

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries

Consolidated financial statements
for the period ended June 30, 2024
(Unaudited)



Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of June 30, 2024 and December 31, 2023

(Korean won in units)

| | 2024-06-30 | 2023-12-31 |
|-------------------------------------------|-----------------------------------|-----------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | ₩ 203,825,220,443 | ₩ 144,980,560,156 |
| Trade and other accounts receivables, net | 917,525,844,135 | 1,114,295,507,964 |
| Prepaid expenses | 16,153,589,885 | 24,100,043,640 |
| Current tax assets | 620,087,200 | 1,203,103,480 |
| Other current assets | 1,059,474,010 | 2,710,529,661 |
| Inventories, net | 1,854,411,585,691 | 1,702,147,750,154 |
| Total current assets | <u>2,993,595,801,364</u> | <u>2,989,437,495,055</u> |
| Non-current assets: | | |
| Long-term investment securities | 11,075,275,607 | 11,075,262,606 |
| Long-term loans | 827,937,542 | 711,739,392 |
| Long-term accounts receivables, net | 7,928,834,448 | 5,739,170,860 |
| Long-term prepaid expenses | 189,587,094 | 318,420,814 |
| Property, plant and equipment, net | 4,629,156,536,714 | 4,735,440,326,346 |
| Intangible assets, net | 20,770,962,344 | 26,746,814,653 |
| Defined benefit assets, net | 32,088,621,488 | 37,880,816,019 |
| Other non-current assets | 14,500,000 | 14,500,000 |
| Deferred tax assets | 7,549,828 | 7,169,621 |
| Total non-current assets | <u>4,702,059,805,065</u> | <u>4,817,934,220,311</u> |
| Total assets | <u>₩ 7,695,655,606,429</u> | <u>₩ 7,807,371,715,366</u> |

(Continued)

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of June 30, 2024 and December 31, 2023
(Korean won in units)

| | <u>2024-06-30</u> | <u>2023-12-31</u> |
|----------------------------------------|----------------------------|----------------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities: | | |
| Trade and other | | |
| accounts payable | ₩ 1,322,849,933,534 | ₩ 1,487,608,814,484 |
| Short-term borrowings | 482,293,998,714 | 422,823,710,906 |
| Current portion of bonds payable | | |
| and long-term borrowings | 437,116,705,866 | 905,720,694,628 |
| Income tax payable | 376,953,098 | 411,970,315 |
| Other current liabilities | 24,950,028,921 | 25,525,724,828 |
| Total current liabilities | <u>2,267,587,620,133</u> | <u>2,842,090,915,161</u> |
| Non-current liabilities: | | |
| Bonds payable, net | 1,060,540,308,469 | 778,373,715,070 |
| Long-term borrowings | 557,618,313,528 | 336,133,013,846 |
| Long-term other accounts payable | 8,205,375,647 | 8,525,211,837 |
| Other non-current liabilities | 9,890,619,358 | 9,248,815,439 |
| Deferred tax liabilities | 97,862,051,799 | 107,958,088,485 |
| Total non-current liabilities | <u>1,734,116,668,801</u> | <u>1,240,238,844,677</u> |
| Total liabilities | 4,001,704,288,934 | 4,082,329,759,838 |
| Equity | | |
| Equity attributable to | | |
| equity holders of the Company: | | |
| Issued capital | 95,826,580,000 | 95,826,580,000 |
| Share premium | 864,898,306,667 | 864,898,306,667 |
| Accumulated other comprehensive income | 405,886,773,831 | 404,703,113,359 |
| Retained earnings | 2,327,339,656,997 | 2,359,613,955,502 |
| | <u>3,693,951,317,495</u> | <u>3,725,041,955,528</u> |
| Non-controlling interests | - | - |
| Total equity | 3,693,951,317,495 | 3,725,041,955,528 |
| Total liabilities and equity | ₩ 7,695,655,606,429 | ₩ 7,807,371,715,366 |

