

De Lage Landen Co., Ltd.
Financial Statements
December 31, 2024 and 2023

De Lage Landen Co., Ltd.
Index
December 31, 2024 and 2023

	Page(s)
Independent Auditor's Report.....	1
 Financial Statements	
Statements of Financial Position.....	4
Statements of Profit and Loss.....	5
Statements of Changes in Equity	6
Statements of Cash Flows	7
Notes to the Financial Statements	9
Report on Review of Internal Accounting Control System.....	25
Report on the Operations of the Internal Accounting Control System.....	27



Independent Auditor's Report
(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
De Lage Landen Co., Ltd.

Opinion

We have audited the financial statements of De Lage Landen Co., Ltd. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of profit or loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of De Lage Landen Co., Ltd. as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea.

Basis for Opinion

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

Other Matter

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, financial performance and cash flows in conformity with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. In addition, the procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

Seoul, Korea
March 20, 2025

This report is effective as at March 20, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

De Lage Landen Co., Ltd.
Statements of Financial Position
December 31, 2024 and 2023

<i>(in Korean won)</i>	Notes	2024	2023
Assets			
Cash and due from banks	3, 12		
Cash and cash equivalents		1,251,775,585	9,869,245,408
Loans	4, 6, 20		
Loan Receivables		66,557,375,954	63,034,370,375
Allowance for doubtful accounts		(409,167,629)	(333,331,657)
Lease assets	5, 6, 12		
Finance Lease Receivables		293,447,443,147	284,238,595,675
Allowance for doubtful accounts		(4,775,893,986)	(2,279,356,744)
Inventory		509,993,190	116,423,233
Property and equipment			
Leasehold improvement	7	455,760,000	455,760,000
Accumulated depreciation		(269,200,000)	(213,232,000)
Office equipment		382,749,762	329,491,603
Accumulated depreciation		(294,509,473)	(268,087,161)
Other assets			
Accrued income	20	1,226,667	5,136,667
Other receivables	20	56,102,161	71,961,122
Prepaid expenses		64,044,900	-
Advance payables		-	-
Deposits		217,278,400	241,463,400
Deferred tax assets	11	270,421,886	229,879,783
Loans to employees	6	220,000,000	160,000,000
Allowance for doubtful debts		(1,100,000)	(800,000)
Total assets		357,705,431,792	355,657,519,704
Liabilities			
Borrowings			
Borrowings in Korean Won	9, 20	231,783,000,000	239,687,000,000
Borrowings in foreign currency	9, 12, 20	12,844,949,088	4,517,313,829
Other Liabilities	10		
Lease deposits	5, 9, 10	29,039,845,955	29,126,493,671
Accrued expenses	10, 20	1,820,566,397	1,347,089,132
Other payables	10	312,588,843	345,816,997
Advance receipts		221,801,307	340,473,796
Withholdings		77,075,640	74,046,180
Value added tax withheld		26,254,312	16,779,965
Income taxes payable	11	139,768,461	204,688,473
Office restoration liabilities	10	138,490,000	138,490,000
Total Liabilities		276,404,340,003	275,798,192,043
Equity			
Share capital	1, 13		
Ordinary shares		24,407,870,000	24,407,870,000
Share premium			
Paid-in capital in excess of par value		32,957,611,585	32,957,611,585
Retained earnings			
Unappropriated retained earnings	14	23,935,610,204	22,493,846,076
Total Equity		81,301,091,789	79,859,327,661
Total liability and equity		357,705,431,792	355,657,519,704
		-	-

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

De Lage Landen Co., Ltd.
Statements of Profit and Loss
December 31, 2024 and 2023

<i>(in Korean won)</i>	Notes	2024	2023
Operating Income			
Interest Income			
Loans	20	3,634,782,696	3,630,119,353
Finance lease		18,329,709,343	15,200,510,938
Due from banks		63,864,138	81,607,210
Gain on foreign currency transaction/translation			
Gain on foreign currency transaction		16,085,349	23,684,386
Gain on foreign currency translation		880,330,620	67,502,951
Other Operating income			
Lease cancellation		142,487,406	180,320,080
Other lease		169,092,595	104,325,044
Other income	20	24,101,964	6,477,253
		<u>23,260,454,111</u>	<u>19,294,547,215</u>
Operating expenses			
Interest expenses	20	8,680,497,317	6,794,293,940
Bad debt expenses		2,932,288,479	768,821,634
Loss on foreign currency transaction /translation			
Loss on foreign currency transaction		39,691,911	41,583,249
Loss on foreign currency translation	20	811,124,079	57,147,125
Selling and administrative expenses	16	8,968,706,249	8,729,636,674
		<u>21,432,308,035</u>	<u>16,391,482,622</u>
Operating Profit		1,828,146,076	2,903,064,593
Non-operating income			
Miscellaneous income		1,495,582	7,874,989
Non-operating expense			
Donations		11,000,000	16,515,000
Other expense		1,905	3,532
Profit before income tax		<u>1,818,639,753</u>	<u>2,894,421,050</u>
Income tax expense	11	<u>376,875,625</u>	<u>(1,297,087,003)</u>
Profit for the year		<u>1,441,764,128</u>	<u>4,191,508,053</u>
Earnings per share		-	-
Basic earnings per share	18	295	859

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

De Lage Landen Co., Ltd.
Statements of Change in Equity
Years Ended December 31, 2024 and 2023

<i>(in Korean won)</i>	Share capital	Share premium	Retained earnings	Total
Balance at January 1, 2023	24,407,870,000	32,957,611,585	18,302,338,023	75,667,819,608
Profit for the year	-	-	4,191,508,053	4,191,508,053
Balance at December 31, 2023	<u>24,407,870,000</u>	<u>32,957,611,585</u>	<u>22,493,846,076</u>	<u>79,859,327,661</u>
Balance at January 1, 2024	24,407,870,000	32,957,611,585	22,493,846,076	79,859,327,661
Profit for the year	-	-	1,441,764,128	1,441,764,128
Balance at December 31, 2024	<u>24,407,870,000</u>	<u>32,957,611,585</u>	<u>23,935,610,204</u>	<u>81,301,091,789</u>

