

LG Electronics Inc.

Interim condensed separate financial statements
for each of the three-month periods ended March 31, 2025 and 2024
with the independent auditor's review report

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Report on review of interim condensed separate financial statements

(English translation of a report originally issued in Korean)

The Stockholders and Board of Directors LG Electronics Inc.

We have reviewed the accompanying interim condensed separate financial statements of LG Electronics Inc. (the "Company"), which comprise the interim condensed separate statement of financial position as of March 31, 2025, and the related interim condensed separate statement of profit or loss, interim condensed separate statement of comprehensive income, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for each of the three-month periods ended March 31, 2025 and 2024, and a summary of material accounting policy information and other explanatory information.

Management's responsibility for the interim condensed separate financial statements

Management is responsible for the preparation and presentation of these interim condensed separate financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of interim condensed separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing ("KSA") and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Other matters

We have audited the separate statement of financial position as of December 31, 2024, and the separate statement of profit or loss, separate statement of comprehensive income, separate statement of changes in equity, and separate statement of cash flows for the year ended (not presented herein) in accordance with KSA, and our report dated March 12, 2025 expressed an unqualified opinion thereon. The accompanying statement of financial position as of December 31, 2024, presented for comparative purposes, is not different, in all material respects, from the above audited statement of financial position.



May 15, 2025

This review report is effective as of May 15, 2025, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed separate financial statements and may result in modification to this review report.

LG Electronics Inc.

Interim condensed separate financial statements
for each of the three-month periods ended March 31, 2025 and 2024

“The accompanying interim condensed separate financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Company.”

JOO WAN CHO
Chief Executive Officer
LG Electronics Inc.

LG Electronics Inc.
Interim condensed separate statements of financial position
as of March 31, 2025 and December 31, 2024

(in millions of Korean won)

	Notes	March 31, 2025 (unaudited)	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	4,28	1,015,160	1,204,080
Trade receivables	4,5,28	7,128,982	6,275,525
Other receivables	4,5,28	1,453,319	1,339,202
Other financial assets	4,6,28	67,951	62,670
Inventories	7	1,450,038	1,465,092
Current tax assets		31,525	26,270
Contract assets	8	1,093,054	1,028,262
Other current assets		516,388	535,896
Assets held for sale	29	42,126	-
		<u>12,798,543</u>	<u>11,936,997</u>
Non-current assets			
Deposits held by financial institutions	4,28	120,317	120,631
Trade receivables	4,5,28	1,770,430	1,563,723
Other receivables	4,5,28	162,028	410,669
Other financial assets	4,6,28	500,579	477,908
Property, plant and equipment	9	6,125,034	6,224,208
Intangible assets	9	2,739,755	2,681,854
Deferred tax assets		2,161,544	2,197,033
Investments in subsidiaries, associates and joint ventures	10	8,658,770	8,642,277
Investment properties		75,051	76,144
Net defined benefit assets	13	175,387	319,380
Contract assets	8	199,670	181,522
Other non-current assets		63,020	66,136
		<u>22,751,585</u>	<u>22,961,485</u>
Total assets		<u>35,550,128</u>	<u>34,898,482</u>
Liabilities			
Current liabilities			
Trade payables	4,28	7,731,639	6,787,335
Borrowings	4,11,28	1,585,109	901,800
Lease liabilities	4,12,28	66,233	72,610
Other payables	4,28	1,970,339	2,492,269
Other financial liabilities	4,6,28	6,596	7,682
Current tax liabilities		21,335	29,713
Provisions	14	928,071	1,059,834
Contract liabilities	8	762,763	1,152,649
Other current liabilities		1,810,707	2,104,643
		<u>14,882,792</u>	<u>14,608,535</u>
Non-current liabilities			
Borrowings	4,11,28	8,195,482	8,460,942
Lease liabilities	4,12,28	54,828	55,562
Other payables	4,28	11,890	11,890
Other financial liabilities	4,6,28	60,370	63,158
Provisions	14	103,176	71,398
Contract liabilities	8	546,306	3,772
Other non-current liabilities		141,374	146,174
		<u>9,113,426</u>	<u>8,812,896</u>
Total liabilities		<u>23,996,218</u>	<u>23,421,431</u>
Equity			
Paid-in capital:	15		
Share capital		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	16	7,609,899	7,539,176
Accumulated other comprehensive income (loss)	17	(15,518)	(21,654)
Other components of equity	18	(32,819)	(32,819)
Total equity		<u>11,553,910</u>	<u>11,477,051</u>
Total liabilities and equity		<u>35,550,128</u>	<u>34,898,482</u>

LG Electronics Inc.

Interim condensed separate statements of profit or loss

for each of the three-month periods ended March 31, 2025 and 2024 (unaudited)

(In millions of Korean won except for earnings (loss) per share)

		For the three-month period ended March 31	
	Notes	2025	2024
Continuing operations			
Net sales	19	7,964,514	7,750,009
Cost of sales	20	5,800,085	5,716,446
Gross profit		2,164,429	2,033,563
Selling expenses	20,21	977,196	910,718
Administrative expenses	20,21	215,154	209,363
Research and development expenses	20,21	469,636	452,554
Service costs	20,21	224,167	174,542
Operating profit (loss)		278,276	286,386
Finance income	22	142,504	140,125
Finance expenses	22	199,356	146,665
Other non-operating income	23	296,871	960,476
Other non-operating expenses	23	251,402	303,943
Profit (Loss) before income tax		266,893	936,379
Income tax expense (benefit)		56,517	106,498
Profit (Loss) from continuing operations		210,376	829,881
Discontinued operations			
Profit (Loss) from discontinued operations	30	(1,598)	(8,787)
Profit (Loss) for the period		208,778	821,094
Earnings (Losses) per share during the period			
(in Korean won):	24		
Earnings (Losses) per ordinary share			
From continuing operations		1,167	4,608
From discontinued operations		(9)	(49)
		1,158	4,559
Earnings (Losses) per preferred share			
From continuing operations		1,180	4,620
From discontinued operations		(9)	(49)
		1,171	4,571

LG Electronics Inc.**Interim condensed separate statements of comprehensive income
for each of the three-month periods ended March 31, 2025 and 2024 (unaudited)***(In millions of Korean won)*

	Notes	For the three-month period ended March 31	
		2025	2024
Profit (Loss) for the period		<u>208,778</u>	<u>821,094</u>
Other comprehensive income (loss), net of tax			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurements of net defined benefit liabilities	13	(47,163)	(781)
Financial assets at fair value through other comprehensive income	6	(428)	49,638
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Cash flow hedges	28	<u>6,564</u>	<u>21,963</u>
Other comprehensive income(loss) for the period, net of tax		<u>(41,027)</u>	<u>70,820</u>
Total comprehensive income (loss) for the period, net of tax		<u>167,751</u>	<u>891,914</u>

LG Electronics Inc.
Interim condensed separate statements of changes in equity
for each of the three-month periods ended March 31, 2025 and 2024 (unaudited)
(in millions of Korean won)

	Notes	Paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Other components of equity	Total equity
Balance as of January 1, 2024		3,992,348	6,566,223	(10,205)	(32,819)	10,515,547
Total comprehensive income (loss):						
Profit (Loss) for the period		-	821,094	-	-	821,094
Remeasurements of net defined benefit liabilities	13	-	(781)	-	-	(781)
Financial assets at fair value through other comprehensive income	6	-	-	49,638	-	49,638
Cash flow hedges	29	-	-	21,963	-	21,963
Total comprehensive income (loss)		-	820,313	71,601	-	891,914
Transactions with the owners:						
Dividends	16	-	(144,912)	-	-	(144,912)
Total transactions with the owners		-	(144,912)	-	-	(144,912)
Balance as of March 31, 2024 (unaudited)		<u>3,992,348</u>	<u>7,241,624</u>	<u>61,396</u>	<u>(32,819)</u>	<u>11,262,549</u>
Balance as of January 1, 2025		3,992,348	7,539,176	(21,654)	(32,819)	11,477,051
Total comprehensive income (loss):						
Profit (Loss) for the period		-	208,778	-	-	208,778
Remeasurements of net defined benefit liabilities	13	-	(47,163)	-	-	(47,163)
Financial assets at fair value through other comprehensive income	6	-	-	(428)	-	(428)
Cash flow hedges	28	-	-	6,564	-	6,564
Total comprehensive income (loss)		-	161,615	6,136	-	167,751
Transactions with the owners:						
Dividends	16	-	(90,892)	-	-	(90,892)
Total transactions with the owners		-	(90,892)	-	-	(90,892)
Balance as of March 31, 2025 (unaudited)		<u>3,992,348</u>	<u>7,609,899</u>	<u>(15,518)</u>	<u>(32,819)</u>	<u>11,553,910</u>

LG Electronics Inc.
Interim condensed separate statements of cash flows
for each of the three-month periods ended March 31, 2025 and 2024 (unaudited)
(in millions of Korean won)

	Notes	For the three-month period ended March 31	
		2025	2024
Cash flows from operating activities			
Cash generated from (used in) operations	25	15,656	745,440
Interest received		24,779	38,930
Interest paid		(75,081)	(83,287)
Dividend received		261	670,849
Income tax paid		(22,333)	(79,565)
Net cash flows provided by (used in) operating activities		(56,718)	1,292,367
Cash flows from investing activities			
Decrease in deposits held by financial institutions		2,489	919
Decrease in other receivables		19,646	15,729
Proceeds from withdrawal and disposal of other financial assets		34	-
Proceeds from disposal of property, plant and equipment		4,405	10,192
Proceeds from disposal of intangible assets		2,609	3,681
Increase in deposits held by financial institutions		(2,175)	(937)
Increase in other receivables		(28,561)	(27,955)
Acquisition of other financial assets		(5,317)	(907)
Acquisition of property, plant and equipment		(204,269)	(160,032)
Acquisition of intangible assets		(281,214)	(343,521)
Acquisition of investments in subsidiaries, associates and joint ventures	10	(16,492)	(533,371)
Transfer of business		-	(13,748)
Net cash flows provided by (used in) investing activities		(508,845)	(1,049,950)
Cash flows from financing activities			
Increase in borrowings		1,948,011	303,851
Repayments of borrowings		(1,550,459)	(688,292)
Repayments of lease liabilities		(20,909)	(18,778)
Net cash flows provided by (used in) financing activities		376,643	(403,219)
Net increase (decrease) in cash and cash equivalents		(188,920)	(160,802)
Cash and cash equivalents at the beginning of the period		1,204,080	2,349,705
Cash and cash equivalents at the end of the period		1,015,160	2,188,903

LG Electronics Inc.

