                                     |
|  | Other                                 | 158,632        | -   | 373,416          | 1,314,075                                     |
|  | <b>Total</b>                          | <b>166,629</b> | <b>-</b>                                      | <b>426,626</b>   | <b>2,902,571</b>                              |
| Other <sup>(*2)</sup>                  | Samsung Engineering Co., Ltd.         | 147            | -   | 15,656           | 467,250                                       |
|  | S-1 Corporation                       | 1,868          | -   | 129,073          | 5,461   |
|  | Other                                 | 59,727         | -   | 81,136           | 291,111                                       |
|  | <b>Total</b>                          | <b>61,742</b>  | <b>-</b>                                      | <b>225,865</b>   | <b>763,822</b>                                |

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

(\*2) 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>Purchases</b> | <b>Purchase of<br/>non-current<br/>assets</b> |
|  | Samsung SDS Co.,Ltd.                  | 74,499         | -   | 485,177          | 82,168  |
|  | Samsung Electro-Mechanics Co., Ltd.   | 43,706         | -   | 328,465          | 60  |
| Associates and<br>joint ventures       | Samsung SDI Co., Ltd.                 | 41,404         | -   | 197,264          | 2,072   |
|  | Cheil Worldwide Inc.                  | 34,213         | -   | 235,243          | 76  |
|  | Other                                 | 250,843        | -   | 3,350,585        | 28,046  |
|  | <b>Total</b>                          | <b>444,665</b> | <b>-</b>                                      | <b>4,596,734</b> | <b>112,422</b>                                |
| Other related<br>parties               | Samsung C&T Co., Ltd.                 | 8,878          | 70  | 62,594           | 799,655                                       |
|  | Other                                 | 153,664        | -   | 559,486          | 645,636                                       |
|  | <b>Total</b>                          | <b>162,542</b> | <b>70</b>                                     | <b>622,080</b>   | <b>1,445,291</b>                              |
| Other <sup>(*2)</sup>                  | Samsung Engineering Co., Ltd.         | 439            | -   | 212              | 310,139                                       |
|  | S-1 Corporation                       | 2,827          | -   | 129,859          | 3,449   |
|  | Other                                 | 29,662         | -   | 178,822          | 84,196  |
|  | <b>Total</b>                          | <b>32,928</b>  | <b>-</b>                                      | <b>308,893</b>   | <b>397,784</b>                                |

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

(\*2) 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

(B) Balances of receivables and payables

Arising from transactions with related parties as of March 31, 2024 and December 31, 2023 are as follows:

| <i>(In millions of Korean won)</i> | Name of company <sup>(*)</sup>      | <b>March 31, 2024</b> |                         |
|------------------------------------|-------------------------------------|-----------------------|-------------------------|
|                                    |                                     | Receivables           | Payables <sup>(*)</sup> |
| Associates and<br>joint ventures   | Samsung SDS Co.,Ltd.                | 86,922                | 516,231                 |
|                                    | Samsung Electro-Mechanics Co., Ltd. | 21,274                | 192,361                 |
|                                    | Samsung SDI Co., Ltd.               | 135,571               | 110,609                 |
|                                    | Cheil Worldwide Inc.                | 32,317                | 327,367                 |
|                                    | Other                               | 298,198               | 1,160,560               |
|                                    | <b>Total</b>                        | <b>574,282</b>        | <b>2,307,128</b>        |
| Other related parties              | Samsung C&T Co., Ltd.               | 210,807               | 1,241,553               |
|                                    | Other                               | 28,108                | 312,183                 |
|                                    | <b>Total</b>                        | <b>238,915</b>        | <b>1,553,736</b>        |
| Other <sup>(*)</sup>               | Samsung Engineering Co., Ltd.       | 143                   | 344,573                 |
|                                    | S-1 Corporation                     | 1,199                 | 50,686                  |
|                                    | Other                               | 12,809                | 401,587                 |
|                                    | <b>Total</b>                        | <b>14,151</b>         | <b>796,846</b>          |

(\*) Balances due from and to separate entities that are related parties of the Company.

(\*) Payables and others include lease liabilities.

(\*) 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> | Name of company <sup>(*)</sup>      | <b>December 31, 2023</b> |                         |
|------------------------------------|-------------------------------------|--------------------------|-------------------------|
|                                    |                                     | Receivables              | Payables <sup>(*)</sup> |
| Associates and<br>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>           | <b>2,274,331</b>        |
| Other <sup>(*)</sup>               | Samsung Engineering Co., Ltd.       | 305                      | 807,098                 |
|                                    | S-1 Corporation                     | 1,289                    | 49,955                  |
|                                    | Other                               | 16,096                   | 390,073                 |
|                                    | <b>Total</b>                        | <b>17,690</b>            | <b>1,247,126</b>        |

(\*) Balances due from and to separate entities that are related parties of the Company.

(\*) Payables and others include lease liabilities.

(\*) 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

- (C) For the three-month periods ended March 31, 2024 and 2023 the Company invested ₩ 6,342 million and ₩ 62,182 million, respectively, in associates and joint ventures. In addition, the Company has made capital recovery of ₩ 11,731 million and ₩ 4,661 million from its investments in associates and joint ventures during the three-month periods ended March 31, 2024 and 2023, respectively.
- (D) For the three-month periods ended March 31, 2024 and 2023, the Company declared dividends of ₩ 412,172 million and ₩ 412,942 million, respectively, to related parties|. As of March 31, 2024, the dividend payable to related parties amounts to ₩ 412,172 million. In addition, for the three-month periods ended March 31, 2024 and 2023, the Company declared dividends of ₩ 32,058 million and ₩ 32,058 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 March 31, 2024, there is ₩ 32,058 million dividends payable to the entities belong to the same conglomerate according to the Monopoly Regulation and Fair Trade Act.
- (E) For the three-month periods ended March 31, 2024 and 2023, the Company entered into lease agreements with its related parties amounting to ₩ 16,048 million and ₩ 50 million, respectively, and the lease payments made to the related parties were ₩ 7,385 million and ₩ 5,089 million, respectively.

(F) Key management compensation

The compensation paid or payable to key management (executive directors) for their services for the three-month periods ended March 31, 2024 and 2023 consists of:

| <i>(In millions of Korean won)</i> | <b>2024</b> | <b>2023</b> |
|------------------------------------|-------------|-------------|
| Short-term employee benefits       | 3,017       | 3,330       |
| Post-employment benefits           | 175         | 139         |
| Other long-term employee benefits  | 2,289       | 1,959       |

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**28. 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 Dowooinysys 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:

| <i>(In millions of Korean won)</i>                  | <b>December 31, 2023</b> |
|---|--------------------------|
| <b>Assets held-for-sale</b>                         |                          |
| Cash and cash equivalents                           | 14,153                   |
| Trade receivables                                   | 1,316                    |
| 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>Liabilities held-for-sale</b>                    |                          |
| Current liabilities                                 | 27,608                   |
| Non-current liabilities                             | 34,046                   |
| <b>Total</b>  | <b>61,654</b>            |

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

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