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

De Lage Landen Co., Ltd.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

<i>(in Korean won)</i>	2024	2023
Cash flows from operating activities		
Profit for the year	1,441,764,128	4,191,508,053
Adjustments to reconcile expense for the year		
to net cash provided by (used in) operating activities		
Depreciation	85,998,085	64,577,228
Bad debts expense	2,959,882,496	805,718,386
Loss on foreign currency transaction	13,233,022	26,932,964
Loss on foreign currency translation	811,124,078	57,061,475
Gain on foreign currency transaction	-	(734,392)
Gain on foreign currency translation	(850,508,531)	(57,267,487)
Reversal of bad debt expenses	(27,594,018)	(36,896,752)
	<u>2,992,135,132</u>	<u>859,391,422</u>
Changes in operating assets and liabilities		
Decrease (increase) in loans	(9,060,060,623)	4,226,902,461
Decrease (increase) in factoring	5,547,353,720	7,250,014,386
Decrease (increase) in finance lease receivables	(8,728,252,882)	(35,012,564,890)
Decrease (increase) in inventory	(393,569,957)	1,398,447,361
Decrease (increase) in accrued income	3,910,000	(4,676,667)
Decrease (increase) in other receivables	15,858,961	18,045,746
Decrease (increase) in prepaid expenses	(64,044,900)	15,499,669
Decrease (increase) in advance payment	-	25,651
Decrease (increase) in deferred tax assets	(40,542,103)	(45,666,254)
Decrease (increase) in deposit	24,185,000	(5,564,880)
Increase (decrease) in withholdings	3,029,460	(6,668,500)
Increase (decrease) in account payables	(33,405,879)	312,157,533
Increase (decrease) in income tax payables	(64,920,012)	(537,339,417)
Increase (decrease) in accrued expenses	473,477,265	293,611,626
Increase (decrease) in advance receipts	(118,672,489)	183,254,912
Increase (decrease) in loans to employees	(60,000,000)	-
Increase (decrease) in value added tax withheld	9,474,347	9,054,746
Increase (decrease) in lease deposit	(86,647,716)	3,683,297,206
	<u>(12,572,827,808)</u>	<u>(18,222,169,311)</u>
Net cash inflow (outflow) from operating activities	<u>(8,138,928,548)</u>	<u>(13,171,269,836)</u>

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

De Lage Landen Co., Ltd.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

<i>(in Korean won)</i>	Notes	2024	2023
Cash flows from investing activities			
Acquisition of leasehold improvement		-	(279,840,000)
Acquisition of office equipment		(53,258,159)	(71,381,860)
Acquisition of intangible asset		(24,739,000)	-
Net cash inflow from investing activities		<u>(77,997,159)</u>	<u>(351,221,860)</u>
Cash flows from financing activities			
Issurance of borrowings in Korean won		98,506,500,000	99,000,000,000
Issurance of borrowings in foreign currency		8,087,142,145	4,220,143,302
Payment of borrowings in Korean won		(106,410,500,000)	(79,744,000,000)
Payment of borrowings in foreign currency		(583,686,261)	(1,110,473,898)
Net cash inflow(outflow) from financing activities		<u>(400,544,116)</u>	<u>22,365,669,404</u>
Net increase(decrease) in cash and cash equivalents		(8,617,469,823)	8,843,177,708
Cash and cash equivalents at the begininig of the year		<u>9,869,245,408</u>	<u>1,026,067,700</u>
Cash and cash equivalents at the end of the year		<u>1,251,775,585</u>	<u>9,869,245,408</u>

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

De Lage Landen Co., Ltd.

Notes to the Financial Statements

December 31, 2024 and 2023

1. General information

De Lage Landen Co., Ltd. (the "Company") was incorporated on September 23, 2004, registered as a loan lender in Seoul. The initial share capital amounted to ₩50,000 thousand and increased to ₩24,407,870 thousand through several share issuances. In April 2006, the Company became more specialized in asset-based financing solutions, including lease venture and installment financing, and registered with the Financial Supervisory Service. The Company was qualified for the institution with foreign exchange from the Ministry of Strategy and Finance in November 2006. DLL International B.V. owns 100% of the Company's shares, and DLL International B.V. is a wholly owned subsidiary of Cooperatieve Rabobank U.A..

2. Significant Accounting Policies

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

2.1 Basis of preparation

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul). The financial statements of the Company for the annual period beginning on January 1, 2011, have been prepared in accordance with Korean Accounting Standards for Non-Public Entities (KAS-NPEs), which apply to those companies which are subject to the Act on External Audit of Stock Companies but do not prepare their financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. The accompanying financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

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

2.2 Changes in Accounting Policy and Disclosures

(a) New and amended standards adopted by the Company

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

- KAS-NPEs No. 2 Preparation and Presentation of Financial Statements I - Classification of Liabilities as Current or Non-current

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. In addition, covenants that an entity is required to comply with after the end of the reporting period would not affect classification of a liability as current or non-current at the reporting date. When an entity classifies a liability as non-current at the end of the reporting period and that liability is subject to covenants which requires compliance within twelve months of the reporting date, the entity shall disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however,

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

terms of a liability that could, at the option of the counterparty, result in its settlement by the entity's own equity instruments can only be ignored for the purpose of classifying the liability as current or non-current. The company does not expect that these amendments have a significant impact on the financial statements.

- KAS-NPEs No. 22 Income Taxes - International Tax Reform – Pillar Two Model Rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules to reform international corporate taxation. Large multinational enterprises within the scope of the rules are required to calculate their effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their effective tax rate per jurisdiction and the 15% minimum rate.

The narrow-scope amendments were released to provide a temporary relief from the accounting for deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, and
- their current tax expense (if any) related to the Pillar Two income taxes.

Furthermore, if it is not possible to reasonably estimate the Pillar Two income taxes for the reporting period when it occurs, an exception may apply that requires the relevant tax amount to be recognized as an expense in the fiscal year in which it should be reported and paid. The Company is required to disclose the fact that they have applied the exception and period of tax filling. The exception to recognizing and disclosing information related to Pillar Two income taxes shall be applied for annual periods beginning on or after January 1, 2024. The Company does not expect that these amendments have a significant impact on the financial statements.

