

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

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2024 and December 31, 2023 and  
for the three month and nine-month periods ended September 30, 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 Standard (“Korean IFRS”) 1110, *Consolidated Financial Statements*. SEC, as the controlling company, consolidates its 226 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 September 30, 2024 are as follows:

Region	Subsidiaries	Business	Percentage of ownership (%) <sup>(*)</sup>
	Samsung Electronics America, Inc. (SEA)	Sale of electronic devices	100.0
	Samsung International, Inc. (SII)	Manufacture of electronic devices	100.0
	Samsung Mexicana S.A. de C.V (SAMEX)	Manufacture of electronic devices	100.0
	Samsung Electronics Home Appliances America, LLC (SEHA)	Manufacture of home appliances	100.0
	Samsung Research America, Inc. (SRA)	Research and Development (R&D)	100.0
	Samsung Next LLC (SNX)	Management of overseas subsidiaries	100.0
	Samsung Next Fund LLC (SNXF)	Technology business, venture capital investments	100.0
	NeuroLogica Corp.	Manufacture and sale of medical equipment	100.0
	Samsung Lennox HVAC North America, LLC	Sale of air conditioning products	50.1
	Joyent, Inc.	Cloud services	100.0
America	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
	Sonio Corporation	Sale of software	100.0

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

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

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

<b>Region</b>	<b>Subsidiaries</b>	<b>Business</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
	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
America	Harman Becker Automotive Systems, Inc.	Manufacture and sale of audio products and R&D	100.0
	Harman Connected Services, Inc.	Connected service provider	100.0
	Harman Connected Services Engineering Corp.	Connected service provider	100.0
	Harman da Amazonia Industria Eletronica e Participacoes Ltda.	Manufacture and sale of audio products	100.0
	Harman de Mexico, S. de R.L. de C.V.	Manufacture of audio products	100.0
	Harman do Brasil Industria Eletronica e Participacoes Ltda.	Sale of audio products and R&D	100.0
	Harman International Industries Canada Ltd.	Sale of audio products	100.0
	Harman International Mexico, S. de R.L. de C.V.	Sale of audio products	100.0
	Harman KG Holding, LLC	Management of overseas subsidiaries	100.0
	Harman Professional, Inc.	Sale of audio products and R&D	100.0
	Roon Labs, LLC.	Sale of audio products	100.0
	Beijing Integrated Circuit Industry International Fund, L.P	Venture capital investments	61.4
	China Materialia New Materials 2016 Limited Partnership	Venture capital investments	99.0

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

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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>Business</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 and sale of audio products and R&D	100.0
	Harman Becker Automotive Systems Italy S.R.L.	Sale of audio products	100.0
	Harman Becker Automotive Systems Manufacturing Kft	Manufacture of audio products and R&D	100.0
	Harman Belgium SA	Sale of audio products	100.0
	Harman Connected Services AB.	Connected service provider	100.0
	Harman Finland Oy	Connected service provider	100.0
	Harman Connected Services GmbH	Connected service provider	100.0
	Harman Connected Services Poland Sp.zoo	Connected service provider	100.0
	Harman Connected Services UK Ltd.	Connected service provider	100.0
	Harman Consumer Nederland B.V.	Sale of audio products	100.0
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 of audio products and R&D	100.0
	Harman International Romania SRL	R&D	100.0
	Harman Management GmbH	Management of overseas subsidiaries	100.0
	Harman Professional Kft	Manufacture of audio products and R&D	100.0
	Harman Professional Denmark ApS	Sale of audio products and R&D	100.0
	Red Bend Software SAS	Software design	100.0
	Studer Professional Audio GmbH	Sale of audio products and R&D	100.0
	Harman Connected Services OOO	Connected service provider	100.0
	Harman RUS CIS LLC	Sale of audio products	100.0

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

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

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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>Business</b>	<b>Percentage of ownership (%)<sup>(*)</sup></b>	
	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	
Domestic	Samsung Venture Capital Union #21	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #26	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #28	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #29	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #32	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #33	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #37	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #40	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #42	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #43	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #45	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #52	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #55	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #56	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #57	Venture capital investments in technology business	99.0	
	Samsung Venture Capital Union #62	Venture capital investments in technology business	99.0	
		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 Private Equity Trust	Investment on semiconductor industry	66.7

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

**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>	As of September 30, 2024		September 30, 2024			
	Assets	Liabilities	For the three-month period ended		For the nine-month period ended	
<b>Major subsidiaries<sup>(*1)</sup></b>	<b>Assets</b>	<b>Liabilities</b>	<b>Sales</b>	<b>Profit (loss)</b>	<b>Sales</b>	<b>Profit (loss)</b>
Samsung Display Co., Ltd.	64,435,972	6,945,024	7,210,694	1,574,730	18,286,880	4,810,511
Samsung Electronics America, Inc. (SEA)	44,062,285	16,215,351	10,614,272	221,799	30,674,582	555,774
Samsung Asia Pte. Ltd. (SAPL)	27,625,323	265,991	-	335,101	-	4,950,820
Samsung Austin Semiconductor LLC. (SAS)	23,415,564	13,562,762	1,204,206	476,266	3,378,359	732,721
Harman and its subsidiaries(*2)	19,288,358	6,349,252	3,526,058	319,585	10,324,797	723,077
Samsung (China) Semiconductor Co., Ltd. (SCS)	17,266,856	788,489	2,588,077	238,418	8,609,499	882,856
Samsung Semiconductor, Inc. (SSI)	16,801,434	9,877,915	12,717,008	56,683	30,443,783	257,885
Samsung (CHINA) Investment Co., Ltd. (SCIC)	14,687,239	14,118,807	661,677	35,767	2,101,375	47,383
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	11,918,023	3,287,829	7,922,490	492,134	26,411,478	2,010,454
Samsung India Electronics Private Ltd. (SIEL)	9,110,491	3,492,215	4,630,555	451,767	13,533,065	1,211,772
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	8,416,388	3,011,274	-	39,279	-	160,555
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,073,742	2,050,853	6,099,276	379,408	17,049,546	1,306,961
Samsung Display Vietnam Co., Ltd. (SDV)	7,060,626	2,078,678	5,938,972	252,940	15,048,714	632,663
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	6,833,077	6,155,939	7,712,379	130,195	23,590,340	362,423
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,914,859	1,618,006	1,941,237	32,740	6,122,245	245,822
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,276,215	775,613	1,843,288	116,637	5,311,618	230,777
Samsung Electronics (UK) Ltd. (SEUK)	2,950,376	1,928,270	1,540,621	13,453	4,595,930	28,912
Samsung Electronics Europe Logistics B.V. (SELS)	2,605,733	1,887,926	3,580,674	(236,880)	12,133,190	501,382
Samsung International, Inc. (SII)	2,533,374	639,832	2,196,876	36,584	5,836,412	397,426
Samsung Electronics Taiwan Co., Ltd. (SET)	2,492,132	1,776,421	1,627,959	1,476	4,521,464	61,324
Thai Samsung Electronics Co., Ltd. (TSE)	2,489,754	600,594	1,159,388	(1,026)	3,513,176	30,903
SEMES Co., Ltd.	2,264,972	621,216	569,591	38,985	1,814,825	116,029
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,120,419	1,068,700	1,036,889	45,131	3,221,591	71,307
Samsung Japan Corporation (SJC)	1,893,266	1,608,931	1,080,751	(1,262)	2,607,115	918
Samsung Electronics GmbH (SEG)	1,860,074	1,823,986	1,412,462	27,011	4,724,019	(31,852)

(\*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.