Notes to the interim condensed separate financial statements

March 31, 2025 and 2024(unaudited)

1. General information

LG Electronics Inc. (the “Company”) was spun off from LG Electronics Inc. on April 1, 2002. The Company’s shares were listed on the Korea Exchange on April 22, 2002, and some of its preferred shares, in the form of global depositary receipts (“GDRs”), are listed on the London Stock Exchange as of March 31, 2025. The Company is domiciled in Korea at Yeoui-daero, Yeongdeungpo-gu, Seoul.

As of March 31, 2025, LG Corp. owns 35.1% of the Company’s total shares, excluding preferred shares, while financial institutions, foreign investors and others own the rest.

The Company operates the following major business segments: Home Appliance Solution segment manufacturing and selling key home appliances such as refrigerators, washing machines, and vacuum cleaners; Media Entertainment Solution segment manufacturing and selling TVs, monitors, PCs, and information display products, also operating a platform business focused around webOS; Vehicle Solution segment designing and manufacturing automobile parts; and Eco Solution segment manufacturing and selling HVAC(Heating, Ventilation, and Air Conditioning) including residential and commercial air conditioners. As of March 31, 2025, the Company operates manufacturing facilities mainly in Changwon, Pyeongtaek and Gumi in the Republic of Korea.

2. Material accounting policies

2.1 Basis of preparation

The Company maintains its accounting records in Korean won (presented as “Korean won”, “KRW”, or “₩”) and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (KIFRS). The accompanying interim condensed separate financial statements have been condensed, restructured and translated into English from the Korean language financial statements. The financial statements of the Company are the interim condensed separate financial statements prepared in accordance with KIFRS 1027 *Separate Financial Statements*. In the event of any differences in interpreting the financial statements or the independent auditor’s review report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The Company’s interim condensed separate financial statements for the three-month period ended March 31, 2025, have been prepared in accordance with KIFRS 1034 *Interim Financial Reporting*. These interim condensed separate financial statements have been prepared in accordance with KIFRS which is effective or early adopted as of March 31, 2025.

LG Electronics Inc.

Notes to the interim condensed separate financial statements

March 31, 2025 and 2024(unaudited)

2.1.1 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations effective for the financial year beginning on or after January 1, 2025

- *Lack of Exchangeability* - Amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* and KIFRS 1101 *First-time Adoption of KIFRS*

The amendments require entities to assess the exchangeability of a currency and, if the currency is not exchangeable into another currency, to estimate the spot exchange rate and disclose relevant information. The Company does not expect that these amendments will have a material impact on the interim condensed separate financial statements.

(b) Newly enacted and amended standards issued, but not effective and not early adopted by the Company as of March 31, 2025.

- *Classification and Measurement of Financial Instruments* – Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures*

In response to questions raised in practice and to incorporate new requirements, the amendments have been made to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures*. These amendments apply to annual reporting periods beginning on or after January 1, 2026. The Company does not expect that these amendments will have a material impact on the interim condensed separate financial statements. The amendments:

- allow financial liabilities to be considered as settled (derecognized) before the settlement date if they are settled via an electronic payment system and meet specific criteria.
- clarify and introduces additional guidance for assessing whether a financial asset meets the criteria of having cash flows that are solely payments of principal and interest.
- require the disclosure of the extent to which an entity is exposed to contractual terms that alter the timing or amount of contractual cash flows, categorised by type of financial instrument; and
- introduce additional disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVOCI).

- Annual Improvements to KIFRS – Volume 11

Annual Improvements to KIFRS – Volume 11 apply to annual reporting periods beginning on or after January 1, 2026. The Company does not expect that these amendments will have a material impact on the interim condensed separate financial statements.

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Notes to the interim condensed separate financial statements

March 31, 2025 and 2024(unaudited)

- KIFRS 1101 *First-time Adoption of KIFRS: Application of hedge accounting upon first-time adoption of K-IFRS*
- KIFRS 1107 *Financial Instruments: Disclosures: Derecognition gains or losses, application guidance in practice*
- KIFRS 1109 *Financial Instruments: Derecognition of lease liabilities and definition of transaction price*
- KIFRS 1110 *Consolidated Financial Statements: Determination of a de facto agent*
- KIFRS 1007 *Statement of Cash Flows: Cost method*

2.2 Accounting policies

The material accounting policies and method of computation used in the preparation of the interim condensed separate financial statements are consistent with those of the separate financial statements for the year ended December 31, 2024, except for the changes due to the application of amendment and enactments of standards described in 'Note 2.1.1' and the ones described below.

2.2.1 Income tax expense

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. The estimated average annual tax rate is applied to the pre-tax income for the period.

LG Electronics Inc.

Notes to the interim condensed separate financial statements

March 31, 2025 and 2024(unaudited)

3. Material accounting estimates and judgments

The estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

3.1 Material accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. 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 will, by definition, seldom equal the related actual results.

The armed conflict between Russia and Ukraine has a material impact on the global economy. It may have a negative impact to the Company such as decrease in productivity, decrease or delay in sales, collection of existing receivables and others. Accordingly, it may have a negative impact on the financial position and financial performance of the Company.

Material accounting estimates and assumptions applied in the preparation of the interim condensed separate financial statements can be adjusted depending on changes in the uncertainty from the armed conflict between Russia and Ukraine. Also, the ultimate effect of the armed conflict between Russia and Ukraine to the Company's business, financial position and financial performance cannot presently be determined.

The estimates and assumptions that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities after the reporting date are addressed below.

(a) Revenue recognition

The Company recognizes revenue over time using the percentage of completion method for the rendering of services such as equipment production and installation. The Company measures the percentage of completion by estimating total cost for the completion of the transaction, and the factors for the estimation of revenue may vary.

(b) Impairment of goodwill and others

The Company tests goodwill and others regularly for impairment. The recoverable amounts of cash-generating units have been determined based on fair value less costs of disposal or value-in-use calculations. These calculations require estimates.

(c) Income taxes

The Company recognizes assets and liabilities for anticipated tax audit issues based on the best estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

LG Electronics Inc.

Notes to the interim condensed separate financial statements

March 31, 2025 and 2024(unaudited)

(d) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and makes assumptions that are mainly based on market conditions existing as of March 31, 2025.

(e) Provisions

The Company recognizes provisions for product warranties and others based on their historical data as of March 31, 2025.

(f) Net defined benefit liabilities

The present value of the defined benefit liability depends on various factors that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for pensions include the discount rate, which is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit liability. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for defined benefit liability are based on current market conditions.

(g) Development costs

The Company capitalizes development costs when there is reasonable assurance that projects have technical feasibility and the possibility of generating future economic benefits, and it performs periodic impairment tests. The recoverable amount of each project has been calculated on a basis of the value-in-use reflecting expected sales quantity and unit price and estimated operating profit.

(h) Leases

When the Company is a lessee, in determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The reassessment of the lease term based on a judgment of whether the extension option is reasonably certain to be exercised (or not exercised) is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

When the Company is a lessor, management estimates the lease period by considering non-cancellable lease period in the contract. And management compares a major part of the economic life of the underlying asset with the lease period and classifies it as a finance lease if the lease period exceeds for a major part of the economic life of the underlying asset. When classified as a finance lease, the Company recognizes income at the lower of the lease net investment discounted at the market interest rate and the sale price of the underlying asset.

LG Electronics Inc.
Notes to the interim condensed separate financial statements
March 31, 2025 and 2024(unaudited)

4. Financial instruments by category

(a) Details of financial instruments by category as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Others	Total
Cash and cash equivalents	1,015,160	-	-	-	1,015,160
Deposits held by financial institutions	120,317	-	-	-	120,317
Trade receivables	6,684,231	199,941	-	2,015,240	8,899,412
Other receivables	1,615,347	-	-	-	1,615,347
Other financial assets and others	-	73,186	116,068	393,978	583,232
Total	9,435,055	273,127	116,068	2,409,218	12,233,468

<i>(in millions of Korean won)</i>	March 31, 2025			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Others	Total
Trade payables	7,731,639	-	-	7,731,639
Borrowings	9,780,591	-	-	9,780,591
Lease liabilities	-	-	121,061	121,061
Other payables	1,982,229	-	-	1,982,229
Other financial liabilities	-	27,848	39,118	66,966
Total	19,494,459	27,848	160,179	19,682,486

<i>(in millions of Korean won)</i>	December 31, 2024				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Others	Total
Cash and cash equivalents	1,204,080	-	-	-	1,204,080
Deposits held by financial institutions	120,631	-	-	-	120,631
Trade receivables	5,914,571	220,898	-	1,703,779	7,839,248
Other receivables	1,749,871	-	-	-	1,749,871
Other financial assets and others	-	68,728	109,227	377,325	555,280
Total	8,989,153	289,626	109,227	2,081,104	11,469,110

LG Electronics Inc.