2.3 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Korean won, which is the Company's functional and presentation currency.

(b) Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are recognized as other comprehensive income if they relate to qualifying cash flow hedges and available-for-sale debt securities denominated foreign currencies.

When recognizing the asset, expense or revenue (or part of it) on derecognition of a non-monetary asset or non-monetary liability received or paid in foreign currency in advance, the entity applies the exchange rate of the date on which the non-monetary asset or non-monetary liability is recognized, which is the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognized in other comprehensive income.

2.4 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash without significant transaction costs which are subject to an insignificant risk of changes in value.

2.5 Finance Leases

The Company accounts for lease transactions as finance leases for leases that transfer substantially all of the risks and benefits of ownership of the lease asset to the lessee. The Company recognizes the amount equivalent to the net investment in the lease asset as finance lease receivable. The lease payments received are allocated between collection of finance lease receivable and interest income. Interest income is calculated for net finance lease receivable based on effective interest rate.

2.6 Operating Lease

The Company accounts for operating leases as leases that do not transfer substantially all of the risks and benefits of ownership of the lease asset to the lessee. The lease assets are recognized as tangible or intangible assets depending on the nature of the lease assets. The annual minimum lease payments received, less guaranteed residual value, are recognized as revenue over the lease term. Initial direct costs incurred by lessor in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income. The depreciation policy for depreciable leased assets is consistent with the lessor's normal depreciation policy for similar assets.

2.7 Lease preliminary assets

The Company recognized expenditures arising from lease agreements that have been entered into but are not commenced at the end of the reporting period as right of use assets.

2.8 Allowance for Doubtful Accounts

The Company calculates the estimated loan loss as a loan loss allowance for loan receivables subject to the provision setting at the settlement date, considering individual analysis of recoverability and the expected loan loss based on historical loan loss experience rates, and the loan loss allowance reserve ratio based on the Regulation on Supervision of Specialized Credit Finance Business for loans and the asset quality classification under the Detailed Regulation on Supervision of Specialized Credit Finance Business.

2.9 Property and Equipment

Property and equipment are stated at cost, which includes acquisition cost, production cost and other costs required to prepare the asset for its intended use.

Property and equipment are stated at acquisition cost, less accumulated depreciation and impairment. Depreciation is calculated over estimated useful lives and the depreciation method as follows:

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

	Estimated useful life	Depreciation method
Leasehold improvements	5 years	Straight-line method
Office equipment	4 years	Straight-line method

Expenditures incurred after the acquisition or completion of assets are capitalized only when it is probable that future economic benefits associated with the item will flow to the Company, which includes any increase in productivity, extension of the useful life of the related assets, significant reduction of cost or enhancement of the value of the related assets over their recently appraised value and the fair value for the related cost can be reliably measured. All other routine maintenance and repairs are charged to expense as incurred.

2.10 Intangible Assets

Intangible assets are stated at cost, which includes acquisition cost, production cost and other costs required to prepare the asset for its intended use. Intangible assets are stated at cost less accumulated amortization and impairment. Amortization is calculated over estimated useful lives and the depreciation method as follows:

	Estimated useful life	Depreciation method
Computer software	4 years	Straight-line method

2.11 Provisions and Contingent Liabilities

Provisions are recognized when it is probable that an outflow of resources will occur due to a present obligation resulting from a past event or transaction, and the amount can be reliably estimated. However, when such outflow is dependent upon a future event, is not certain to occur, or cannot be reliably estimated, a disclosure regarding the contingent liability is made in the notes to the financial statements.

If the difference between the nominal amount of the provision and the present value is material, the current value of the expected expenditure for performing the obligation is assessed.

2.12 Income Tax and Deferred Income Tax

Income tax expense includes the current income tax under the relevant income tax law and the changes in deferred income tax assets or liabilities. Deferred income tax assets and liabilities represent temporary differences between financial reporting and the tax bases of assets and liabilities. Deferred income tax assets are recognized for temporary differences which will decrease future taxable income or operating loss to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Deferred income tax effects applicable to items in the equity are directly reflected in the equity.

2.13 Employee Benefits

(a) Provision for severance benefits

The Company has a defined contribution plan with the related contribution to the pension plan

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

recorded as severance benefit expense.

(b) Annual paid leave obligations

The Company recognizes expenses and liabilities related to annual paid leave during an accounting period when an employee has rendered service that gives rise to employee's entitlement to future annual paid leave. The Company recognizes expenses and liabilities for the entire annual paid leave resulting from the rendered service as the Company compensates for unused annual leave.

2.14 Revenue Recognition

(a) Interest revenues on loans

The Company recognizes the interest revenues on loans on an accrual basis. However, regarding loans of which the principal or interest is overdue as at year end, interest revenues are recognized on a cash basis without recognizing the unearned interest income.

(b) Revenues on finance lease

The Company recognizes interest revenues on finance lease according to the effective annual rate method over the lease period. The unearned interest is the difference between the finance lease receivable and total minimum lease payment.

(c) Revenues on operating lease

The annual minimum lease payments received, less guaranteed residual value, are recognized in equivalent amount as revenue throughout the lease term.

(d) Deferred interest income (expenses)

If the future economic benefits of the deferred interest income (expenses) related to the loan receivables meet the requirements of identifying and responding to transactions, the Company shall defer the interest income (expenses) to account for the loan receivable as an assumed account, and shall be amortised or reversed in accordance with the effective interest on the loan.

2.15 Measurement of Financial Assets and Financial Liabilities

(a) Initial measurement

Financial assets and financial liabilities are measured at the fair value at the initial recognition. Generally, the transaction price (that is, the fair value of the consideration paid for financial assets and received for financial liabilities) is treated as fair value. In addition, if there is any significant difference between the fair value and the nominal amount of receivable and payable from long-term lending and borrowing transactions or sales transactions with long-term deferred payment conditions, total amount of receivable and payable is carried at fair value.