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

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

(2) 2023

<i>(In millions of Korean won)</i>	September 30, 2023					
	As of December 31, 2023		For the three-month period ended		For the nine-month period ended	
	Assets	Liabilities	Sales	Profit (loss)	Sales	Profit (loss)
<b>Major subsidiaries<sup>(*)</sup></b>						
Samsung Display Co., Ltd.	65,328,568	7,266,213	7,427,496	4,090,757	18,462,908	6,495,536
Samsung Electronics America, Inc. (SEA)	41,926,899	15,322,780	10,216,410	(273,767)	30,193,962	21,005
Samsung Asia Pte. Ltd. (SAPL)	22,234,942	282,614	-	4,109,008	-	11,075,857
Harman and its subsidiaries <sup>(*)</sup>	17,956,557	6,009,675	3,791,817	320,808	10,443,291	606,707
Samsung Austin Semiconductor LLC. (SAS)	16,714,945	7,791,914	1,080,710	8,389	3,172,155	260,833
Samsung (China) Semiconductor Co., Ltd. (SCS)	15,808,283	870,453	1,890,492	205,634	6,901,659	736,368
Samsung Semiconductor, Inc. (SSI)	12,796,440	6,276,293	6,241,452	99,630	16,318,423	282,091
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	12,554,481	3,593,527	8,761,281	1,180,774	24,108,238	2,347,215
Samsung (CHINA) Investment Co., Ltd. (SCIC)	10,222,557	8,797,991	922,821	(28,228)	2,497,085	149,741
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,660,481	4,585,806	-	32,306	-	64,391
Samsung India Electronics Private Ltd. (SIEL)	7,738,259	3,373,730	4,460,246	399,072	11,773,610	967,435
Samsung Display Vietnam Co., Ltd. (SDV)	7,383,485	1,570,459	6,689,888	514,812	16,903,470	1,085,346
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,301,860	2,215,062	6,016,323	711,676	16,050,234	1,621,889
Samsung Eletronica da Amazonia Ltda. (SEDA)	5,542,627	1,587,911	1,864,916	58,195	5,519,363	222,840
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	5,262,086	4,552,030	3,470,620	57,582	10,059,823	172,515
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,043,677	843,736	1,642,747	67,493	4,738,599	419,734
Thai Samsung Electronics Co., Ltd. (TSE)	3,039,379	640,512	1,100,817	36,409	3,503,091	222,348
Samsung Electronics (UK) Ltd. (SEUK)	2,902,722	1,976,067	1,480,770	(15,082)	4,331,645	57,282
SEMES Co., Ltd.	2,187,919	659,607	413,797	(42,157)	1,823,533	40,800
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,153,032	1,038,115	959,167	6,318	2,711,330	89,370
Samsung Electronics GmbH (SEG)	2,097,706	2,033,152	1,528,115	(84,348)	4,577,315	(29,366)
Samsung International, Inc. (SII)	1,879,442	383,763	2,060,157	102,369	5,728,487	871,140
Samsung Electronics Taiwan Co., Ltd. (SET)	1,797,627	1,139,056	1,054,741	8,202	2,934,200	9,655
Samsung Electronics Benelux B.V. (SEBN)	1,794,552	639,120	655,903	(31,236)	2,117,941	101,437
Samsung Electronics Europe Logistics B.V. (SELS)	1,639,004	1,443,005	3,884,218	150,578	11,929,548	377,341

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

(\*) 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)

#### 1.4 Changes in Consolidation Scope

Changes in consolidation scope during the nine-month period ended September 30, 2024 are as follows:

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

## 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. 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 nine-month period ended September 30, 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 September 30, 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 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.

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

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*

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 ₩ 1,352.4 to \$1, the average exchange rate for the nine-month period ended September 30, 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.

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

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

(1) As of September 30, 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	43,131,359	-	-	-	43,131,359
Short-term financial instruments	60,616,598	-	-	-	60,616,598
Short-term financial assets at amortized cost	-	-	-	-	-
Short-term financial assets at fair value through profit or loss	-	-	28,571	-	28,571
Trade receivables	44,692,044	-	-	-	44,692,044
Financial assets at fair value through other comprehensive income	-	9,640,598	-	-	9,640,598
Financial assets at fair value through profit or loss	-	-	1,185,582	-	1,185,582
Other	12,704,838	-	376,784	19,502	13,101,124
<b>Total</b>	<b>161,144,839</b>	<b>9,640,598</b>	<b>1,590,937</b>	<b>19,502</b>	<b>172,395,876</b>

<sup>(\*)</sup> 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	12,861,787	-	-	12,861,787
Short-term borrowings	271,753	-	10,763,366	11,035,119
Other payables	14,107,676	-	-	14,107,676
Current portion of long-term liabilities	1,060,156	-	1,051,626	2,111,782
Debentures	19,537	-	-	19,537
Long-term borrowings	6,829	-	3,758,608	3,765,437
Long-term other payables	4,728,755	-	-	4,728,755
Other	13,197,743	50,873	43,788	13,292,404
<b>Total</b>	<b>46,254,236</b>	<b>50,873</b>	<b>15,617,388</b>	<b>61,922,497</b>

<sup>(\*)</sup> 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 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	69,080,893	-	-	-	69,080,893
Short-term financial instruments	22,690,924	-	-	-	22,690,924
Short-term financial assets at amortized cost	608,281	-	-	-	608,281
Short-term financial assets at fair value through profit or loss	-	-	27,112	-	27,112
Trade receivables	36,647,393	-	-	-	36,647,393
Financial assets at fair value through other comprehensive income	-	7,481,297	-	-	7,481,297
Financial assets at fair value through 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 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	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
Others	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 September 30, 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>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Non-current</b>		
Equity instruments	9,640,598	7,481,297