Notes to the interim condensed separate financial statements

March 31, 2025 and 2024(unaudited)

(in millions of Korean won)	December 31, 2024			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Others	Total
Trade payables	6,787,335	-	-	6,787,335
Borrowings	9,362,742	-	-	9,362,742
Lease liabilities	-	-	128,172	128,172
Other payables	2,504,159	-	-	2,504,159
Other financial liabilities	-	27,848	42,992	70,840
Total	18,654,236	27,848	171,164	18,853,248

(b) Details of net gains or losses on financial instruments by category for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

(in millions of Korean won)	For the three-month period ended March 31, 2025				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Interest income	25,202	-	-	-	25,202
Exchange differences	47,539	-	-	-	47,539
Bad debt expenses	(1,403)	-	-	(1,691)	(3,094)
Loss on disposal of trade receivables	-	(49)	-	-	(49)
Dividend income	-	301	121	-	422
Profit (Loss) for the period from discontinued operations	(422)	-	-	-	(422)
Fair value gain (loss), net of tax (through other comprehensive income)	-	(428)	-	-	(428)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	8,355	8,355
Others	(2,957)	-	-	-	(2,957)

(in millions of Korean won)	For the three-month period ended March 31, 2025			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expense	(98,234)	-	12,737	(85,497)
Exchange differences	(28,274)	-	6,355	(21,919)
Gain (Loss) on derivatives (through profit or loss)	-	6,596	-	6,596
Profit (Loss) for the period from discontinued operations	3	-	-	3
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	(1,791)	(1,791)
Others	(4,220)	-	71	(4,149)

LG Electronics Inc.

Notes to the interim condensed separate financial statements

March 31, 2025 and 2024(unaudited)

For the three-month period ended March 31, 2024					
(in millions of Korean won)	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Interest income	36,833	-	-	-	36,833
Exchange differences	237,164	-	-	-	237,164
Bad debt expenses	(303)	-	-	(219)	(522)
Loss on disposal of trade receivables	-	(72)	-	-	(72)
Dividend income	-	257	-	-	257
Profit (Loss) for the period from discontinued operations	233	-	-	-	233
Fair value gain (loss), net of tax (through other comprehensive income)	-	49,638	-	-	49,638
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	17,443	17,443
Others	(2,186)	-	-	-	(2,186)

For the three-month period ended March 31, 2024				
(in millions of Korean won)	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expense	(80,190)	-	14,092	(66,098)
Exchange differences	(289,587)	-	52,707	(236,880)
Gain (Loss) on derivatives (through profit or loss)	-	-	-	-
Profit (Loss) for the period from discontinued operations	(11,169)	-	-	(11,169)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	4,520	4,520
Others	(1,926)	-	138	(1,788)

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5. Trade receivables and other receivables

(a) Details of trade receivables and other receivables, net of allowance for doubtful accounts, as of March 31, 2025 and December 31, 2024 are as follows:

(in millions of Korean won)	March 31, 2025			December 31, 2024		
	Original amount	Allowance for doubtful accounts	Carrying amount	Original amount	Allowance for doubtful accounts	Carrying amount
Trade receivables						
Current	7,178,565	(49,583)	7,128,982	6,322,673	(47,148)	6,275,525
Non-current	1,773,877	(3,447)	1,770,430	1,566,849	(3,126)	1,563,723
Other receivables						
Current	1,456,140	(2,821)	1,453,319	1,341,687	(2,485)	1,339,202
Non-current	162,042	(14)	162,028	410,683	(14)	410,669

(b) Changes in allowances for doubtful accounts for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

(in millions of Korean won)	For the three-month period ended March 31, 2025			
	January 1	Addition (Reversal)	Write-off and others	March 31
Trade receivables				
Current	47,148	2,397	38	49,583
Non-current	3,126	358	(37)	3,447
Other receivables				
Current	2,485	336	-	2,821
Non-current	14	-	-	14

(in millions of Korean won)	For the three-month period ended March 31, 2024			
	January 1	Addition (Reversal)	Write-off and others	March 31
Trade receivables				
Current	41,063	449	-	41,512
Non-current	1,497	173	-	1,670
Other receivables				
Current	3,419	(59)	-	3,360
Non-current	14	1	-	15

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(c) The aging analysis on trade receivables and other receivables as of March 31, 2025 and December 31, 2024 is as follows:

(in millions of Korean won)	March 31, 2025				
	Trade receivables		Other receivables		Total
	Current	Non-current	Current	Non-current	
Receivables not past due	6,373,419	1,773,877	1,338,132	162,042	9,647,470
Past due but not individually impaired					
Up to 6 months	431,987	-	104,676	-	536,663
7 to 12 months	24,955	-	1,094	-	26,049
Over 1 year	272,789	-	9,898	-	282,687
Subtotal	729,731	-	115,668	-	845,399
Individually impaired	75,415	-	2,340	-	77,755
Total	7,178,565	1,773,877	1,456,140	162,042	10,570,624

(in millions of Korean won)	December 31, 2024				
	Trade receivables		Other receivables		Total
	Current	Non-current	Current	Non-current	
Receivables not past due	5,421,012	1,566,849	1,303,548	410,683	8,702,092
Past due but not individually impaired					
Up to 6 months	465,157	-	24,256	-	489,413
7 to 12 months	86,987	-	9,014	-	96,001
Over 1 year	274,798	-	2,530	-	277,328
Subtotal	826,942	-	35,800	-	862,742
Individually impaired	74,719	-	2,339	-	77,058
Total	6,322,673	1,566,849	1,341,687	410,683	9,641,892

(d) Some of trade receivables have been discounted through collateralized borrowing agreements with banks for the three-month period ended March 31, 2025. In case the customers default, the Company has an obligation to pay the amounts related thereto to the banks which hold the right of indemnity. As a result, this transaction has been accounted for as a collateralized borrowing (See Note 11). Discounted trade receivables as of March 31, 2025 amount to ₩58,412 million (December 31, 2024: ₩43,462 million).

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6. Other financial assets and liabilities

(a) Details of other financial assets and liabilities as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Other financial assets		
Derivatives	404,933	381,684
Financial assets at fair value through other comprehensive income	73,186	68,728
Financial assets at fair value through profit or loss	90,411	90,166
Total	568,530	540,578
Current	67,951	62,670
Non-current	500,579	477,908

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Other financial liabilities		
Derivatives	53,635	56,228
Financial guarantee liability	13,331	14,612
Total	66,966	70,840
Current	6,596	7,682
Non-current	60,370	63,158

(b) Details of derivatives as of March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025		December 31, 2024	
<i>(in millions of Korean won)</i>	Assets	Liabilities	Assets	Liabilities
Current				
Cross-currency swap	63,592	-	58,311	-
Interest rate swap	-	-	-	-
Option	4,359	-	4,359	-
Subtotal	67,951	-	62,670	-
Non-current				
Cross-currency swap	333,582	8,690	313,389	13,167
Interest rate swap	3,400	17,097	5,625	15,213
Option	-	27,848	-	27,848
Subtotal	336,982	53,635	319,014	56,228
Total	404,933	53,635	381,684	56,228

Details of major derivative contracts as of March 31, 2025 are presented in Note 28.

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March 31, 2025 and 2024(unaudited)

(c) Changes in financial assets at fair value through other comprehensive income for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

	For the three-month period ended March 31, 2025					
<i>(in millions of Korean won)</i>	January 1	Acquisition	Disposals	Transfer	Valuation	March 31
Marketable equity securities	32,913	-	-	-	(580)	32,333
Unmarketable equity securities	35,815	5,038	-	-	-	40,853
Total	68,728	5,038	-	-	(580)	73,186

	For the three-month period ended March 31, 2024					
<i>(in millions of Korean won)</i>	January 1	Acquisition	Disposals	Transfer	Valuation	March 31
Marketable equity securities	18,311	-	-	30	64,406	82,747
Unmarketable equity securities	48,615	400	-	(30)	-	48,985
Total	66,926	400	-	-	64,406	131,732

(d) Changes in financial assets at fair value through profit or loss for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

	For the three-month period ended March 31, 2025					
<i>(in millions of Korean won)</i>	January 1	Acquisition	Disposals	Transfer	Valuation	March 31
Unmarketable equity securities	73,829	279	(34)	-	-	74,074
Debt securities	16,337	-	-	-	-	16,337
Total	90,166	279	(34)	-	-	90,411

	For the three-month period ended March 31, 2024					
<i>(in millions of Korean won)</i>	January 1	Acquisition	Disposals	Transfer	Valuation	March 31
Unmarketable equity securities	64,867	507	-	-	-	65,374
Debt securities	1,133	-	-	-	-	1,133
Total	66,000	507	-	-	-	66,507

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7. Inventories

Details of inventories as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025			December 31, 2024		
	Acquisition cost	Valuation allowance	Carrying amount	Acquisition cost	Valuation allowance	Carrying amount
Finished products and merchandise	829,830	(27,087)	802,743	881,471	(26,707)	854,764
Work-in-process	54,228	(1,472)	52,756	49,953	(1,625)	48,328
Raw materials and supplies	524,128	(50,752)	473,376	507,154	(50,756)	456,398
Others	142,432	(21,269)	121,163	129,203	(23,601)	105,602
Total	1,550,618	(100,580)	1,450,038	1,567,781	(102,689)	1,465,092

8. Contract assets and contract liabilities

(a) Details of contract assets as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Due from customers for contract work	960,358	889,184
(Less: allowance for doubtful accounts)	(7)	(6)
Right to recover returned products	1,663	1,080
Costs to fulfil contracts with customers and others	330,710	319,526
Total	1,292,724	1,209,784
Current	1,093,054	1,028,262
Non-current	199,670	181,522

(b) Details of contract liabilities as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Expected promotional incentives for customers	42,160	32,867
Expected returns from customers	130,438	121,038
Customer loyalty program	119,184	98,698
Rendering of warranty services	10,055	10,149
Due to customers for contract work and others	1,007,232	893,669
Total	1,309,069	1,156,421
Current	762,763	1,152,649
Non-current	546,306	3,772

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(c) Details of revenue recognized in relation to contract liabilities for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Revenue recognized that was included in the contract liability amount at the beginning of the period:		
Due to customers for contract work and others	250,803	245,023
Customer loyalty program	22,200	12,089
Rendering of warranty services	1,822	1,867
Total	274,825	258,979
Revenue recognized from performance obligations satisfied in previous periods	1,503	670

(d) Unsatisfied long-term contracts

As of March 31, 2025, the total amount of transaction price allocated to the unsatisfied or partially unsatisfied performance obligations is ₩1,157,631 million (December 31, 2024: ₩1,067,316 million), expected to be satisfied by 2031, at the latest. Also, as a practical expedient, the Company excluded a contract of which performance obligation had an original expected duration of one year or less.