If the consideration paid (or received) includes any amount other than the fair value, the fair value of the financial instrument is carried at the market price. When market price is not available, the fair value is estimated using valuation techniques (including present value based techniques). However, although the consideration consists of the amount other than the fair value, the whole amount is initially recognized if a benefit in return from using the funds is imposed or there is a certain relationship between raising and using the funds. Also for lease deposits, the whole transaction price is recognized at the initial recognition. Trading securities and derivatives (except for derivatives designated as hedging instruments in cash flow hedges) are subsequently measured at fair value after initial recognition, and changes in fair value are recognized in profit and loss. In

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

case of other financial assets and liabilities, any transaction costs related to acquisition of financial assets or issuance of financial liabilities are added to or deducted from initially recognized fair value.

When measuring the present value of financial instruments, the Company uses the internal interest rate of transactions that occurred in the current period. If the internal interest rate is not available or the difference from the market interest rate is significant, the market interest rate is applied. If the market interest rate cannot be calculated, then the weighted average interest rate which is calculated by reasonable and objective standards is used. If reasonable and objective standards are unavailable, the Company applies the financing costs which are reasonably estimated using the distribution rate of corporate bonds, reflecting the Company's credit rating.

(b) Subsequent measurement

Financial assets and financial liabilities, other than derivatives (Note 2.8), are measured at amortized cost using the effective interest method.

2.16 Approval of Financial Statements

The Company's financial statements were effectively finalized by the Board of Directors on February 11, 2025 and may be amended and approved at the General Meeting of Shareholders.

3. Cash and cash equivalent

(a) Details of loans as at December 31, 2024 and 2023 are as follows:

(in KRW)			
Type	Financial Institutions	2024	2023
KRW account	Shinhan bank	9,426,692	12
	Hana bank	7,085,339	121,477,455
	JPM bank	864,460,888	9,611,437,416
Foreign currency account	Hana bank	370,802,666	136,330,525
		1,251,775,585	9,869,245,408

(b) There are no deposits limited to use as at December 31, 2024 and 2023.

4. Loans and Receivables

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

(in KRW)	December 31, 2024			
	Receivables	Unearned Expense/Income	Allowance for doubtful account	Loans (net)
General Loans	43,494,562,955	237,831,269	(295,042,720)	43,437,351,504
Factoring Recivables	22,229,199,602	(4,217,872)	(111,124,909)	22,113,856,821
Intercomany Loans	600,000,000	-	(3,000,000)	597,000,000
	66,323,762,557	233,613,397	(409,167,629)	66,148,208,325

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

(in KRW)	December 31, 2023			
	Receivables	Unearned Expense/Income	Allowance for doubtful account	Loans (net)
General Loans	32,946,810,338	143,774,323	(183,612,730)	32,906,971,931
Factoring Recivables	27,756,370,925	(12,585,211)	(138,718,927)	27,605,066,787
Intercomany Loans	2,200,000,000	-	(11,000,000)	2,189,000,000
	62,903,181,263	131,189,112	(333,331,657)	62,701,038,718

5. Finance Leases

(a) Details of finance lease receivables as at December 31, 2024 and 2023 are as follows:

(in KRW)	December 31, 2024			
	Finance leases	Unearned Expense/Income	Allowance for doubtful account	Finance leases (net)
Finance Leases	296,040,494,823	(2,593,051,676)	(4,775,893,986)	288,671,549,161

(in KRW)	December 31, 2023			
	Finance Leases	Unearned Expense/Income	Allowance for doubtful account	Finance leases (net)
Finance Leases	286,385,082,374	(2,146,486,699)	(2,279,356,744)	281,959,238,931

(b) Total and net investment in the leases and unrealized interest income as at December 31, 2024 and 2023 are as follows:

(in KRW)	December 31, 2024		
	Total lease investment	Net lease investment (Present Value)	Unrealized interest income
Within one year	121,028,423,922	104,969,185,316	16,059,238,606
1-5 years	200,371,127,281	181,212,763,496	19,158,363,785
Later than 5 years	7,798,983,851	7,265,494,335	533,489,516
	329,198,535,054	293,447,443,147	35,751,091,907

(in KRW)	December 31, 2023		
	Total lease investment	Net lease investment (Present Value)	Unrealized interest income
Within one year	111,740,306,012	97,116,075,502	14,624,230,510
1-5 years	197,113,531,210	178,627,497,312	18,486,033,898
Later than 5 years	8,936,412,735	8,495,022,861	441,389,874
	317,790,249,957	284,238,595,675	33,551,654,282

As of the end of the current and prior term, there is no unwarranted residual value included in the finance lease receivables.

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

- (c) Lease security deposit is a deposit that is received from the lessee to guarantee the lease payment until the terms of the lease agreement are fulfilled. As of the end of the current term, the Company accounts for a lease deposit of ₩29,039,845,955 as at December 31, 2024 (2023: ₩29,126,493,671).

6. Allowance for Credit Loss

- (a) Balances of the lease receivables and relevant allowances as at December 31, 2024 and 2023 are as follows:

(in KRW)	December 31, 2024						
	Normal	Precautionary	Substandard	Doubtful	Estimated Loss	Total	Provisions
General Loans	43,517,277,547	113,352,940	-	101,763,737	-	43,732,394,224	295,042,720
Factoring Recivables	22,224,981,730	-	-	-	-	22,224,981,730	111,124,909
Lease receivables	274,662,304,952	6,747,146,406	9,915,616,050	2,054,834,276	67,541,463	293,447,443,147	4,775,893,986
Intercompany Loans	600,000,000	-	-	-	-	600,000,000	3,000,000
Loans to employees	220,000,000	-	-	-	-	220,000,000	1,100,000
	341,224,564,229	6,860,499,346	9,915,616,050	2,156,598,013	67,541,463	360,224,819,101	5,186,161,615

(in KRW)	December 31, 2023						
	Normal	Precautionary	Substandard	Doubtful	Estimated Loss	Total	Provisions
General Loans	33,072,333,601	-	-	-	18,251,060	33,090,584,661	183,612,730
Factoring Recivables	27,743,785,714	-	-	-	-	27,743,785,714	138,718,927
Lease receivables	276,191,365,866	4,908,350,581	2,815,665,084	148,123,124	175,091,020	284,238,595,675	2,279,356,744
Intercompany Loans	2,200,000,000	-	-	-	-	2,200,000,000	11,000,000
Loans to employees	160,000,000	-	-	-	-	160,000,000	800,000
	339,367,485,181	4,908,350,581	2,815,665,084	148,123,124	193,342,080	347,432,966,050	2,613,488,401

- (b) Changes in credit loss in 2024 and 2023 are as below.