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the period ended June 30, 2024 and 2023
(Korean won in units)

| | 2024 Q2 YTD | 2023 Q2 YTD |
|------------------------------------------------------------------------------------------------------|---------------------------|----------------------------|
| Sales | ₩ 5,843,735,406,791 | ₩ 5,720,934,640,863 |
| Cost of goods sold | 5,631,056,385,416 | 5,761,089,087,087 |
| Gross profit (loss) | 212,679,021,375 | (40,154,446,224) |
| Selling and administrative expenses | 160,615,075,016 | 155,728,805,019 |
| Operating profit (loss) | 52,063,946,359 | (195,883,251,243) |
| Finance income | 139,028,939,201 | 203,489,490,589 |
| Finance costs | 222,045,746,390 | 223,377,814,944 |
| Other non-operating income | 10,243,295,430 | 8,233,839,089 |
| Other non-operating expenses | 21,136,605,425 | 15,585,703,413 |
| Loss before income tax | (41,846,170,825) | (223,123,439,922) |
| Income tax benefits | (9,356,406,459) | (46,672,012,665) |
| Loss for the period | ₩ (32,489,764,366) | ₩ (176,451,427,257) |
| Other comprehensive income | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | |
| Net gain (loss) on valuation of interest rate swaps | (165,026,512) | (3,320,546,494) |
| Exchange differences on translation of foreign operations | 1,564,152,845 | (94,597,229) |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods | ₩ 1,399,126,333 | ₩ (3,415,143,723) |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | |
| Gain on revaluation of assets | - | - |
| OCI-net gain (loss) on valuation of financial instruments measured at FVOCI | - | - |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods | ₩ - | ₩ - |
| for the period, net of tax | 1,399,126,333 | (3,415,143,723) |
| Total comprehensive income for the period, net of tax | ₩ (31,090,638,033) | ₩ (179,866,570,980) |
| Loss attributable to: | | |
| Owners of the parent | (32,489,764,366) | (176,451,427,257) |
| Non-controlling interests | - | - |
| | ₩ (32,489,764,366) | ₩ (176,451,427,257) |
| Total comprehensive income attributable to: | | |
| Owners of the parent | (31,090,638,033) | (179,866,570,980) |
| Non-controlling interests | - | - |
| | ₩ (31,090,638,033) | ₩ (179,866,570,980) |
| Earnings (loss) per share: | | |
| Basic earnings (loss) for the period | ₩ (1,695) | ₩ (9,207) |

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the period ended June 30, 2024 and 2023

(Korean won in units)

| | Issued capital | Share premium | Accumulated other comprehensive income | Retained earnings | Equity attributable to equity holders of the Company | Non-controlling interests | Total equity |
|-----------------------------------------------------------|-------------------------|--------------------------|----------------------------------------|----------------------------|------------------------------------------------------|---------------------------|----------------------------|
| As of January 1, 2023 | ₩ 95,826,580,000 | ₩ 864,898,306,667 | ₩ 7,961,424,917 | ₩ 2,521,041,919,315 | ₩ 3,489,728,230,899 | ₩ - | ₩ 3,489,728,230,899 |
| Loss for the period | - | - | - | (176,451,427,257) | (176,451,427,257) | - | (176,451,427,257) |
| Net loss on valuation of interest rate swaps | - | - | (3,320,546,494) | - | (3,320,546,494) | - | (3,320,546,494) |
| Exchange differences on translation of foreign operations | - | - | (94,597,229) | - | (94,597,229) | - | (94,597,229) |
| Total comprehensive income for the period | - | - | (3,415,143,723) | (176,451,427,257) | (179,866,570,980) | - | (179,866,570,980) |
| Dividend | - | - | - | (68,548,000,000) | (68,548,000,000) | - | (68,548,000,000) |
| As of June 30, 2023 | ₩ 95,826,580,000 | ₩ 864,898,306,667 | ₩ 4,546,281,194 | ₩ 2,276,042,492,058 | ₩ 3,241,313,659,919 | ₩ - | ₩ 3,241,313,659,919 |
| As of January 1, 2024 | ₩ 95,826,580,000 | ₩ 864,898,306,667 | ₩ 404,703,113,359 | ₩ 2,359,613,955,502 | ₩ 3,725,041,955,528 | ₩ - | ₩ 3,725,041,955,528 |
| Loss for the period | - | - | - | (32,489,764,366) | (32,489,764,366) | - | (32,489,764,366) |
| Net loss on valuation of interest rate swaps | - | - | (165,026,512) | - | (165,026,512) | - | (165,026,512) |
| Exchange differences on translation of foreign operations | - | - | 1,564,152,845 | - | 1,564,152,845 | - | 1,564,152,845 |
| Exchange differences on translation of foreign operations | - | - | (215,465,861) | 215,465,861 | - | - | - |
| Total comprehensive income for the period | - | - | 1,183,660,472 | (32,274,298,505) | (31,090,638,033) | - | (31,090,638,033) |
| Dividend | - | - | - | - | - | - | - |
| As of June 30, 2024 | ₩ 95,826,580,000 | ₩ 864,898,306,667 | ₩ 405,886,773,831 | ₩ 2,327,339,656,997 | ₩ 3,693,951,317,495 | ₩ - | ₩ 3,693,951,317,495 |