(e) For the three-month period ended March 31, 2025, the Company recognized an impairment loss amounting to ₩1 million (March 31, 2024: ₩1 million) in relation to due from customers for contract work, and amortization and others of ₩12,252 million (March 31, 2024: ₩93,514 million) in relation to costs to fulfil contracts.

9. Property, plant and equipment, and Intangible assets

(a) Changes in property, plant and equipment for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
January 1	6,224,208	6,030,130
Acquisitions	101,348	93,938
Reclassification to assets held for sale	(42,126)	-
Transfer	11	4,253
Disposals and others	(3,793)	(7,226)
Depreciation	(152,457)	(155,672)
Impairment losses	(2,157)	(13,944)
March 31	6,125,034	5,951,479

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(b) Line items including depreciation of property, plant and equipment in the separate statements of profit or loss for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Cost of sales	106,851	114,047
Selling expenses	8,095	7,976
Administrative expenses	18,099	16,543
Research and development expenses	11,985	9,956
Service costs	6,605	6,256
Other non-operating expenses	822	894
Subtotal	152,457	155,672
Discontinued operations	-	-
Total	152,457	155,672

(c) Changes in right-of-use assets included in property, plant and equipment for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
January 1	126,187	154,141
Acquisitions	15,160	8,897
Disposals and others	(454)	(1,272)
Depreciation	(20,492)	(19,897)
March 31	120,401	141,869

The amount of lease income recognized in relation to sublease of the right-of-use assets for the three-month period ended March 31, 2025 is ₩499 million (March 31, 2024: ₩1,164 million).

(d) Changes in intangible assets for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
January 1	2,681,854	2,097,399
Acquisitions	79,811	72,011
Acquisitions by internal development	97,960	97,088
Disposals and others	(8,706)	(11,097)
Amortization	(110,612)	(96,823)
Impairment losses	(552)	(7,779)
March 31	2,739,755	2,150,799

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(e) Line items including amortization of intangible assets for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Cost of sales	77,403	72,330
Selling expenses	3,336	2,967
Administrative expenses	13,115	7,212
Research and development expenses	14,523	13,678
Service costs	2,235	999
Other non-operating expenses	-	(369)
Subtotal	110,612	96,817
Discontinued operations	-	6
Total	110,612	96,823

10. Investments in subsidiaries, associates and joint ventures

(a) Details of investments in subsidiaries, associates and joint ventures as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	Location	Closing month	Percentage of ownership as of March 31, 2025 (%) ⁸	Carrying amount	
				March 31, 2025	December 31, 2024
Subsidiaries					
LG Electronics U.S.A., Inc.(LGEUS)	USA	December	100.0	955,542	955,542
LG Innotek Co., Ltd. ³	Korea	December	40.8	541,538	541,538
LG Magna e-Powertrain Co., Ltd.	Korea	December	51.0	388,661	388,661
LG ELECTRONICS INDIA LIMITED(LGEIL)	India	March	100.0	311,746	311,746
LG Electronics do Brasil Ltda.(LGEBR)	Brazil	December	100.0	270,631	270,631
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	Poland	December	100.0	214,091	214,091
LG Electronics Nanjing Vehicle Components Co., Ltd.(LGENV)	China	December	100.0	180,349	180,349
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	China	December	70.0	161,331	161,331
LG Electronics European Holding B.V.(LGEEH)	Netherlands	December	100.0	148,551	148,551
Hiplaza Co., Ltd.	Korea	December	100.0	136,459	136,459
PT LGE Indonesia Research and Development Center(LGERC)	Indonesia	December	100.0	121,467	121,467
LG Electronics Egypt S.A.E(LGEEG)	Egypt	December	100.0	110,245	110,245
ZKW Holding GmbH	Austria	December	70.0	101,297	101,297
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	China	December	90.0	97,608	97,608
P.T. LG Electronics Indonesia(LGEIN)	Indonesia	December	100.0	94,118	94,118
LG Electronics Vietnam Hai Phong Co., Ltd.(LGEVH)	Vietnam	December	100.0	84,784	84,784

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(in millions of Korean won)	Location	Closing month	Percentage of ownership as of March 31, 2025 (%) ⁸	Carrying amount	
				March 31, 2025	December 31, 2024
Cybellum Technologies Ltd.	Israel	December	80.5	77,643	77,643
LG Electronics Wroclaw Sp. z O.O.(LGEWR)	Poland	December	100.0	70,014	70,014
Athom Holding B.V.	Netherlands	December	80.0	69,206	69,206
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Mexico	December	100.0	68,721	68,721
LG Electronics (Shenyang) Inc(LGESY)	China	December	56.3	62,033	62,033
LG Electronics (Thailand) Company Limited(LGETH)	Thailand	December	100.0	55,578	55,578
LG ELECTRONICS AUSTRALIA PTY LIMITED(LGEAP)	Australia	December	100.0	50,664	50,664
LG Electronics Fund I LLC	USA	December	100.0	48,295	48,295
LG Electronics Ticaret A.S.(LGETK)	Türkiye	December	100.0	47,320	47,320
LG Electronics RUS, LLC(LGERA)	Russia	December	100.0	43,645	43,645
LG Electronics (Huizhou) Inc.(LGEHZ) ⁴	China	December	45.0	41,984	41,984
LG Electronics Nanjing New Technology Co., LTD(LGENT) ⁴	China	December	45.0	38,744	38,744
LG Electronics Panama, S.A.(LGEPS)	Panama	December	100.0	36,492	36,492
HIEVCHARGER CO., LTD.	Korea	December	60.0	35,040	35,040
LG Electronics Fund II LLC ¹	USA	December	100.0	33,320	32,597
LG Electronics S.A. (Pty) Ltd.(LGESA)	Republic of South Africa	December	100.0	30,175	30,175
Nanjing LG Panda Appliances Co., Ltd(LGEPN) ⁴	China	December	50.0	26,614	26,614
LG Electronics Peru S.A.(LGEPR)	Peru	December	100.0	25,043	25,043
LG Electronics Air-Conditioning(Shandong) Co., Ltd.(LGEQA)	China	December	100.0	20,615	20,615
LG Soft India Private Limited.(LGSi)	India	March	100.0	20,105	20,105
Others				156,321	156,321
Associates					
LG Display Co., Ltd.	Korea	December	36.7	3,247,980	3,247,980
Robostar Co., Ltd.	Korea	December	33.4	88,112	88,112
BEAR ROBOTICS, INC.	USA	December	24.9	56,076	56,076
RINSE, INC.	USA	December	43.1	55,036	55,036
Hitachi-LG Data Storage Inc.(HLDS)	Japan	December	49.0	52,124	52,124
Mirae Asset-LG Electronics New Growth Fund I ¹ .	Korea	December	50.0	46,552	36,552
Ericsson Korea Partners Co., Ltd. ⁵	Korea	December	25.0	38,834	38,834
NOVA Prime Fund I, LP. ⁶	USA	December	79.3	16,889	16,889
Mo-Sys Holding Ltd ⁷	UK	December	11.9	11,458	11,458
ROBOTIS Co., Ltd. ⁷	Korea	December	7.2	9,000	9,000
SideChef Group Limited ⁷	Hong Kong	December	15.4	7,702	7,702
NOVAWAVE Fund I, LP. ^{2,6}	USA	December	87.5	5,770	-
GOQUAL INC. ⁷	Korea	December	7.2	5,000	5,000
TheWaveTalk Co., Ltd. ⁷	Korea	December	3.7	2,000	2,000
Acryl Inc. ⁷	Korea	December	11.1	2,000	2,000

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(in millions of Korean won)	Location	Closing month	Percentage of ownership as of March 31, 2025 (%) ⁸	Carrying amount	
				March 31, 2025	December 31, 2024
AiM Future, Inc. ⁷	Korea	December	11.7	800	800
Joint ventures					
Arcelik-LG Klima Sanayi ve Ticaret A.S. (LGEAT)	Türkiye	December	50.0	27,711	27,711
EIC PROPERTIES PTE LTD.	Singapore	December	38.2	7,881	7,881
GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	China	December	35.0	1,855	1,855
Total				8,658,770	8,642,277

¹ Investments in the entity were additionally acquired for the three-month period ended March 31, 2025.

² The entity was newly acquired for the three-month period ended March 31, 2025.

³ Although the Company owns less than half of the percentage of ownership of LG Innotek Co., Ltd., the Company is deemed to have control over LG Innotek Co., Ltd. due to the size and dispersion of holdings of the other shareholders and their voting patterns at previous shareholders' meetings.