(in KRW)	2024	2023
Beginning	2,613,488,401	2,279,649,909
Addition (Reverse)	2,932,288,479	768,821,634
Collection	-	-
Write off	(359,615,265)	(434,983,142)
Ending	5,186,161,615	2,613,488,401

- (c) Coverage ratios for the latest three years are as below.

(in KRW)	2024	2023	2022
Receivables	360,224,819,101	347,432,966,050	324,275,033,662
Allowance	5,186,161,615	2,613,488,401	2,279,649,909
Ratio(%)	1.44	0.75	0.70

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

7. Property and Equipment

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

2024	Leasehold improvement	Office equipment	Total
Beginning balance	242,528,000	61,404,442	303,932,442
Acquisition	-	53,258,159	53,258,159
Disposal	-	-	-
Depreciation	(55,968,000)	(26,422,312)	(82,390,312)
Ending balance	186,560,000	88,240,289	274,800,289
Acquisition cost	455,760,000	382,749,762	838,509,762
Accumulated depreciation	(269,200,000)	(294,509,473)	(563,709,473)

2023	Leasehold improvement	Office equipment	Total
Beginning balance	-	17,287,810	17,287,810
Acquisition	279,840,000	71,381,860	351,221,860
Disposal	-	-	-
Depreciation	(37,312,000)	(27,265,228)	(64,577,228)
Ending balance	242,528,000	61,404,442	303,932,442
Acquisition cost	455,760,000	329,491,603	785,251,603
Accumulated depreciation	(213,232,000)	(268,087,161)	(481,319,161)

Leasehold improvement and office equipment are insured against fire and other casualty losses for up to ₩840,000,000 as at December 31, 2024 (2023: ₩840,000,000).

8. Intangible Asset

Intangible asset as at December 31, 2024 is as follows;

(in KRW)	2024
Beginning balance	-
Acquisition	24,739,000
Disposal	-
Depreciation	(3,607,772)
Ending balance	21,131,228
Acquisition cost	24,739,000
Accumulated depreciation	(3,607,772)

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

9. Borrowings

(a) Borrowings as at December 31, 2024 and 2023 are as follows:

(in KRW, USD, EUR)	Lender	Interest rate as at December 31, 2023	2024	2023	Payment schedule
Borrowings in Korean won	DLL Ireland DAC	0.98~5.10	231,783,000,000	239,687,000,000	Redemption by installment
Borrowings in foreign currency	DLL Ireland DAC	SOFR + 0.57, 3.62~3.70	12,844,949,088 (USD 114,633.00) (EUR 8,263,517.00)	4,517,313,829 (USD 191,055.00) (EUR 2,986,760.00)	Redemption by installment

(b) *Liquidity risk*

The Company monitors the forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Company's liquidity management policy involves projecting cash flows in functional currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company's treasury department invests surplus cash in the financial instruments including time deposits with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. At the end of the reporting period, the Company held ₩1,251,775,585 (2023: ₩9,869,245,408) in short-term cash deposits that are expected to readily generate cash inflows for managing liquidity risk.

Details of the Company's maturity analysis as at December 31, 2024 and 2023 are as follows:

(in KRW)	December 31, 2024				
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Over 2 years	Total
Borrowings in Korean won	21,546,153,467	60,725,707,597	75,129,644,134	90,556,222,439	247,957,727,637
Borrowings in foreign currency	1,150,756,285	918,959,164	2,060,685,912	10,581,769,486	14,712,170,848
Other payable	311,043,843	-	-	-	311,043,843
Accrued expense	533,109,924	798,997,518	-	-	1,332,107,442
Lease security deposit	1,839,101,071	5,607,920,365	7,413,038,784	14,179,785,735	29,039,845,955

(in KRW)	December 31, 2023				
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Over 2 years	Total
Borrowings in Korean won	22,144,265,212	63,690,285,339	62,327,950,126	108,196,406,105	256,358,906,782
Borrowings in foreign currency	91,438,073	218,296,790	782,329,524	4,311,318,316	5,403,382,703
Other payable	344,756,997	-	-	-	344,756,997
Accrued expense	413,703,384	902,721,268	-	-	1,316,424,652
Lease security deposit	999,681,066	5,643,748,895	7,711,246,436	14,771,817,274	29,126,493,671

The above maturity analysis was classified by maturity according to the remaining period from the reporting period end date to the contract expiration date. The cash flows included in the classification by maturity based on the remaining period of the contract maturity date are amounts that do not offer a present value discount, including interest.

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

10. Other Liabilities

(a) Other liabilities as at December 31, 2024 and 2023 are as follows:

(in KRW)	December 31, 2024	December 31, 2023
Other liability		
Lease deposit	29,039,845,955	29,126,493,671
Accrued expense	1,332,107,442	1,316,424,652
Other payable	311,043,843	344,756,997
Sub total	30,682,997,240	30,787,675,320
Other non-financial liability		
Accrued expense	488,458,955	30,664,480
Other payable	1,545,000	1,060,000
Advance receipts	221,801,307	340,473,796
Withholdings	77,075,640	74,046,180
Value added tax withheld	26,254,312	16,779,965
Income taxes payable	139,768,461	204,688,473
Office restoration liabilities	138,490,000	138,490,000
Sub total	1,093,393,675	806,202,894
Total	31,776,390,915	31,593,878,214

11. Income Taxes

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

(in KRW)	2024	2023
Current income taxes	424,419,151	633,232,931
Adjustments in respect of prior years (recognized in current year)	(7,001,423)	(1,870,253,761)
Adjustments in respect of prior years (temporary difference)	-	(14,399,919)
Deferred income tax due to temporary difference	(40,542,103)	(45,666,254)
Income tax expenses	376,875,625	(1,297,087,003)