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

<i>(In millions of Korean won)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Current</b>		
Debt instruments	28,571	27,112
<b>Non-current</b>		
Equity instruments	594,107	812,358
Debt instruments	591,475	619,036
Subtotal	1,185,582	1,431,394
<b>Total</b>	1,214,153	1,458,506

(B) Details of listed equity securities of financial assets at fair value as of September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won, number of shares and percentage)</i>	<b>September 30, 2024</b>			<b>December 31, 2023</b>	
	<b>Number of shares owned</b>	<b>Percentage of ownership<sup>(*)</sup> (%)</b>	<b>Acquisition cost</b>	<b>Carrying amount (Market value)</b>	<b>Carrying amount (Market value)</b>
Samsung Heavy Industries Co., Ltd.	134,027,281	15.2	932,158	1,344,294	1,038,711
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	95,825	131,108
iMarketKorea Inc.	647,320	1.9	324	5,457	5,560
Wonik Holdings Co., Ltd.	3,518,342	4.6	30,821	8,813	11,857
Wonik IPS Co., Ltd.	3,701,872	7.5	32,428	114,943	125,679
Wacom Co., Ltd.	8,398,400	5.8	62,013	53,031	50,358
Corning Incorporated	77,000,000	9.0	3,831,362	4,587,655	3,140,978
Other			553,970	869,971	1,093,963
<b>Total</b>			5,457,033	7,079,989	5,598,214

(\*) 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 September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	September 30, 2024			December 31, 2023		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	14,805,469	(1,005,275)	13,800,194	16,120,367	(1,567,353)	14,553,014
Work in process	24,928,549	(1,577,455)	23,351,094	26,501,664	(4,303,216)	22,198,448
Raw materials and supplies	16,055,985	(1,404,171)	14,651,814	15,222,937	(1,525,583)	13,697,354
Materials in transit	1,553,657	-	1,553,657	1,177,058	-	1,177,058
<b>Total</b>	<b>57,343,660</b>	<b>(3,986,901)</b>	<b>53,356,759</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 nine-month periods ended September 30, 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	10,999	71,875
Disposal	(28,908)	(24,517)
Share of profit	596,758	676,459
Other <sup>(*)</sup>	(110,319)	16,067
<b>Balance as of September 30</b>	<b>12,235,974</b>	<b>11,633,753</b>

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

(B) Major investments in associates and joint ventures as of September 30, 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 components including secondary cell batteries	19.6	Korea	December
Cheil Worldwide, Inc.	Advertising agency	25.2	Korea	December

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

(\*) 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 significant associates and joint ventures as of September 30, 2024 and December 31, 2023 are as follows:

(1) Investments in associates

*(In millions of Korean won)*

		<b>September 30, 2024</b>	
Investee	Acquisition cost	Net asset value of equity shares <sup>(*)</sup>	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	359,237	1,956,167	1,964,026
Samsung SDS Co., Ltd.	147,963	2,039,607	2,051,408
Samsung Biologics Co., Ltd.	1,424,358	3,306,203	3,310,763
Samsung SDI Co., Ltd.	1,242,605	3,919,498	2,935,455
Cheil Worldwide, Inc.	506,162	391,782	692,286
Other	678,311	844,623	1,069,479
<b>Total</b>	<b>4,358,636</b>	<b>12,457,880</b>	<b>12,023,417</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)*

		<b>December 31, 2023</b>	
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>September 30, 2024</b>	
<b>Investee</b>	<b>Acquisition cost</b>	<b>Net asset value of equity shares (*)</b>	<b>Carrying amount</b>
Samsung Corning Advanced Glass LLC	215,000	138,870	138,868
Other	259,994	74,075	73,689
<b>Total</b>	<b>474,994</b>	<b>212,945</b>	<b>212,557</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 (*)</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 nine-month period ended September 30, 2024

<i>(In millions of Korean won)</i>	<b>Balance as of January 1</b>	<b>Share of profit</b>	<b>Share of other comprehensive income (loss)</b>	<b>Other(*)</b>	<b>Balance as of September 30</b>
Samsung Electro-Mechanics Co., Ltd.	1,841,393	114,638	28,341	(20,346)	1,964,026
Samsung SDS Co., Ltd.	1,966,206	129,414	2,963	(47,175)	2,051,408
Samsung Biologics Co., Ltd.	3,073,595	238,363	(1,195)	-	3,310,763
Samsung SDI Co., Ltd.	2,912,564	43,281	(6,927)	(13,463)	2,935,455
Cheil Worldwide, Inc.	669,363	48,454	6,701	(32,232)	692,286
Samsung Corning Advanced Glass LLC	138,938	(70)	-	-	138,868
Other	1,165,385	22,678	9,869	(54,764)	1,143,168
<b>Total</b>	<b>11,767,444</b>	<b>596,758</b>	<b>39,752</b>	<b>(167,980)</b>	<b>12,235,974</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 nine-month period ended September 30, 2023

<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 September 30</b>
Samsung Electro-Mechanics Co., Ltd.	1,764,249	93,372	26,161	(37,156)	1,846,626
Samsung SDS Co., Ltd.	1,870,338	124,751	21,276	(55,910)	1,960,455
Samsung Biologics Co., Ltd.	2,808,673	177,431	(1,709)	-	2,984,395
Samsung SDI Co., Ltd.	2,691,223	179,930	55,152	(13,867)	2,912,438
Cheil Worldwide, Inc.	649,161	48,624	5,916	(33,394)	670,307
Samsung Corning Advanced Glass LLC	137,745	(1,904)	-	-	135,841
Other	972,480	54,255	39,003	57,953	1,123,691
<b>Total</b>	<b>10,893,869</b>	<b>676,459</b>	<b>145,799</b>	<b>(82,374)</b>	<b>11,633,753</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 September 30, 2024 and December 31, 2023, and for the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>2024</b>				
	<b>Samsung Electro- Mechanics Co., Ltd.</b>	<b>Samsung SDS Co., Ltd.</b>	<b>Samsung Biologics Co., Ltd.</b>	<b>Samsung SDI Co., Ltd.</b>	<b>Cheil Worldwide, Inc.</b>
<b>1. Condensed financial information</b>					
<b>Condensed statements of financial position :</b>					
Current assets	6,122,408	8,575,897	4,808,895	9,683,238	2,305,760
Non-current assets	6,481,510	4,226,797	11,217,445	28,461,639	503,753
Current liabilities	3,267,728	2,404,111	3,563,760	10,704,290	1,211,679
Non-current liabilities	772,236	1,005,515	1,871,031	6,305,377	219,464
Non-controlling interests	211,368	363,591	-	1,666,032	11,918
<b>Condensed statements of comprehensive income:</b>					
Revenue	7,801,822	10,185,908	3,290,883	13,833,051	3,179,995
Profit from continuing operations, net of tax <sup>(*)</sup>	479,587	567,197	761,822	825,837	168,996
Loss from discontinued operations, net of tax <sup>(*)</sup>	(8,846)	-	-	-	-
Other comprehensive income <sup>(*)</sup>	121,155	35,297	(765)	198,907	23,317
Total comprehensive income <sup>(*)</sup>	591,896	602,494	761,057	1,024,744	192,313
<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)**