⁴ Although the Company owns less than half of the percentage of ownership of the investees, the investees are classified as subsidiaries because the Company can exercise control over the investees considering the shares held by the subsidiary.

⁵ The entity has changed its name from Ericsson-LG Co., Ltd. to Ericsson Korea Partners Co., Ltd for the three-month period ended March 31, 2025.

⁶ Although the Company's ownership exceeds 50%, the entity has been classified as an associate due to the absence of control under a shareholder agreement.

⁷ Classified as an associate because the Company can exercise a significant influence in the Board of Directors of the investee although its percentage of ownership is less than 20%.

⁸ The percentage of ownership has been rounded to the fourth decimal place.

(b) Changes in investments in subsidiaries, associates and joint ventures for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

(in millions of Korean won)	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
January 1	8,642,277	8,391,013
Acquisitions	16,493	533,371
March 31	8,658,770	8,924,384

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(c) Details of marketable investments in subsidiaries and associates as of March 31, 2025 and December 31, 2024 are as follows:

March 31, 2025					
	Type	Shares held (Unit: shares)	Price per share (Unit: Korean won)	Fair value (in millions of Korean won)	Carrying amount
LG Display Co., Ltd.	Associate	183,593,206	8,810	1,617,456	3,247,980
LG Innotek Co., Ltd.	Subsidiary	9,653,181	159,900	1,543,544	541,538
Robostar Co., Ltd.	Associate	3,256,500	22,000	71,643	88,112
ROBOTIS Co., Ltd.	Associate	961,550	31,600	30,385	9,000

December 31, 2024					
	Type	Shares held (Unit: shares)	Price per share (Unit: Korean won)	Fair value (in millions of Korean won)	Carrying amount
LG Display Co., Ltd.	Associate	183,593,206	9,130	1,676,206	3,247,980
LG Innotek Co., Ltd.	Subsidiary	9,653,181	162,000	1,563,815	541,538
Robostar Co., Ltd.	Associate	3,256,500	21,900	71,317	88,112
ROBOTIS Co., Ltd.	Associate	961,550	23,250	22,356	9,000

11. Borrowings

(a) Carrying amounts of borrowings as of March 31, 2025 and December 31, 2024 are as follows:

(in millions of Korean won)	March 31, 2025	December 31, 2024
Current		
Short-term borrowings	498,362	43,462
Current portion of long-term borrowings	627,049	588,365
Current portion of debentures	459,698	269,973
Subtotal	1,585,109	901,800
Non-current		
Long-term borrowings	2,994,740	2,862,371
Debentures	5,200,742	5,598,571
Subtotal	8,195,482	8,460,942
Total	9,780,591	9,362,742

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(b) Details of borrowings as of March 31, 2025 and December 31, 2024 are as follows:

		Annual interest	Carrying amount	
(in millions of Korean won)	Latest maturity	rate at March 31,		December 31,
	date	2025 (%)	March 31, 2025	2024
Short-term borrowings				
in foreign currency				
Standard Chartered Bank and others ¹	-	3.19 ~ 10.58	498,362	43,462
Long-term borrowings				
in local currency				
The Export-Import Bank of Korea and others	Jan. 9, 2035.	2.49 ~ 4.82	2,423,537	2,253,322
Long-term borrowings in foreign currency				
The Export-Import Bank of Korea and others	Jul. 28, 2031.	0.67 ~ 6.22	1,198,252	1,197,414
Local currency debentures				
Public, non-guaranteed bonds	May. 4, 2036.	1.62 ~ 4.35	2,710,000	2,920,000
Private, non-guaranteed bonds	Feb. 9, 2041.	2.66 ~ 5.15	1,030,000	1,030,000
Foreign currency debentures				
Public, non-guaranteed bonds	Apr. 24, 2029.	5.63	1,173,200	1,176,000
Private, non-guaranteed bonds	Jan. 8, 2031.	1.32 ~ 6.23	767,918	764,512
Less: discount on debentures			(20,678)	(21,968)
Total			9,780,591	9,362,742

¹ The above short-term borrowings in foreign currency include the short-term borrowings collateralized by trade receivables amounting to ₩58,412 million as of March 31, 2025 (December 31, 2024: ₩43,462 million).

The Company entered into interest rate swap and cross-currency swap contracts to hedge cash flow risks related to floating interest rates and foreign exchange rates of certain portion of borrowings (See Note 28).

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12. Lease liabilities

(a) Details of lease liabilities as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Lease liabilities		
Current	66,233	72,610
Non-current	54,828	55,562
Total	121,061	128,172

(b) The amounts, relating to leases, recognized in the separate statements of profit or loss for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Interest expense relating on lease liabilities	1,173	1,272
Short-term lease payments (included in cost of sales, selling and administrative expenses, and others)	7,580	7,498
Payments for leases of low-value assets that are not short-term leases (included in cost of sales, selling and administrative expenses, and others)	5,252	4,983
Subtotal	14,005	13,753
Discontinued operations	565	653
Total	14,570	14,406

Depreciation of right-of-use assets is stated in Note 9.

(c) Total expenditures for leases including short-term leases and leases of low-value assets for the three-month period ended March 31, 2025 are ₩35,422 million (March 31, 2024: ₩33,097 million).

13. Retirement benefits

13.1 Defined benefit plan

(a) The calculation of net defined benefit liabilities (assets) as of March 31, 2025 and December 31, 2024 is as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Present value of funded obligations	3,641,261	3,588,433
Fair value of plan assets	(3,816,648)	(3,907,813)
Net defined benefit liabilities (assets)	(175,387)	(319,380)

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(b) The amounts recognized in the separate statements for profit or loss for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Current service cost	78,029	78,203
Past service cost	6,778	-
Net interest cost	(3,002)	(3,872)
Operating management cost	668	694
Total	82,473	75,025

(c) Line items in which expenses are included for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Cost of sales	40,631	35,643
Selling expenses	11,391	10,406
Administrative expenses	7,350	7,080
Research and development expenses	16,030	15,130
Service costs	7,004	6,727
Other non-operating expenses	59	28
Subtotal	82,465	75,014
Discontinued operations	8	11
Total	82,473	75,025

(d) Changes in the present values of defined benefit obligations for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
January 1	3,588,433	3,419,800
Current service cost	78,029	78,203
Interest cost	32,890	37,196
Remeasurements for:		
- Actuarial loss (gain) arising from changes in financial assumptions	61,747	(2,740)
Benefits paid	(126,616)	(102,250)
Past service cost	6,778	-
March 31	3,641,261	3,430,209

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(e) Changes in the fair values of plan assets for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

	For the three-month period ended March 31,	For the three-month period ended March 31,
<i>(in millions of Korean won)</i>	2025	2024
January 1	3,907,813	3,767,107
Interest income	35,892	41,068
Remeasurements of plan assets	(1,945)	(3,755)
Benefits paid	(124,444)	(102,012)
Operating management cost	(668)	(694)
March 31	3,816,648	3,701,714

(f) The principal actuarial assumptions used as of March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025	December 31, 2024
Discount rate	3.5%	3.8%
Expected salary growth rate	4.9%	4.9%

(g) The sensitivity analysis on defined benefit obligations to changes in principal assumptions as of March 31, 2025 is as follows:

<i>(in millions of Korean won)</i>	1%p increase	1%p decrease
Discount rate	(289,471)	331,221
Expected salary growth rate	340,673	(302,270)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, changes in some of the assumptions may be occurred since the various assumptions are correlated. The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations.

13.2 Defined contribution plan

The expense recognized in relation to defined contribution plan for the three-month period ended March 31, 2025 is ₩6,138 million (March 31, 2024: ₩3,609 million).

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14. Provisions

Changes in provisions for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

	For the three-month period ended March 31, 2025			
<i>(in millions of Korean won)</i>	Sales warranty	Restoration	Litigation and others	Total
January 1	997,512	9,610	124,110	1,131,232
Additions ¹	76,831	634	33,243	110,708
Utilizations	(209,105)	(66)	(1,522)	(210,693)
March 31	865,238	10,178	155,831	1,031,247
Current	830,023	7,679	90,369	928,071
Non-current	35,215	2,499	65,462	103,176

	For the three-month period ended March 31, 2024			
<i>(in millions of Korean won)</i>	Sales warranty	Restoration	Litigation and others	Total
January 1	528,100	8,868	144,360	681,328
Additions ¹	68,317	693	(155)	68,855
Utilizations	(85,780)	(25)	(2,376)	(88,181)
March 31	510,637	9,536	141,829	662,002
Current	471,237	7,093	100,767	579,097
Non-current	39,400	2,443	41,062	82,905

¹ The net amount of additional provisions equals to additional provisions less reversed amounts.

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15. Paid-in capital

(a) As of March 31, 2025 and December 31, 2024, the number of authorized ordinary and preferred shares is 600 million.

	Par value per share	March 31, 2025		December 31, 2024	
		Number of shares issued	Amount (in millions of Korean won)	Number of shares issued	Amount (in millions of Korean won)
Ordinary shares	5,000	163,647,814	818,239	163,647,814	818,239
Preferred shares	5,000	17,185,992	85,930	17,185,992	85,930
Total		180,833,806	904,169	180,833,806	904,169

The preferred shareholders have no voting rights and are entitled to preferred dividends at a rate of one percentage point over that of ordinary shares. This preferred dividend rate is not applicable to stock dividends. In addition, the preferred shareholders have same rights on the remaining assets as ordinary shareholders. Repayment and conversion are not applicable to preferred shares.