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

(in KRW)	2024	2023
Profit before income tax	1,818,639,753	2,894,421,050
Income tax based on statutory tax rate	361,364,196	582,933,999
Add (deduct) :	15,511,429	(1,880,021,002)
Non-deductible expenses(income)	19,470,780	(1,173,933)
Additional payment of prior years income taxes	(7,001,423)	(1,884,653,680)
Others (difference of tax rate etc.)	3,042,071	5,806,611
Income tax expense	376,875,625	(1,297,087,003)
Effective tax rate(*)	20.72%	-
	376,875,625	(1,297,087,003)

(*) Income tax expense/Profit before income tax

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

(c) Changes in the temporary differences and related deferred tax assets and liabilities for the years ended December 31, 2024 and 2023 are as follows:

(in KRW)	December 31, 2024					
	Temporary differences			Deferred tax assets (liabilities)		
	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Ending balance
Accrued expense	1,061,608,341	1,273,918,935	1,061,608,341	1,273,918,935	213,807,039	253,128,027
Deferred lease revenues	(11,987,074)	11,987,074	8,729,977	(8,729,977)	(2,414,187)	(1,734,649)
FX revaluation	(439,512)	439,512	2,165,109	(2,165,109)	(88,517)	(430,208)
Leashold improvement	(58,058,000)	58,058,000	44,660,000	(44,660,000)	(11,692,833)	(8,873,954)
Bad debt expense	11,800,000	4,100,000	11,800,000	4,100,000	2,376,510	814,671
Office restoration liabilities	138,490,000	-	-	138,490,000	27,891,771	27,517,999
	1,141,413,755	1,348,503,521	1,128,963,427	1,360,953,849	229,879,783	270,421,886

(in KRW)	December 31, 2023					
	Temporary differences			Deferred tax assets (liabilities)		
	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Ending balance
Accrued expense(*)	942,074,916	1,061,608,341	942,074,916	1,061,608,341	202,432,564	213,807,039
Deferred lease revenues	(89,046,025)	89,046,025	11,987,074	(11,987,074)	(19,134,163)	(2,414,187)
FX revaluation	458,797	-	898,309	(439,512)	98,586	(88,517)
Leashold improvement	-	-	58,058,000	(58,058,000)	-	(11,692,833)
Bad debt expense	3,800,000	11,800,000	3,800,000	11,800,000	816,542	2,376,510
Office restoration liabilities	-	138,490,000	-	138,490,000	-	27,891,771
	857,287,688	1,300,944,366	1,016,818,299	1,141,413,755	184,213,529	229,879,783

(d) The gross balances of deferred tax assets and liabilities as at December 31, 2024 and 2023 are as follows:

(in KRW)	2024	2023
Deferred tax asset	281,460,697	244,075,320
Deferred tax liabilities	(11,038,811)	(14,195,537)
Netted deferred tax	270,421,886	229,879,783

12. Monetary Assets and Liabilities Denominated in Foreign Currency

Monetary assets and liabilities denominated in foreign currencies as at December 31, 2024 and 2023 are as follows:

(in KRW)	December 31, 2024				December 31, 2023			
	Currency	foreign currency	FX rate	KRW equivalents	Currency	foreign currency	FX rate	KRW equivalents
Assets in foreign currency								
Cash and cash equivalents	USD	107,566.56	1,473.56	158,505,707	USD	96,783.24	1,291.07	124,953,930
	EUR	138,396.60	1,533.98	212,296,959	EUR	7,956.44	1,429.86	11,376,595
Finance Leases	EUR	8,588,893.00	1,533.98	13,175,149,294	EUR	3,011,805.67	1,429.86	4,306,460,270
Factoring Receivables	USD	156,446.00	1,473.56	230,532,461	USD	224,952.00	1,291.07	290,428,761
	USD	264,012.56	1,473.56	389,038,168	USD	321,735.24	1,291.07	415,382,691
Total assets in foreign currency	EUR	8,727,289.60	1,533.98	13,387,446,253	EUR	3,019,762.11	1,429.86	4,317,836,865
Liabilities in foreign currency								
Borrowings in foreign currency	USD	114,633.00	1,473.56	168,918,525	USD	191,055.00	1,291.07	246,665,363
	EUR	8,263,517.00	1,533.98	12,676,030,563	EUR	2,986,760.00	1,429.86	4,270,648,464
Account Payable	AUD	59,851.98	915.27	54,780,759	AUD	59,917.33	881.22	52,800,068
	USD	95.20	1,473.56	140,283	USD	188.66	1,291.07	243,573
Accrued expense	EUR	134,199.46	1,533.98	205,858,650	EUR	3,684.97	1,429.86	5,268,991
	USD	114,728.20	1,473.56	169,058,808	USD	191,243.66	1,291.07	246,908,936
Total liabilities in foreign currency	EUR	8,397,716.46	1,533.98	12,881,889,213	EUR	2,990,444.97	1,429.86	4,275,917,455
	AUD	59,851.98	915.27	54,780,759	AUD	59,917.33	881.22	52,800,068

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

13. Share Capital

The Company is authorized to issue 40,000 thousand shares with a par value of ₩5,000. As at December 31, 2024, the Company has issued 4,881,574 shares (2023: 4,881,574 shares) of ordinary shares.

14. Retained Earnings

The appropriation of retained earnings for the year ended December 31, 2024 is expected to be appropriated at the shareholders' meeting on March 31, 2025. The appropriation date for the year ended December 31, 2023 was March 29, 2024.

Details of retained earnings as at December 31, 2024 and 2023 are as follows:

(in KRW)	2024	2023
Outstanding retained earnings	23,935,610,204	22,493,846,076
Unappropriated retained earnings carried over from prior year	22,493,846,076	18,302,338,023
Profit for the period	1,441,764,128	4,191,508,053
Unappropriated retained earnings carried forward to subsequent year	23,935,610,204	22,493,846,076

15. Severance Wage

In 2024, the Company recognized ₩529,298,404 (2023: ₩341,946,182) as severance benefits expenses under the defined contribution pension plan.