<i>(In millions of Korean won)</i>	2023				
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, 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	6,592,508	9,899,748	2,621,080	17,143,535	2,991,311
Profit from continuing operations, net of tax <sup>(*)</sup>	400,245	551,507	567,008	1,512,989	169,611
Loss from discontinued operations, net of tax <sup>(*)</sup>	(20,717)	-	-	-	-
Other comprehensive income (loss) <sup>(*)</sup>	123,264	94,190	(5,462)	340,547	24,651
Total comprehensive income <sup>(*)</sup>	502,792	645,697	561,546	1,853,536	194,262
<b>2. Dividends from associates</b>					
Dividends	37,155	55,911	-	13,867	33,394

<sup>(\*)</sup> Profit (loss) 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 September 30, 2024 and December 31, 2023, and for the nine-month periods ended September 30, 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	109,181	116,372
Non-current assets	198,268	185,100
Current liabilities	28,677	22,684
Non-current liabilities	1,033	911
<b>Condensed statements of comprehensive income:</b>		
Revenue	114,093	80,203
Loss from continuing operations, net of tax	(2,475)	(3,808)
Profit from discontinued operations, net of tax	-	-
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(2,475)</b>	<b>(3,808)</b>
<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 nine-month periods ended September 30, 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	20,643	2,035	52,375	1,880
Other comprehensive income (loss)	9,563	306	39,244	(241)
<b>Total comprehensive income (loss)</b>	<b>30,206</b>	<b>2,341</b>	<b>91,619</b>	<b>1,639</b>

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

<i>(In millions of Korean won and number of shares)</i>	<b>September 30, 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	2,344,334	2,710,580
Samsung SDS Co., Ltd.	17,472,110	2,702,935	2,970,259
Samsung Biologics Co., Ltd.	22,217,309	21,706,311	16,885,155
Samsung SDI Co., Ltd.	13,462,673	5,095,622	6,354,382
Cheil Worldwide, Inc.	29,038,075	534,010	552,595

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

(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. On August 14, 2024, Seoul Administrative Court announced a decision to cancel the second measure charged by the Korea Securities and Futures Commission, but on August 28, 2024, the Korea Securities and Futures Commission appealed the decision and the litigation is in progress at Seoul High Court.

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

Although the future outcome of the administrative litigation cannot be estimated, should Samsung Biologics Co., Ltd. be required to restate its financial statements to amend its historical accounting treatment relating to its investment in Samsung Bioepis Co., Ltd., the Company's share of profit or loss relating to its equity method investment, the amount of investment in associates, and retained earnings, for the years ended December 31, 2015 to December 31, 2022, and the profit on disposal of investment for the year ended December 31, 2016, may be impacted. Given the timing of completion and the final result of the administrative litigation between Samsung Biologics Co., Ltd. and the Korea Securities and Futures Commission is uncertain and cannot currently be estimated, it is not possible for the Company to recognize the effects of these proceedings in the 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 nine-month periods ended September 30, 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	36,850,301	38,286,686
Depreciation	(28,915,583)	(26,469,065)
Disposal/Scrap/Impairment	(654,829)	(265,236)
Other <sup>(*)</sup>	492,622	1,208,190
<b>Balance as of September 30</b>	<b>195,028,773</b>	<b>180,805,963</b>

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

(B) Details of depreciation of property, plant and equipment for the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Cost of sales	25,632,347	23,577,699
Selling and administrative expenses and other	3,283,236	2,891,366
<b>Total</b>	<b>28,915,583</b>	<b>26,469,065</b>

(C) Right-of-use assets as of September 30, 2024 amount to ₩ 5,473,932 million (December 31, 2023: ₩ 5,449,032 million). During the nine-month periods ended September 30, 2024 and 2023, newly recognized right-of-use assets amount to ₩ 1,009,402 million and ₩ 1,586,885 million, respectively, with relevant depreciation of ₩ 906,841 million and ₩ 902,719 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 nine-month periods ended September 30, 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	1,987,741	4,695,885
Acquisition due to business combination	162,170	-
Amortization	(2,214,669)	(2,363,112)
Disposal/Scrap/Impairment	(43,129)	(37,095)
Other <sup>(*)</sup>	443,482	623,568
<b>Balance as of September 30</b>	<b>23,077,457</b>	<b>23,137,000</b>

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

(B) Details of amortization of intangible assets for the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Cost of sales	1,500,766	1,661,406
Selling and administrative expenses and other	713,903	701,706
<b>Total</b>	<b>2,214,669</b>	<b>2,363,112</b>

**9. Borrowings**

Details of the carrying amounts of borrowings as of September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>Financial institutions</b>	<b>Interest rates (%) as of September 30,</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Short-term borrowings</b>				
Collateralized borrowings <sup>(*)</sup>	Woori Bank and others	0.4~11.5	10,763,366	6,610,049
Non-collateralized borrowings	Citibank and others	0.0~48.5	271,753	504,552
<b>Total</b>			<b>11,035,119</b>	<b>7,114,601</b>
<b>Current portion of long-term borrowings</b>				
Bank borrowings	BNP and others	0.0~55.3	531,243	304,082
Lease liabilities <sup>(*)</sup>	CSSD and others	4.6	1,051,626	998,439
<b>Total</b>			<b>1,582,869</b>	<b>1,302,521</b>
<b>Long-term borrowings</b>				
Bank borrowings	BNP and others	0.0~7.4	6,829	-
Lease liabilities <sup>(*)</sup>	CSSD and others	4.6	3,758,608	3,724,850
<b>Total</b>			<b>3,765,437</b>	<b>3,724,850</b>

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



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

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

(\*) Interest expenses arising from the lease liabilities for the nine-month periods ended September 30, 2024 and 2023 amount to ₩ 165,307 million and ₩ 144,529 million, respectively, which are determined using the weighted average incremental borrowing rate.