(b) Share premium balance as of March 31, 2025 is ₩3,088,179 million. The share premium of ₩1,876,153 million was recognized, which is ₩2,815,707 million of the carrying amount of net assets acquired from the entity split-off back on April 1, 2002, less the Company's capital of ₩783,961 million and less the Company's capital adjustment of ₩155,593 million. In addition, the amount of ₩331,766 million paid in excess of par value due to issuance of ordinary shares (merger with LG IBMPC Co., Ltd.) and the exercise of conversion options in 2005 and 2006 are included. The excess in paid-in capital amounting to ₩880,260 million over the par value was recognized as the share premium due to the issuance of ordinary shares in 2011.

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16. Retained earnings

Details of retained earnings as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Legal reserves ¹	291,883	273,791
Voluntary reserves	7,156,302	6,147,421
Unappropriated retained earnings ²	161,714	1,117,964
Total	7,609,899	7,539,176

¹ The Commercial Act of the Republic of Korea requires the Company to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital stock. The reserve is not available for the payment of cash dividends but may be transferred to capital stock or used to reduce accumulated deficit.

² A dividend of ₩90,892 million for the year ended December 31, 2024 was approved as originally proposed at the Annual Shareholder's Meeting held on March 25, 2025 and was paid in April 2025 (dividend paid in 2024: ₩234,945 million).

17. Accumulated other comprehensive income (loss)

Details of accumulated other comprehensive income (loss) as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Cash flow hedge	(6,614)	(13,178)
Financial assets at fair value through other comprehensive income	(8,904)	(8,476)
Total	(15,518)	(21,654)

18. Other components of equity

Details of other components of equity as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Treasury shares ¹	(44,893)	(44,893)
Consideration for conversion rights	9,891	9,891
Gain on disposal of treasury shares	2,183	2,183
Total	(32,819)	(32,819)

¹ The Company has treasury shares consisting of 763,176 ordinary shares (December 31, 2024: 763,176 shares) and 4,693 preferred shares (December 31, 2024: 4,693 shares) as of March 31, 2025. 761,427 ordinary shares acquired not exceeding the extent of distributable profits are planned to be retired within 2025.

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19. Net sales

(a) Details of net sales for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Revenue from contracts with customers:		
Sales of goods	7,092,207	7,039,608
Rendering of services and others	401,951	377,402
Subtotal	7,494,158	7,417,010
Revenue from other sources:		
Rental income and others	470,356	332,999
Subtotal	7,964,514	7,750,009
Discontinued operations	-	-
Total	7,964,514	7,750,009

(b) Details of revenue from contracts with customers for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
By type of products:		
Refrigerator/washing machine and others	2,869,526	2,802,918
TV/audio/monitor/PC and others	1,618,025	1,565,289
In-vehicle infotainment and others	1,173,552	1,141,738
Air conditioner and others	1,459,461	1,393,693
Others ¹	373,594	513,372
Domestic/Export:		
Domestic	2,736,293	2,768,964
Export	4,757,865	4,648,046
Timing of revenue recognition:		
At a point in time	6,786,712	6,552,819
Over time	707,446	864,191
Total	7,494,158	7,417,010

¹ Others include equipment production, inter-segment transactions and others.

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(c) Changes in the estimates of total contract revenue and total contract costs

Due to the factors causing the changes in the costs of other segments during the three-month period ended March 31, 2025, the estimated total contract revenue and costs for contracts in progress have changed. Details of changes in estimated total contract revenue and costs, and the impact on profit or loss for the three-month period ended March 31, 2025 and the succeeding periods are as follows:

<i>(in millions of Korean won)</i>	Changes in estimated total contract revenue ¹	Changes in estimated total contract cost	Impact on profit or loss for the period ¹	Impact on profit or loss for the succeeding periods ¹
	84,501	74,025	(5,289)	15,765

¹ The effects of exchange rate fluctuations are included.

20. Expenses by nature

Details of expenses that are classified by nature for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Changes in finished goods and work-in-process	(7,115)	(122,715)
Raw materials and merchandise used	4,305,889	4,380,762
Employee benefit expense	1,237,036	1,179,606
Depreciation and amortization	263,340	253,057
Advertisement	144,628	161,847
Sales Promotion	30,445	29,799
Freight	220,411	187,108
Commission	739,975	656,351
Other expenses	751,629	737,808
Subtotal¹	7,686,238	7,463,623
Discontinued operations	1,740	870
Total	7,687,978	7,464,493

¹ Cost of sales, selling and administrative expenses, research and development expenses and service costs are included.

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21. General operating expenses (selling and administrative expenses, research and development expenses, and service costs)

Details of general operating expenses for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Salaries	460,645	445,558
Retirement benefits	54,152	53,654
Employee welfare benefits	85,062	80,714
Freight	217,366	184,457
Rents	8,981	8,766
Commission	590,692	516,333
Depreciation	45,877	41,824
Amortization	33,209	24,856
Advertisement	144,628	161,847
Sales Promotion	30,445	29,799
R&D	56,430	64,184
Direct service costs	79,066	38,273
Bad debts expense	2,756	578
Others	76,844	96,334
Subtotal	1,886,153	1,747,177
Discontinued operations	1,805	832
Total	1,887,958	1,748,009

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22. Finance income and expenses

(a) Details of finance income for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Interest income	25,202	36,833
Exchange differences	108,984	102,372
Others	8,318	920
Subtotal	142,504	140,125
Discontinued operations	-	751
Total	142,504	140,876

(b) Details of finance expenses for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Interest expense	85,497	66,098
Exchange differences	104,982	75,601
Loss on disposal of trade receivables	49	72
Others	8,828	4,894
Subtotal	199,356	146,665
Discontinued operations	-	11,639
Total	199,356	158,304

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23. Other non-operating income and other non-operating expenses

(a) Details of other non-operating income for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Continuing operations		
Dividend income	25,597	688,642
Exchange differences	269,414	256,988
Gain on disposal of property, plant and equipment	635	568
Others	1,225	14,278
Subtotal	296,871	960,476
Discontinued operations	12	23
Total	296,883	960,499

(b) Details of other non-operating expenses for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Continuing operations		
Exchange differences	247,757	269,472
Loss on disposal of property, plant and equipment	71	385
Impairment loss on property, plant and equipment	2,157	13,944
Loss on disposal of intangible assets	6,091	7,370
Impairment loss on intangible assets	552	7,779
Others	(5,226)	4,993
Subtotal	251,402	303,943
Discontinued operations	430	53
Total	251,832	303,996

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24. Earnings (Losses) per share

The Company has no potential dilutive ordinary shares. Accordingly, basic earnings (losses) per share are identical to diluted earnings (losses) per share.

(a) Details of basic earnings (losses) per ordinary share for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Profit (Loss) attributable to ordinary shares (in millions of Korean won)	188,663	742,554
Profit (Loss) from continuing operations	190,109	750,502
Profit (Loss) from discontinued operations	(1,446)	(7,948)
Weighted average number of ordinary shares outstanding (in number of shares)	162,884,638	162,884,638
Basic earnings (losses) per ordinary share (in Korean won)	1,158	4,559
Profit (Loss) from continuing operations	1,167	4,608
Profit (Loss) from discontinued operations	(9)	(49)

(b) Basic earnings (losses) per preferred share for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Profit (Loss) attributable to preferred shares (in millions of Korean won)	20,115	78,540
Profit (Loss) from continuing operations	20,267	79,379
Profit (Loss) from discontinued operations	(152)	(839)
Weighted average number of preferred shares outstanding (in number of shares)	17,181,299	17,181,299
Basic earnings (losses) per preferred share (in Korean won)	1,171	4,571
Profit (Loss) from continuing operations	1,180	4,620
Profit (Loss) from discontinued operations	(9)	(49)

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25. Cash flow information

Cash flows from operating activities are presented using the indirect method. Details of cash generated from operations for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

(a) Cash generated from operations

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Profit (Loss) for the period	208,778	821,094
Adjustments:		
Interest expense, net	60,295	29,265
Exchange differences, net	(16,489)	6,112
Depreciation	152,457	155,672
Amortization	110,612	96,817
Gain (loss) on disposal of property, plant and equipment and intangible assets, net	5,527	7,187
Provisions for severance benefits	82,465	75,014
Additional provisions, net	110,112	69,060
Dividend income	(25,597)	(688,642)
Income tax expense	56,517	106,498
Others	2,753	13,254
Discontinued operations	(588)	7,258
	538,064	(122,505)
Changes in operating assets and liabilities:		
Decrease (Increase) in trade receivables	(1,005,294)	(895,920)
Decrease (Increase) in other receivables	172,370	100,662
Decrease (Increase) in inventories	13,143	(102,073)
Decrease (Increase) in contract assets	(31,262)	(63,662)
Decrease (Increase) in other assets	21,066	(81,751)
Increase (Decrease) in trade payables	867,160	1,443,604
Increase (Decrease) in other payables	(409,415)	(193,740)
Increase (Decrease) in provisions	(210,693)	(88,181)
Increase (Decrease) in contract liabilities	152,647	193,383
Increase (Decrease) in other liabilities	(298,736)	(265,233)
Payment of defined benefit liability	(2,172)	(238)
	(731,186)	46,851
Cash flows generated from operations	15,656	745,440

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(b) Changes in liabilities (assets) arising from financing activities

For the three-month period ended March 31, 2025						
(in millions of Korean won)	January 1	Cash flows from financing activities	Effects of other changes			
			Additions	Exchange differences	Amortization and others	March 31
Borrowings	3,494,198	607,552	-	18,401	-	4,120,151
Debentures	5,868,544	(212,635)	-	3,324	1,207	5,660,440
Lease liabilities	128,172	(20,908)	13,719	20	58	121,061
Net derivatives liabilities (assets)	(358,533)	2,635	-	(9,010)	(16,980)	(381,888)
Total	9,132,381	376,644	13,719	12,735	(15,715)	9,519,764