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the period ended June 30, 2024 and 2023
(Korean won in units)

| | 2024 Q2 YTD | 2023 Q2 YTD |
|------------------------------------------------------------------------------|--------------------------|--------------------------|
| Cash flows from operating activities | | |
| Loss for the period | ₩ (32,489,764,366) | ₩ (176,451,427,257) |
| Non-cash adjustments to reconcile profit for the period to net cash flows | 293,690,671,856 | 212,629,594,246 |
| Working capital adjustments | (172,522,838,261) | 416,109,696,634 |
| Interest received | 4,096,293,962 | 4,380,736,549 |
| Income taxes refund (paid) | (159,686,656) | 69,279,897,809 |
| Net cash flows provided by operating activities | 92,614,676,535 | 525,948,497,981 |
| Cash flows from investing activities | | |
| Decrease in long-term loans | 52,690,700 | 100,557,992 |
| Increase in long-term loans | (168,888,850) | - |
| Acquisition of long-term investment securities | (13,001) | (12,000) |
| Decrease in guarantee deposits | 21,912,691 | 71,248,672 |
| Increase in guarantee deposits | (7,953,426) | (450,618,244) |
| Proceeds from disposal of property, plant and equipment | 2,517,222,291 | 3,390,935,745 |
| Acquisition of property, plant and equipment | (132,177,979,050) | (279,769,327,128) |
| Proceeds from disposal of intangible assets | 10,000,000,000 | - |
| Acquisition of intangible assets | (5,007,800,000) | (5,033,442) |
| Settlement of derivatives | (1,079,881,892) | 26,080,271,620 |
| Dividends received | 863,745,575 | 845,797,615 |
| Net cash flows used in investing activities | (124,986,944,962) | (249,736,179,170) |
| Cash flows from financing activities | | |
| Increase in bonds payable | 532,789,963,924 | 308,808,040,000 |
| Net increase (decrease) in short-term borrowings | 58,852,144,567 | (23,517,041,681) |
| Repayment of current portion of long-term bonds and long-term borrowings | (842,504,829,781) | (493,030,273,142) |
| Increase in long-term borrowings | 300,000,000,000 | 150,000,000,000 |
| Increase in deposit withheld | 4,967,274 | - |
| Decrease in deposit withheld | (1,073,324) | (20,994,113) |
| Adjustments for increase in derivative financial liabilities | 85,480,000,000 | - |
| Interest paid | (44,022,835,127) | (37,416,516,995) |
| Dividends paid | - | (68,548,000,000) |
| Net cash flows used in financing activities | 90,598,337,533 | (163,724,785,931) |
| Net increase in cash and cash equivalents | 58,226,069,106 | 112,487,532,880 |
| Cash and cash equivalents at the beginning of the period | 144,980,560,156 | 100,254,868,640 |
| Net foreign exchange difference | 618,591,181 | (35,436,909) |
| Cash and cash equivalents at the end of the period | ₩ 203,825,220,443 | ₩ 212,706,964,611 |