**10. Debentures**

Details of the carrying amounts of debentures as of September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	Issue date	Due date	Interest rates (%) as of September 30,		
			2024	September 30, 2024	December 31, 2023
US dollar denominated straight bonds <sup>(*)</sup>	1997.10.2	2027.10.1	7.7	19,794 (US \$ 15 million)	25,788 (US \$ 20 million)
US dollar denominated debentures <sup>(*)</sup>	2015.5.11	2025.5.15	4.2	527,840 (US \$ 400 million)	515,760 (US \$ 400 million)
Less: Discounts				(257)	(370)
Add: Premium				1,073	2,794
Less: Current portion				(528,913)	(6,354)
<b>Total</b>				19,537	537,618

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

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

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

(A) Details of net defined benefit liabilities (assets) recognized in the statements of financial position as of September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	September 30, 2024	December 31, 2023
Present value of funded defined benefit obligations	15,958,738	15,403,976
Present value of unfunded defined benefit obligations	398,072	319,689
<b>Subtotal</b>	16,356,810	15,723,665
Fair value of plan assets	(19,898,086)	(20,172,327)
<b>Total</b>	(3,541,276)	(4,448,662)

(B) The components of defined benefit costs recognized in profit or loss for the nine-month periods ended September 30, 2024 and 2023 relating to defined benefit plans are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Current service cost	1,047,737	961,884
Net interest income	(196,885)	(263,823)
Past service cost	(572)	(609)
Other	29,624	14,414
<b>Total</b>	879,904	711,866

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

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

- (C) The expenses related to defined benefit plans recognized in the statements of profit or loss for the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Cost of sales	353,571	281,444
Selling and administrative expenses and other	526,333	430,422
<b>Total</b>	<b>879,904</b>	<b>711,866</b>

**12. Provisions**

Changes in the provisions for the nine-month period ended September 30, 2024 are as follows:

<i>(In millions of Korean won)</i>	<b>Warranty (A)</b>	<b>Royalty (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	1,499,314	759,774	190,046	2,191,119	4,640,253
Payment	(1,416,539)	(519,812)	(459,940)	(1,142,644)	(3,538,935)
Other <sup>(*)</sup>	39,784	(50,294)	8,584	13,126	11,200
<b>Balance as of September 30</b>	<b>2,662,771</b>	<b>2,027,720</b>	<b>732,441</b>	<b>5,092,912</b>	<b>10,515,844</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 September 30, 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 September 30, 2024 are as follows:

<i>(In ten thousand metric tons)</i>	<b>September 30, 2024</b>
Emission rights allocated free of charge	1,796
Estimated volume of emission	1,811

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

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

(2) Changes in the emission rights for the nine-month periods ended September 30, 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)	-	(16,430)
<b>Balance as of September 30</b>	<b>3,137</b>	<b>3,137</b>

(3) Changes in the emission liabilities for the nine-month periods ended September 30, 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	(33)	(15,212)
Utilization	-	(17,491)
<b>Balance as of September 30</b>	<b>104</b>	<b>135</b>

**13. Commitments and Contingencies**

(A) Litigation

As of September 30, 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 September 30, 2024, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩ 14,020,069 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>September 30, 2024</b>	<b>December 31, 2023</b>
Contract liabilities <sup>(*)</sup>	13,174,413	13,327,724

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

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

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

**15. Share Capital**

As of September 30, 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 September 30, 2024, excluding the number of retired shares. As of September 30, 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 nine-month period ended September 30, 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.

**16. Retained Earnings**

(A) Retained earnings as of September 30, 2024 and December 31, 2023 consist of the following:

<i>(In millions of Korean won)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Discretionary reserve and other	208,888,506	208,198,003
Unappropriated retained earnings	156,470,989	138,454,235
<b>Total</b>	<b>365,359,495</b>	<b>346,652,238</b>

(B) Details of interim dividends are as follows:

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

<i>(In millions of Korean won and number of shares)</i>		<b>2024</b>	<b>2023</b>	
1 <sup>st</sup> Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	
		Preference shares	822,886,700	
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
	<b>Total</b>		<b>2,452,154</b>	<b>2,452,154</b>
2 <sup>nd</sup> Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	
		Preference shares	822,886,700	
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
	<b>Total</b>		<b>2,452,154</b>	<b>2,452,154</b>
3 <sup>rd</sup> Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	
		Preference shares	822,886,700	
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	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 September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Gain on valuation of financial assets at fair value through other comprehensive income	1,565,742	194,419
Share of other comprehensive income of associates and joint ventures	230,833	185,144
Gain on overseas business translation	6,580,200	3,651,112
Remeasurement of net defined benefit liabilities (assets)	(2,939,570)	(2,849,526)
Other	54,091	98,981
<b>Total</b>	<b>5,491,296</b>	<b>1,280,130</b>

**18. Expenses by Nature**

Expenses by nature for the three and nine-month periods ended September 30, 2024 and 2023 consist of the following:

<i>(In millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
Changes in finished goods, work in process, and other	597,733	(396,638)	(630,592)	(3,783,006)
Raw materials used, merchandise purchased, and other	24,960,996	72,116,219	26,445,655	74,832,914
Wages and salaries	8,647,579	24,876,278	6,920,360	22,911,999
Post-employment benefit	373,411	1,088,347	276,350	827,860
Depreciation	10,308,425	28,915,583	8,900,426	26,469,065
Amortization	749,115	2,214,669	786,661	2,363,112
Welfare	1,613,546	5,014,355	1,538,580	4,820,029
Utilities	2,195,661	6,189,017	1,930,649	5,563,137
Outsourcing	2,012,305	5,779,356	1,760,398	5,171,254
Advertising	1,444,625	4,203,296	1,684,283	3,903,065
Sales promotion	1,937,967	5,554,795	1,831,205	5,072,992
Other	15,073,997	43,294,099	13,527,143	39,260,876
<b>Total<sup>(*)</sup></b>	<b>69,915,360</b>	<b>198,849,376</b>	<b>64,971,118</b>	<b>187,413,297</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 and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024		2023	
	3 Months	9 Months	3 Months	9 Months
<b>Selling and administrative expenses</b>				
Wages and salaries	2,176,493	6,537,999	2,041,225	6,215,701
Post-employment benefit	106,070	297,335	67,982	208,139
Commissions	2,266,533	6,547,732	2,090,579	6,265,157
Depreciation	424,337	1,255,711	414,681	1,237,680
Amortization	180,620	532,590	173,252	514,838
Advertising	1,444,625	4,203,296	1,684,283	3,903,065
Sales promotion	1,937,967	5,554,795	1,831,205	5,072,992
Transportation	786,621	2,148,165	397,097	1,231,700
Service	886,518	2,910,159	1,129,564	3,239,695
Other	1,743,523	4,832,030	1,509,981	4,461,489
Subtotal	11,953,307	34,819,812	11,339,849	32,350,456
<b>Research and development expenses</b>				
Research and development	8,866,970	24,736,123	7,012,543	20,789,832
<b>Total</b>	20,820,277	59,555,935	18,352,392	53,140,288