For the three-month period ended March 31, 2024						
(in millions of Korean won)	January 1	Cash flows from financing activities	Effects of other changes			
			Additions	Exchange differences	Amortization and others	March 31
Borrowings	4,087,832	(225,111)	-	58,721	-	3,921,442
Debentures	5,136,779	(175,784)	-	20,751	568	4,982,314
Lease liabilities	155,464	(18,778)	6,409	48	87	143,230
Net derivatives liabilities (assets)	(104,687)	16,454	-	(69,176)	(21,345)	(178,754)
Total	9,275,388	(403,219)	6,409	10,344	(20,690)	8,868,232

(c) Material non-cash transactions

(in millions of Korean won)	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Reclassification of construction-in-progress to property, plant and equipment	167,014	6,351
Reclassification of construction-in-progress to intangible assets	124,585	228,425
Reclassification of current portion of borrowings	478,807	252,340
Reclassification of current portion of loans	269,155	12,867
Other payables to acquire property, plant and equipment	52,804	40,994
Other payables to acquire intangible assets	9,112	15,608
Acquisition of right-of-use assets	15,160	8,597

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26. Contingencies and commitments

26.1 Contingencies

(a) As of March 31, 2025, the Company is provided with performance guarantees of ₩352,693 million (December 31, 2024: ₩328,724 million) from Seoul Guarantee Insurance and others relating to the performance guarantees.

(b) As of March 31, 2025, the financial guarantees provided by the Company to related parties amount to ₩4,248,177 million (December 31, 2024: ₩4,206,674 million) on the indebtedness of its subsidiaries. Details are as follows:

<i>(in millions of Korean won)</i>	Beneficiaries	March 31, 2025¹	December 31, 2024¹
LG Electronics European Shared Service Center B.V.(LGESC)	Citibank and others	919,467	921,523
LG Electronics U.S.A., Inc.(LGEUS)	Citibank and others	740,583	742,350
LG Electronics (China) Co., Ltd(LGECH)	Citibank and others	324,301	324,549
ZKW Holding GmbH	The Export-Import Bank of Korea	317,570	305,746
LG Electronics Vehicle Components U.S.A., LLC.(LGEVU)	Citibank and others	307,965	308,700
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Scotiabank and others	281,783	279,660
LG Electronics Peru S.A.(LGEPR)	Scotiabank and others	234,875	230,664
LG Electronics Mlawa Sp. z.O.O.(LGEMA), LG Electronics Polska Sp. Z.O.O.(LGEPL), LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	Citibank and others	182,723	173,630
LG Electronics Morocco S.A.R.L.(LGEMC)	Citibank and others	110,614	97,351
LG Electronics Inc Chile Limitada(LGECL)	Scotiabank and others	110,294	107,032
LG Electronics do Brasil Ltda.(LGEBR)	Citibank	104,380	110,038
LG Electronics Algeria SARL(LGEAS)	Citibank and others	102,074	103,921
LG Electronics Vehicle Components Europe GmbH(LGEVG)	SMBC and others	87,412	84,080
LG Electronics Colombia Limitada(LGECB)	Citibank and others	87,332	82,418
LG Electronics Almaty Kazakhstan (LGEAK)	Citibank	58,660	58,800
LG Electronics Saudi Arabia LLC	JPM and others	58,645	58,715
LG Electronics Egypt S.A.E(LGEEG)	CA_CIB and others	49,795	49,882
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	ING	39,696	38,218

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<i>(in millions of Korean won)</i>	Beneficiaries	March 31, 2025 ¹	December 31, 2024 ¹
LG Electronics Ticaret A.S.(LGETK)	Citibank and others	33,191	33,561
LG Electronics S.A. (Pty) Ltd.(LGESA)	Citibank and others	28,397	27,894
PT LGE Indonesia Research and Development Center(LGERC)	Citibank and others	27,863	27,930
LG ELECTRONICS HELLAS SINGLE MEMBER SA (LGEHS)	Citibank	15,879	15,287
Others	BBVA and others	24,678	24,725
Total		4,248,177	4,206,674

¹ These are the amount for which payment guarantees are provided as of March 31, 2025 and December 31, 2024. For some guarantee contracts, the Company has committed to include incidental costs incurred in performing guaranteed obligations and others in its payment guaranteed.

(c) There are a number of legal actions, disputes and investigations arising from the normal course of business that remain pending as of March 31, 2025. The Company cannot reasonably expect the ultimate effect of those litigations on the financial position. Management does not expect the outcome of the litigations will have a material effect on the Company's financial position.

26.2 Commitments

(a) As of March 31, 2025, the Company has borrowing agreements, such as overdraft facility agreements, trade financing and others, with various banks, including Shinhan Bank and others, with a limit of ₩1,317,793 million (December 31, 2024: ₩1,769,650 million).

(b) As of March 31, 2025, the Company has sales agreements for receivables with various banks including KEB Hana Bank amounting to ₩3,020,358 million (December 31, 2024: ₩3,026,850 million).

(c) As of March 31, 2025, the Company has corporate trade receivables secured loan agreement by electronic settlement and mutually beneficial cooperation settlement with various banks, including Shinhan Bank, for up to ₩1,255,323 million (December 31, 2024: ₩1,255,550 million) in connection with the payment of trade payables. In addition, the Company has entered into supply financing agreements with financial institutions to enhance the efficiency of the payment process and to provide early payment options to suppliers. Under these agreements, if a supplier that has provided goods or services to the Company transfers its trade receivables to a financial institution within the payment term, the Company will settle the amount directly with the financial institution. Since the supply financing agreements do not result in a substantial reduction of the Company's payment obligations or modification of payment terms, there is no change in the underlying liabilities recognized as trade payables or other payables.

LG Electronics Inc.

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(d) Contractual commitments for the acquisition of assets

Assets contracted to be acquired but not yet acquired as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Property, plant and equipment	100,787	94,025
Intangible assets	33,058	34,961
Investments in subsidiaries, associates and joint ventures	217,465	76,106
Total	351,310	205,092

The Company agreed to tender offers based on fair value at a certain time in relation to the shares of Cybellum Technologies Ltd. and the shares to be issued by the exercise of stock options. As of March 31, 2025, the Company recognized this commitment as 'other financial liabilities' (See Note 6).

(e) Operating lease commitments – Company as a lessor

i) The Company has non-cancellable operating lease agreements regarding home appliance rental business and investment properties. The future aggregate lease receipts under operating leases as of March 31, 2025 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025					Total lease payments
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 4 years	
Home appliance rental	106,496	42,264	7,794	287	-	156,841
Real estate rental	4,634	4,634	3,504	88	-	12,860
Total	111,130	46,898	11,298	375	-	169,701

ii) The Company recognized ₩65,004 million (March 31, 2024: ₩94,004 million) in lease income for the three-month period ended March 31, 2025.

(f) Finance lease commitments – Company as lessor

i) The gross investments in the lease and present values of the minimum lease payments for the finance lease as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025		December 31, 2024	
	Gross investment in the lease ¹	Net investment in the lease	Gross investment in the lease ¹	Net investment in the lease
Within one year	468,962	335,846	384,460	272,313
Between 1 and 2 years	479,216	371,566	399,179	307,822
Between 2 and 3 years	482,153	402,571	404,021	335,699
Between 3 and 4 years	453,836	403,815	385,227	341,557
Later than 4 years	532,893	506,029	474,657	450,446
Total	2,417,060	2,019,827	2,047,544	1,707,837

¹ There are no unguaranteed residual value reflected on the gross investment in the lease.

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ii) Details of unrealized interest income of finance lease as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Gross investment in the lease	2,417,060	2,047,544
Net investment in the lease	2,019,827	1,707,837
Unrealized interest income	397,233	339,707

iii) For the three-month period ended March 31, 2025, the Company recognized income amounting to ₩407,932 million (March 31, 2024: ₩235,685 million) in relation to finance lease contract, and finance income net investment in the lease amounting to ₩32,907 million (March 31, 2024: ₩11,890 million) is included.

(g) License agreements including patent and trademark

As of March, 31 2025, the Company has various agreements as follows:

Purpose	Related products	Provided by	Used by
Use of license	All products	Qualcomm Incorporated and others	LG Electronics Inc.
Provision for license	All products	LG Electronics Inc.	Panasonic Corporation and others
Use of trademarks	All products	LG Corp.	LG Electronics Inc.