16. Selling and Administrative Expenses

(in KRW)	2024	2023
Salaries and wages	3,515,963,368	3,296,324,803
Post-employment benefits	529,298,404	341,946,182
Employee benefits	520,224,200	510,147,887
Rent expenses	239,627,898	245,979,939
Insurance premium	54,411,120	49,518,261
Travel expenses	87,505,867	130,882,087
Vehicles maintenance expenses	149,807,405	127,677,913
Entertainment expenses	70,297,410	85,721,980
Depreciation	82,390,311	64,577,228
Supplies, repairs and maintenance e	89,158,778	153,024,887
Communication expenses	64,392,874	69,615,579
Service fees	3,048,826,407	3,190,505,135
Taxes and dues	433,555,934	451,464,793
Advertising expenses	79,638,500	12,250,000
Amortization	3,607,773	-
	<u>8,968,706,249</u>	<u>8,729,636,674</u>

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

17. Value Added Information

(in KRW)	2024	2023
Salaries and wages	3,515,963,368	3,296,324,803
Post-employment benefits	529,298,404	341,946,182
Employee benefits	520,224,200	510,147,887
Rent expenses	239,627,898	245,979,939
Depreciation	82,390,311	64,577,228
Taxes and dues	433,555,934	451,464,793
	<u>5,321,060,115</u>	<u>4,910,440,832</u>

18. Earnings per Share

(in KRW)	2024	2023
I . Profit for the year	1,441,764,128	4,191,508,053
II . Weighted average number of ordinary shares outstanding	4,881,574	4,881,574
III . Basic earnings per share(I ÷ II)	295	859

19. Significant Transactions Not Affecting Cash Flows

Significant transactions not affecting cash flows for the years ended December 31, 2024 and 2023 are as follows:

(in KRW)	2024	2023
Loan receivables written-off	18,251,060	407,294,877
Finance lease receivables written-off	341,364,205	27,688,265

20. Related Party Transactions

DLL International B.V. is a wholly owned subsidiary of Cooperatieve Rabobank U.A., the ultimate parent company is Cooperatieve Rabobank U.A.

(a) Details of ultimate parents company and associated companies are as below

Ultimated parent company	Cooperatieve Rabobank U.A.
Parent company	DLL International B.V.
Other related parties	Associate companies of Cooperatieve Rabobank U.A.

(b) Details of associates and other related parties that have sales and other transactions with the Company or have receivables and payables balances as at December 31, 2024 and 2023 are as follows:

type	2024	2023
Untimated parent company	Cooperatieve Rabobank U.A.	Cooperatieve Rabobank U.A.

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

Parent company	DLL International B.V.	DLL International B.V.
	DLL Ireland DAC	DLL Ireland DAC
Other related parties	De Lage Landen Pte. Limited	De Lage Landen Pte. Limited
	De Lage Landen Finance LLC.	De Lage Landen Finance LLC.
	De Lage Landen Pty Limited	De Lage Landen Pty Limited

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

		2024			
(in KRW)	Company	Interst Income	Other operating income	Fees expenses	Interest expenses
Parent company	DLL International B.V.	-	-	2,021,603,921	-
	DLL Ireland DAC	-	-	-	8,650,374,804
Other related parties	De Lage Landen Pte. Limited	-	-	-	-
	De Lage Landen Finance LLC.	97,102,448	24,101,964	-	-
	De Lage Landen Pty Limited	-	-	189,570,900	-
		97,102,448	24,101,964	2,211,174,821	8,650,374,804

		2023			
(in KRW)	Company	Interst Income	Other operating income	Fees expenses	Interest expenses
Parent company	DLL International B.V.	-	-	1,596,219,201	-
	DLL Ireland DAC	-	-	-	6,757,372,984
Other related parties	De Lage Landen Pte. Limited	-	-	73,117,351	-
	De Lage Landen Finance LLC.	53,348,447	6,477,253	-	-
	De Lage Landen Pty Limited	-	-	167,035,191	-
		53,348,447	6,477,253	1,836,371,743	6,757,372,984

(d) Outstanding balances with related parties as at December 31, 2024 and 2023 are as follows:

		December 31, 2024						
(in KRW)	Company	Accrued Interest	Other receivables	Loan receivables(*)	Borrowings in KRW	Borrowings in foreign currency	Other payable	Accrued expenses
Parent company	DLL International B.V.	-	-	-	-	-	-	-
	DLL Ireland DAC	-	-	-	231,783,000,000	12,844,949,088	-	480,362,462
Other related parties	De Lage Landen Finance LLC.	1,226,667	26,512,161	600,000,000	-	-	-	-
	De Lage Landen Pty Limited	-	-	-	-	-	54,780,493	-
		1,226,667	26,512,161	600,000,000	231,783,000,000	12,844,949,088	54,780,493	480,362,462

(*) The amount before deducting the allowance for doubtful accounts, and the allowance for doubtful account amounts to ₩3,000,000, and the reversal of the loan allowance recognized during the current period amounts to (₩8,000,000).

		December 31, 2023						
(in KRW)	Company	Accrued Interest	Other receivables	Loan receivables(*)	Borrowings in KRW	Borrowings in foreign currency	Other payable	Accrued expenses
Parent company	DLL International B.V.	-	-	-	-	-	23,205,007	-
	DLL Ireland DAC	-	-	-	239,687,000,000	4,517,313,827	-	218,442,334
Other related parties	De Lage Landen Finance LLC.	5,136,667	70,931,146	2,200,000,000	-	-	-	-
	De Lage Landen Pty Limited	-	-	-	-	-	52,800,068	-
		5,136,667	70,931,146	2,200,000,000	239,687,000,000	4,517,313,827	76,005,075	218,442,334

(*) The amount before deducting the allowance for doubtful accounts, and the allowance for doubtful account amounts to ₩11,000,000, and the reversal of the loan allowance recognized during the current period amounts to ₩8,000,000.