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

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

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

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

<i>(In millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
<b>Other non-operating income</b>				
Dividend income	28,901	101,417	34,490	131,278
Rental income	39,082	116,801	37,383	112,288
Gain on disposal of property, plant and equipment	11,370	39,727	28,003	83,050
Other	633,561	1,218,751	144,476	623,207
<b>Total</b>	<b>712,914</b>	<b>1,476,696</b>	<b>244,352</b>	<b>949,823</b>

<i>(In millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
<b>Other non-operating expenses</b>				
Loss on disposal of property, plant and equipment	75,763	107,000	50,034	70,037
Donations	35,784	141,168	76,808	179,601
Other	441,505	931,773	79,561	329,804
<b>Total</b>	<b>553,052</b>	<b>1,179,941</b>	<b>206,403</b>	<b>579,442</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 and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024		2023	
	3 Months	9 Months	3 Months	9 Months
<b>Financial income</b>				
Interest income:	1,231,838	3,582,119	1,145,777	3,358,496
Financial assets measured at amortized cost	1,231,772	3,581,969	1,145,726	3,358,318
Financial assets measured at fair value through profit or loss	66	150	51	178
Foreign exchange differences	2,151,676	6,470,989	2,540,874	8,419,489
Gain from derivatives	233,996	635,649	425,507	1,019,150
<b>Total</b>	<b>3,617,510</b>	<b>10,688,757</b>	<b>4,112,158</b>	<b>12,797,135</b>

<i>(In millions of Korean won)</i>	2024		2023	
	3 Months	9 Months	3 Months	9 Months
<b>Financial expenses</b>				
Interest expenses:	244,966	682,486	279,290	857,860
Financial liabilities measured at amortized cost	63,833	157,841	159,815	487,721
Other financial liabilities	181,133	524,645	119,475	370,139
Foreign exchange differences	2,322,090	6,874,638	2,455,110	8,387,347
Loss from derivatives	256,686	635,925	169,317	859,051
<b>Total</b>	<b>2,823,742</b>	<b>8,193,049</b>	<b>2,903,717</b>	<b>10,104,258</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 September 30, 2024 to be effective for the year ended December 31, 2024 is 9.9%.

**23. Earnings per Share**

(A) Basic earnings per share

Basic earnings per share for the three and nine-month periods ended September 30, 2024 and 2023 are calculated as follows:

(1) Ordinary shares

<i>(In millions of Korean won and shares)</i>	<b>2024</b>		<b>2023</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
Profit for the period attributable to owners of the parent company	9,781,547	26,045,230	5,501,304	8,449,574
Profit for the period available for ordinary shares	8,596,578	22,890,024	4,834,858	7,425,965
Weighted-average number of ordinary shares outstanding	5,969,782,550	5,969,782,550	5,969,782,550	5,969,782,550
<b>Basic earnings per ordinary share (in Korean won)</b>	<b>1,440</b>	<b>3,834</b>	<b>810</b>	<b>1,244</b>

(2) Preference shares

<i>(In millions of Korean won and shares)</i>	<b>2024</b>		<b>2023</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
Profit for the period attributable to owners of the parent company	9,781,547	26,045,230	5,501,304	8,449,574
Profit for the period available for preference shares	1,184,969	3,155,206	666,446	1,023,609
Weighted-average number of preference shares outstanding	822,886,700	822,886,700	822,886,700	822,886,700
<b>Basic earnings per preference share (in Korean won)</b>	<b>1,440</b>	<b>3,834</b>	<b>810</b>	<b>1,244</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 and nine-month periods ended September 30, 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 nine-month periods ended September 30, 2024 and 2023 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Adjustments:		
Income tax expense	2,925,522	(1,660,366)
Financial income	(5,128,916)	(5,173,514)
Financial expenses	2,772,362	3,067,746
Post-employment benefits	1,088,347	827,860
Depreciation	28,915,583	26,469,065
Amortization	2,214,669	2,363,112
(Reversal of) bad debt expense	(9,458)	91,444
Dividend income	(101,417)	(131,278)
Share of profit of associates and joint ventures	(596,758)	(676,459)
Gain on disposal of property, plant and equipment	(39,727)	(83,050)
Loss on disposal of property, plant and equipment	107,000	70,037
Loss (Reversal of loss) on valuation of inventories	(2,437,809)	4,919,360
Other	364,696	27,100
<b>Total</b>	<b>30,074,094</b>	<b>30,111,057</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	(7,829,780)	(5,734,362)
Decrease in other receivables	355,257	990,596
Increase in prepaid expenses	(409,024)	(377,419)
Decrease (increase) in inventories	1,007,521	(6,286,040)
Increase in trade payables	893,040	1,380,348
Increase in other payables	839,263	637,296
Increase in advances received	216,611	58,239
Decrease in withholdings	(37,551)	(540,655)
Increase (decrease) in accrued expenses	1,628,874	(4,137,776)
Increase in provisions	1,101,318	1,778,811
Payment of post-employment benefits	(1,042,780)	(536,633)
Other	(46,172)	(165,738)
<b>Total</b>	<b>(3,323,423)</b>	<b>(12,933,333)</b>

For the nine-month periods ended September 30, 2024 and 2023, cash outflows from principal portion of lease liabilities (financial activities) amount to ₩ 885,181 million and ₩ 814,987 million, respectively, and cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩ 165,307 million and ₩ 144,529 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 and counterparty financial risk, and manages the risk with currency hedges and review of cash flows, etc.

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 September 30, 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 ₩ 69,740 million and ₩ 65,826 million, respectively, and changes in profit before tax of ₩ 1,060 million and ₩ 3,519 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 September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Total liabilities	105,025,954	92,228,115
Total equity	386,281,363	363,677,865
Debt ratio	27.2%	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 September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	September 30, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	43,131,359	(*)	69,080,893	(*)
Short-term financial instruments	60,616,598	(*)	22,690,924	(*)
Short-term financial assets at amortized cost	-		608,281	(*)
Short-term financial assets at fair value through profit or loss	28,571	28,571	27,112	27,112
Trade receivables	44,692,044	(*)	36,647,393	(*)
Financial assets at fair value through other comprehensive income	9,640,598	9,640,598	7,481,297	7,481,297
Financial assets at fair value through profit or loss	1,185,582	1,185,582	1,431,394	1,431,394
Other <sup>(*2)</sup>	13,101,124	396,286	14,840,275	546,021
<b>Total financial assets</b>	172,395,876		152,807,569	
<b>Financial liabilities</b>				
Trade payables	12,861,787	(*)	11,319,824	(*)
Short-term borrowings	11,035,119	(*)	7,114,601	(*)
Other payables	14,107,676	(*)	13,996,395	(*)
Current portion of long-term liabilities	2,111,782	525,007	1,308,875	6,757
- Long-term borrowings	1,582,869	(*) <sup>(*3)</sup>	1,302,521	(*) <sup>(*3)</sup>
- Debentures	528,913	525,007	6,354	6,757
Debentures	19,537	21,479	537,618	529,254
Long-term borrowings	3,765,437	(*) <sup>(*3)</sup>	3,724,850	(*) <sup>(*3)</sup>
Long-term other payables	4,728,755	(*)	4,907,875	(*)
Other <sup>(*2)</sup>	13,292,404	94,661	11,414,008	83,463
<b>Total financial liabilities</b>	61,922,497		54,324,046	

(\*) Carrying amount is a reasonable approximation of fair value.

(\*) Assets measured at the cost of ₩ 12,704,838 million and ₩ 14,294,254 million as of September 30, 2024 and December 31, 2023, respectively, and liabilities measured at the cost of ₩ 13,197,743 million, ₩ 11,330,545 million as of September 30, 2024 and December 31, 2023 respectively, are excluded as the carrying amount is a reasonable estimate 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 September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 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	-	28,571	-	28,571
Financial assets at fair value through other comprehensive income	6,973,987	-	2,666,611	9,640,598
Financial assets at fair value through profit or loss	106,002	-	1,079,580	1,185,582
Other	-	66,941	329,345	396,286
<b>2) Liabilities</b>				
Current portion of debentures	-	525,007	-	525,007
Debentures	-	21,479	-	21,479
Other	-	94,661	-	94,661

<i>(In millions of Korean won)</i>	<b>December 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
<b>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. Level 2 instruments include derivatives and debentures.

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 September 30, 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	34,864	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	15.8%
MiCo Ceramics Co., Ltd.	45,888	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	10.9%
TCL China Star Optoelectronics Technology Co., Ltd. (CSOT)	1,445,161	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.3%
China Star Optoelectronics Semiconductor Display Technology Ltd. (CSOSDT)	266,395	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.3%
<b>Others</b>				
Call option on equity instruments	288,546	Binomial model	Risk-free rate	2.9%
			Price volatility	52.6%
Put option on equity instruments	40,799	Binomial model	Risk-free rate	3.5%-4.6%, 1.4%
			Price volatility	25.7%, 35.5%

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

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

(4) Changes in Level 3 instruments for the nine-month periods ended September 30, 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	185,466	170,913
Disposals	(104,811)	(80,013)
Amount recognized in profit for the period	(64,210)	367,233
Amount recognized in other comprehensive income	220,924	41,452
Other	108,033	22,416
Balance as of September 30	4,075,536	3,825,228

<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	-	(5,884)
Balance as of September 30	-	1,520

(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>	-	188,847	-	(123,174)
Others <sup>(*2)</sup>	86,470	-	(80,151)	-

<sup>(\*1)</sup> For equity securities, changes in fair value were calculated based on changes in perpetual growth rate and weighted average cost of capital (-1%~1%), 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.



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

**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 September 30, 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	44,993,923	29,271,373	7,999,109	3,529,579	(6,695,253)	79,098,731
Depreciation	645,059	8,922,648	606,882	81,078	-	10,308,425
Amortization	405,108	173,843	59,290	47,837	-	749,115
Operating profit	3,372,679	3,864,208	1,513,546	355,346	-	9,183,371

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

Revenue by major product for the three-month period ended September 30, 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	7,581,896	29,980,552	22,273,248	7,999,109	79,098,731

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

(2) For the nine-month period ended September 30, 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	134,357,477	80,965,214	21,031,687	10,348,923	(21,620,667)	225,082,634
Depreciation	1,927,417	24,769,254	1,815,166	254,625	-	28,915,583
Amortization	1,213,969	499,189	173,765	156,329	-	2,214,669
Operating profit	10,170,049	12,229,183	2,864,337	916,271	-	26,233,258

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

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

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

Revenue by major product for the nine-month period ended September 30, 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	22,359,402	89,412,970	61,505,350	21,031,687	225,082,634

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

(3) For the three-month period ended September 30, 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	44,015,400	16,438,381	8,218,580	3,802,481	(5,070,190)	67,404,652
Depreciation	630,205	7,348,081	789,196	84,909	-	8,900,426
Amortization	434,536	186,394	55,773	52,523	-	786,661
Operating profit	3,728,081	(3,753,932)	1,935,165	450,247	-	2,433,534

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

Revenue by major product for the three-month period ended September 30, 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>TV, monitor, and other</b>	<b>Smartphone and other</b>	<b>Memory</b>	<b>Display panels</b>	<b>Total<sup>(*)</sup></b>
Revenue	7,318,422	29,248,961	10,530,033	8,218,580	67,404,652

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

(4) For the nine-month period ended September 30, 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	130,444,087	44,902,120	21,315,797	10,464,123	(15,970,571)	191,155,556
Depreciation	1,886,122	21,759,591	2,426,796	247,977	-	26,469,065
Amortization	1,285,032	585,578	166,420	152,204	-	2,363,112
Operating profit	11,766,221	(12,697,630)	3,554,250	830,577	-	3,742,259

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

Revenue by major product for the nine-month period ended September 30, 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>TV, monitor, and other</b>	<b>Smartphone and other</b>	<b>Memory</b>	<b>Display panels</b>	<b>Total<sup>(*)</sup></b>
Revenue	21,999,115	84,602,205	28,414,389	21,315,797	191,155,556

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

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

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

(B) Regional information

The regional information provided to the Management Committee for the reportable segments as of and for the three and nine-month periods ended September 30, 2024 and 2023 are as follows:

(1) As of and for the three-month period ended September 30, 2024

<i>(In millions of Korean won)</i>	<b>Korea</b>	<b>America</b>	<b>Europe</b>	<b>Asia and Africa</b>	<b>China</b>	<b>Intercompany elimination</b>	<b>Total</b>
Revenue	11,341,928	31,181,768	12,237,026	13,123,500	11,214,509	-	79,098,731
Non-current assets(*)	170,564,139	24,377,872	6,512,175	8,701,671	10,154,527	(2,204,154)	218,106,230