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

		2024 Lending				
(in KRW)	Company	Beginning	Lending	Collection	FX revaluation	Ending
Other related party	De Lage Landen Finance LLC.	2,200,000,000	23,550,000,000	25,150,000,000	-	600,000,000

		2024 Borrowing				
(in KRW)	Company	Beginning	Borrowing	Repayment	Realized FX loss	Unrealized FX loss
Other related party	DLL Ireland DAC	244,204,313,828	85,596,397,306	85,470,577,801	(3,142,794)	300,958,549
		244,627,949,088				

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

(in KRW)	Company	2023 Lending				
		Beginning	Lending	Collection	FX revaluation	Ending
Other related party	De Lage Landen Finance LLC.	600,000,000	13,800,000,000	12,200,000,000	-	2,200,000,000

(in KRW)	Company	2023 Borrowing				
		Beginning	Borrowing	Repayment	Realized FX loss	Unrealized FX loss
Other related party	DLL Ireland DAC	221,756,557,045	103,220,143,302	80,854,473,898	26,198,572	55,888,807
						244,204,313,828

- (f) There is no payment guarantee provided by related parties to the Company as at December 31, 2024

21. Payment Guarantee Provided

Payment guarantees that the Company is receiving, except for related parties as at December 31, 2024 is as follows:

(in KRW)		2024
Guarantor	Description of guarantee	Guaranteed amount
Seoul Guarantee Insurance	Credit offerings	1,482,500,000

22. Contingencies and Commitments

- (a) Commitments contracted with the financial institution as at December 31, 2024 is as follows:

(in KRW, USD)		2024			
Institutions	Description	Currency	Maximum amount	Currency	Used amount
Hana bank	Loan Commitment	KRW	2,000,000,000	KRW	-
	Open L/C	USD	2,000,000	USD	-
Shinhan bank	Loan Commitment	KRW	3,000,000,000	KRW	-
	Open L/C	USD	4,000,000	JPY	-

- (b) *Service Agreement*

As end of the current period, the Company has a service contract with its parent company, DLL International B.V., and a related party, De Lage Landen Pte. Limited. Under the agreement, these related companies provide services such as sales strategy, marketing, and management. In addition, the Company enters into a service contract to provide services such as sales, credit, and portfolio management to De Lage Landen Finance Limited Liability Company, a related company.

- (c) *Repurchase Agreement*

As end of the current period, the Company has entered into a lease repurchase agreement with some of the leasing equipment manufacturers' sales agents (hereinafter referred to as "agent"). Under the agreement, in the event of a delay in the lessee's unpaid lease payments

De Lage Landen Co., Ltd.
Notes to the Financial Statements
December 31, 2024 and 2023

or a breach of contract by lessees, the Company may request the agent to repurchase the lease equipment, and the agent should repurchase the lease equipment within a certain period after the repurchase request and pay the repurchase payment to the Company.

(d) Vendor Program Agreement

As of the end of the current period, the Company has a Vendor Program Agreement with the partners (hereinafter "Vendor") of the DLL Group. Under the agreement, the Company provides financing to customers who use the equipment manufactured and sold by Vendor. The Company may request compensation of the Company's loss to the limited amount or a repurchase of the lease asset to vendors in case of customers' delinquency or default in accordance with the agreement with some of the vendors.

(e) Ongoing Litigation

As of the end of the current period, the company is involved in one lawsuit as a defendant, and the litigation value is KRW 60,000,000. The outcome of the ongoing litigation as of the end of the current period is unpredictable.

Report on Independent Auditor' s
Review of Internal Control over Financial Reporting

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of De Lage Landen Co., Ltd

We have reviewed the accompanying management's report on the effectiveness of Internal Control over Financial Reporting ("ICFR") of De Lage Landen Co., Ltd (the "Company") as of December 31, 2024. The Company's management is responsible for designing and operating ICFR and for its assessment of the effectiveness of ICFR. Our responsibility is to review the management's report on the effectiveness of ICFR and issue a report based on our review. Management's report on the effectiveness of ICFR of the Company states that "Based on the assessment results, Chief Executive Officer and ICFR Officer believe that the Company's ICFR, as at December 31, 2024, is designed and operated effectively, in all material respects, in accordance with Conceptual Framework for Designing and Operating Internal Control over Financial Reporting"

Our review was conducted in accordance with ICFR review standards established by the Korean Institute of Certified Public Accountants. Those standards require that we plan and perform, in all material respects, the review of the management's report on the effectiveness of ICFR to obtain a lower level of assurance than an audit. A review is to obtain an understanding of a company's ICFR and consists principally of inquiries of management and, when deemed necessary, a limited inspection of underlying documents, which is substantially less in scope than an audit.

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

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

Based on our review, nothing has come to our attention that causes us to believe that management's report on the effectiveness of ICFR, referred to above, is not presented fairly, in all material respects, in accordance with the Best Practice Guideline for Evaluating and Reporting Internal Control over Financial Reporting.

Our review is based on the Company's ICFR as of December 31, 2024, and we did not review management's assessment of its ICFR subsequent to December 31, 2024. This report has been prepared pursuant to the Acts on External Audit for Stock Companies, etc. in Korea and may not be appropriate for other purposes or for other users.

Samil PricewaterhouseCoopers

Samil PricewaterhouseCoopers

March 20, 2025

This report is effective as at March 20, 2025, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the Company's internal control over financial reporting thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

De Lage Landen Co., Ltd.
Report on the Operations of the Internal Accounting Control System
December 31, 2024



To Shareholders, Board of Directors and Auditor of De Lage Landen Co., Ltd.

I, as the representative director of De Lage Landen Co., Ltd. ("the Company"), assessed the effectiveness of the design and operation of the Company's Internal Control over Financial Reporting ("ICFR") for the year ending December 31, 2024.

The Company's management, including the ICFR OFFICER, is responsible for designing and operating an ICFR. I assessed the design and operational effectiveness of the ICFR in the prevention and detection of an error or fraud which may cause a misstatement in the preparation and disclosure of reliable financial statements. I followed the Conceptual Framework for Designing and Operating ICFR announced by the ICFR committee in Korea to evaluate the effectiveness of the ICFR design and operation. In addition, in evaluating the design and operation status of the internal accounting management system, the "Best Practices for Evaluation and Reporting of the Internal Accounting Management System" announced by the Internal Accounting Management System Steering Committee was used as an evaluation criterion.


Based on the assessment of ICFR as of December 31, 2024, no material weaknesses, in any material respects, have been identified in accordance with the Conceptual Framework for Designing and Operating ICFR.

I certify that this report does not contain any false statement or omit a fact to be presented herein. I also certify that this report does not contain or present any statements that may cause material misunderstandings, and I have reviewed and verified this report with due care.

February 07, 2025



Jin Kyou Lee
Representative Director



Yun Sung Yang
ICFR Manager