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

(2) As of and for the nine-month period ended September 30, 2024

<i>(In millions of Korean won)</i>	<b>Korea</b>	<b>America</b>	<b>Europe</b>	<b>Asia and Africa</b>	<b>China</b>	<b>Intercompany elimination</b>	<b>Total</b>
Revenue	30,471,436	84,677,152	37,407,038	37,766,889	34,760,119	-	225,082,634
Non-current assets(*)	170,564,139	24,377,872	6,512,175	8,701,671	10,154,527	(2,204,154)	218,106,230

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

(3) As of and for the three-month period ended September 30, 2023

<i>(In millions of Korean won)</i>	<b>Korea</b>	<b>America</b>	<b>Europe</b>	<b>Asia and Africa</b>	<b>China</b>	<b>Intercompany elimination</b>	<b>Total</b>
Revenue	12,422,555	24,194,051	11,730,385	11,797,052	7,260,609	-	67,404,652
Non-current assets(*)	158,137,126	17,953,693	6,136,716	9,276,504	13,306,785	(867,861)	203,942,963

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

(4) As of and for the nine-month period ended September 30, 2023

<i>(In millions of Korean won)</i>	<b>Korea</b>	<b>America</b>	<b>Europe</b>	<b>Asia and Africa</b>	<b>China</b>	<b>Intercompany elimination</b>	<b>Total</b>
Revenue	33,992,795	68,278,463	35,377,963	34,344,380	19,161,955	-	191,155,556
Non-current assets(*)	158,137,126	17,953,693	6,136,716	9,276,504	13,306,785	(867,861)	203,942,963

(\*) 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 nine-month periods ended September 30, 2024 and 2023 are as follows:

		<b>2024</b>			
<i>(In millions of Korean won)</i>	<b>Name of company<sup>(*)</sup></b>	<b>Sales</b>	<b>Disposal of non-current assets</b>	<b>Purchases</b>	<b>Purchase of non-current assets</b>
Associates and joint ventures	Samsung SDS Co., Ltd.	81,802	-	1,580,188	199,395
	Samsung Electro-Mechanics Co., Ltd.	37,780	-	937,543	-
	Samsung SDI Co., Ltd.	86,152	-	511,733	18,401
	Cheil Worldwide Inc.	34,683	-	719,500	13,760
	Other	843,164	122	9,099,633	163,439
	<b>Total</b>	1,083,581	122	12,848,597	394,995
Other related parties	Samsung C&T Co., Ltd.	19,565	-	172,379	4,920,921
	Other	586,364	-	1,063,359	3,213,117
	<b>Total</b>	605,929	-	1,235,738	8,134,038
Other <sup>(*)</sup>	Samsung E&A Co., Ltd.	1,953	-	37,862	2,637,963
	S-1 Corporation	6,813	-	395,780	19,313
	Other	183,757	-	411,103	559,202
	<b>Total</b>	192,523	-	844,745	3,216,478

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

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

		<b>2023</b>			
<i>(In millions of Korean won)</i>	<b>Name of company<sup>(*)</sup></b>	<b>Sales</b>	<b>Disposal of non-current assets</b>	<b>Purchases</b>	<b>Purchase of non-current assets</b>
Associates and joint ventures	Samsung SDS Co., Ltd.	120,809	-	1,481,041	219,924
	Samsung Electro-Mechanics Co., Ltd.	61,381	-	860,130	60
	Samsung SDI Co., Ltd.	90,332	-	555,308	21,037
	Cheil Worldwide Inc.	37,183	-	638,490	1,162
	Other	697,346	-	9,302,277	119,468
	<b>Total</b>	1,007,051	-	12,837,246	361,651
Other related parties	Samsung C&T Co., Ltd.	41,776	70	196,312	3,907,737
	Other	378,253	-	1,324,851	2,952,677
	<b>Total</b>	420,029	70	1,521,163	6,860,414
Other <sup>(*)</sup>	Samsung E&A Co., Ltd.	1,055	-	23,919	1,922,259
	S-1 Corporation	7,493	-	391,091	28,792
	Other	167,119	-	887,932	302,680
	<b>Total</b>	175,667	-	1,302,942	2,253,731

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

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

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

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

(B) Balances of receivables and payables

Balances of receivables and payables arising from sales and purchases of goods and services as of September 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	Name of company <sup>(*)</sup>	September 30, 2024	
		Receivables	Payables <sup>(*)</sup>
Associates and joint ventures	Samsung SDS Co., Ltd.	8,780	614,294
	Samsung Electro-Mechanics Co., Ltd.	315	160,847
	Samsung SDI Co., Ltd.	123,744	80,769
	Cheil Worldwide Inc.	55	329,371
	Other	229,461	1,184,690
<b>Total</b>		362,355	2,369,971
Other related parties	Samsung C&T Co., Ltd.	207,266	1,102,293
	Other	21,497	244,223
	<b>Total</b>		228,763
Other <sup>(*)</sup>	Samsung E&A Co., Ltd.	1,558	1,296,518
	S-1 Corporation	983	41,192
	Other	57,567	264,930
	<b>Total</b>		60,108

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

(\*) 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 nine-month periods ended September 30, 2024 and 2023, the Company invested ₩ 10,999 million and ₩ 71,875 million, respectively, in associates and joint ventures. In addition, the Company has made capital recovery of ₩ 28,878 million and ₩ 24,517 million from its investments in associates and joint ventures during the nine-month periods ended September 30, 2024 and 2023, respectively.
- (D) For the nine-month periods ended September 30, 2024 and 2023, the Company declared dividends of ₩ 1,212,155 million and ₩ 1,238,585 million, respectively, to related parties. In addition, for the nine-month periods ended September 30, 2024 and 2023, the Company declared dividends of ₩ 96,174 million and ₩ 96,174 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 September 30, 2024 and 2023, there is no dividends payable outstanding to the entities that belong to the same large enterprise group according to the Monopoly Regulation and Fair Trade Act.
- (E) For the nine-month periods ended September 30, 2024 and 2023, the Company entered into lease agreements with its related parties amounting to ₩ 28,726 million and ₩ 1,812 million, respectively, and the lease payments made to the related parties are ₩ 20,636 million and ₩ 18,860 million, respectively.
- (F) Key management compensation

The compensation paid or payable to key management (executive directors) for their services for the nine-month periods ended September 30, 2024 and 2023 consists of:

<i>(In millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	7,186	7,737
Post-employment benefits	468	418
Other long-term employee benefits	6,251	5,876

**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 Dowoosys 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)