27. Related Party

(a) Major transactions for each of the three-month periods ended March 31, 2025 and 2024, and transaction balances of receivables from and payables to the related parties as of March 31, 2025 and December 31, 2024 are as follows:

i) Major income and expense on transactions with the related parties

<i>(in millions of Korean won)</i>		For the three-month period ended March 31, 2025					
Classification	Name	Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others	Total
Significantly influencing the Company	LG Corp.	1,287	-	1,287	-	36,466	36,466
Subsidiaries	LG Innotek Co., Ltd.	14,270	1,897	16,167	24,797	1	24,798
	Hiplaza Co., Ltd.	278,260	3,238	281,498	-	52,146	52,146
	LG Electronics U.S.A., Inc.	1,266,117	143	1,266,260	5,167	25,785	30,952
	LG Electronics Vietnam Hai Phong Co., Ltd	532,137	663	532,800	82,233	8,301	90,534
	LG Electronics Mlawa Sp. z.O.O.	290,436	288	290,724	389	2,431	2,820
	LG Electronics Canada, Inc.	158,498	-	158,498	155	3,847	4,002

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		For the three-month period ended March 31, 2025					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
	LG Electronics European Shared Service Center B.V.	111,044	-	111,044	-	8,698	8,698
	LG Electronics Nanjing New Technology co.,LTD	89,654	18	89,672	176,910	415	177,325
	LG Electronics Vehicle Components Europe GmbH	284,843	2,867	287,710	370	23,352	23,722
	LG ELECTRONICS INDIA LIMITED	124,969	155	125,124	1,261	2,293	3,554
	Alphonso Inc.	33,696	-	33,696	-	-	-
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	14,824	-	14,824	2,161	53	2,214
	P.T. LG Electronics Indonesia	51,666	317	51,983	125,671	39	125,710
	LG Electronics Vehicle Components U.S.A., LLC.	120,987	5,990	126,977	772	11,000	11,772
	LG Electronics Mexico S.A. DE C.V.	81,993	12	82,005	-	589	589
	LG Electronics RUS, LLC	28,848	1,386	30,234	23	355	378
	LG Electronics (Tianjin) Appliances Co., Ltd.	42,966	37	43,003	169,418	301	169,719
	LG Electronics U.K. Ltd	89,520	425	89,945	210	3,226	3,436
	Taizhou LG Electronics Refrigeration Co., Ltd.	26,792	1,037	27,829	100,453	654	101,107
	LG Electronics Almaty Kazakhstan	17,038	-	17,038	-	180	180
	LG Electronics Colombia Ltda.	20,407	55	20,462	-	135	135
	Hi-Caresolution Corp	11,680	-	11,680	77,646	43	77,689
	LG Electronics Deutschland GmbH	36,049	11	36,060	208	4,753	4,961
	LG Electronics Peru S.A.	38,017	7	38,024	-	8	8
	LG Electronics Africa Logistics FZE	79,608	341	79,949	-	108	108
	Zenith Electronics Corporation	11,994	-	11,994	-	115,575	115,575

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		For the three-month period ended March 31, 2025					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
	NanJing LG Panda Appliances Co., Ltd.	28,701	439	29,140	20,576	710	21,286
	Others	1,034,284	4,158	1,038,442	71,480	137,238	208,718
	Subtotal	4,919,298	23,484	4,942,782	859,900	402,236	1,262,136
Associates	LG Display Co., Ltd. and its subsidiaries	44,028	23,638	67,666	75,290	122	75,412
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	124	-	124	48	-	48
	Robostar Co.,Ltd.	3	-	3	1,961	838	2,799
	ROBOTIS Co., Ltd.	-	-	-	24	-	24
	Acryl Inc.	-	-	-	-	436	436
	GOQUAL INC.	-	-	-	1	1	2
	Subtotal	44,155	23,638	67,793	77,324	1,397	78,721
Joint venture	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	13,467	-	13,467	-	-	-
	Subtotal	13,467	-	13,467	-	-	-
Other related parties	LG CNS Co., Ltd. and its subsidiaries	623	859	1,482	23,915	116,924	140,839
	D&O Corp. and its subsidiaries	191	-	191	-	7,241	7,241
	LG Management Development Institute	16	-	16	13	20,380	20,393
	LG SPORTS Ltd.	4	-	4	280	2,761	3,041
	Subtotal	834	859	1,693	24,208	147,306	171,514
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	252,452	66,512	318,964	53,102	1	53,103
	LG Uplus Corp and its subsidiaries	254	646	900	750	928	1,678
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	23	614	637	-	3	3
	HS Ad Inc. and its subsidiaries	34	-	34	22	60,664	60,686
	Subtotal	252,763	67,772	320,535	53,874	61,596	115,470
Total		5,231,804	115,753	5,347,557	1,015,306	649,001	1,664,307

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(in millions of Korean won)

		Three-month period ended March 31, 2024					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
Significantly influencing the Company	LG Corp.	167	-	167	-	34,689	34,689
Subsidiaries	LG Innotek Co., Ltd.	19,979	9,531	29,510	22,665	337	23,002
	Hiplaza Co., Ltd.	370,640	2,653	373,293	21,027	4,216	25,243
	LG Electronics U.S.A., Inc.	1,186,117	4,806	1,190,923	4,598	31,503	36,101
	LG Electronics Vietnam Hai Phong Co., Ltd	611,811	1,503	613,314	31,855	6,566	38,421
	LG Electronics Mlaw Sp. z.O.O.	252,260	14	252,274	710	1,373	2,083
	LG Electronics Canada, Inc.	147,104	-	147,104	20	3,527	3,547
	LG Electronics European Shared Service Center B.V.	136,271	-	136,271	30	7,169	7,199
	LG Electronics Nanjing New Technology co.,LTD	106,128	25	106,153	208,678	125	208,803
	LG Electronics Vehicle Components Europe GmbH	20,577	7,136	27,713	1,197	31,200	32,397
	LG ELECTRONICS INDIA LIMITED	85,154	9,938	95,092	1,601	1,315	2,916
	Alphonso Inc.	14,888	-	14,888	-	-	-
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	48,286	-	48,286	1,673	33	1,706
	P.T. LG Electronics Indonesia	54,576	1,468	56,044	121,093	24	121,117
	LG Electronics Vehicle Components U.S.A., LLC.	13,964	65	14,029	4,116	11,583	15,699
	LG Electronics Mexico S.A. DE C.V.	93,390	146	93,536	-	612	612
	LG Electronics RUS, LLC	14,956	190	15,146	36	984	1,020
	LG Electronics (Tianjin) Appliances Co., Ltd.	41,118	75	41,193	157,401	2,648	160,049
	LG Electronics U.K. Ltd	79,556	15	79,571	255	3,665	3,920
	Taizhou LG Electronics Refrigeration Co., Ltd.	30,321	829	31,150	93,793	218	94,011

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(in millions of Korean won)

		Three-month period ended March 31, 2024					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
	LG Electronics						
	Almaty Kazakhstan	14,374	-	14,374	-	205	205
	LG Electronics						
	Colombia Ltda.	25,597	4	25,601	-	86	86
	Hi-Caresolution Corp	12,908	-	12,908	79,582	83	79,665
	LG Electronics						
	Deutschland GmbH	23,744	60	23,804	82	4,314	4,396
	LG Electronics Peru S.A.	25,711	8	25,719	-	90	90
	LG Electronics						
	Africa Logistics FZE	63,556	35,684	99,240	-	192	192
	Zenith Electronics Corporation	13,569	-	13,569	-	74,950	74,950
	NanJing LG Panda Appliances Co., Ltd.	19,857	-	19,857	21,873	432	22,305
	Others	864,193	1,947	866,140	65,221	118,102	183,323
	Subtotal	4,390,605	76,097	4,466,702	837,506	305,552	1,143,058
Associates	LG Display Co., Ltd. and its subsidiaries	69,252	27,722	96,974	52,459	42	52,501
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	97	-	97	99	-	99
	Robostar Co.,Ltd.	2	-	2	360	70	430
	ROBOTIS Co., Ltd.	-	-	-	-	20	20
	Acryl Inc.	-	-	-	-	676	676
	Subtotal	69,351	27,722	97,073	52,918	808	53,726
Other related parties	LG CNS Co., Ltd. and its subsidiaries	18,143	796	18,939	23,012	101,155	124,167
	D&O Corp. and its subsidiaries	3	-	3	-	6,834	6,834
	LG Management Development Institute	14	-	14	3	18,368	18,371
	LG SPORTS Ltd.	1	-	1	280	2,739	3,019
	Subtotal	18,161	796	18,957	23,295	129,096	152,391
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	381,649	3,406	385,055	64,886	211	65,097
	LG Uplus Corp and its subsidiaries	372	592	964	1,776	-	1,776
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	24	609	633	-	3	3
	HS Ad Inc. and its subsidiaries	33	-	33	22	55,010	55,032
	XI C&A Co., Ltd. ²	1,100	-	1,100	-	14,343	14,343

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		Three-month period ended March 31, 2024					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
	S&I Corp. and its subsidiaries ²	677	-	677	111	24,402	24,513
	Subtotal	383,855	4,607	388,462	66,795	93,969	160,764
Total		4,862,139	109,222	4,971,361	980,514	564,114	1,544,628

¹ Although the entities are not the related parties of the Company in accordance with KIFRS 1024, the entities belong to the large-scale business group to which the Company also belongs in accordance with the *Monopoly Regulation and Fair-Trade Act*.

² Excluded from the large-scale business group designation under the *Monopoly Regulation and Fair Trade Act* as of March 19, 2024.

ii) Major outstanding balances of receivables from and payables to the related parties

(in millions of Korean won)

		March 31, 2025							
		Receivables				Payables			
Classification	Name	Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ³	Total
Significantly influencing the Company	LG Corp.	470	-	28,158	28,628	-	-	60,622	60,622
Subsidiaries	LG Innotek Co., Ltd.	17,081	-	21,995	39,076	28,082	-	20,362	48,444
	Hiplaza Co., Ltd.	110,075	-	30,638	140,713	-	-	616	616
	LG Electronics U.S.A., Inc.	654,926	-	-	654,926	-	434,130	11,993	446,123
	LG Electronics Vietnam Hai Phong Co., Ltd	296,739	-	5,212	301,951	926,459	-	4,477	930,936
	LG Electronics Mlawa Sp. z.O.O.	159,872	-	-	159,872	1,049,150	-	1,841	1,050,991
	LG Electronics Canada, Inc.	115,333	-	-	115,333	-	-	1,444	1,444
	LG Electronics European Shared Service Center B.V.	71,380	-	-	71,380	-	-	16	16
	LG Electronics Nanjing New Technology co.,LTD	47,571	-	12	47,583	420,203	-	212	420,415
	LG Electronics Vehicle Components Europe GmbH	783,333	-	26,214	809,547	-	-	8,152	8,152
	LG ELECTRONICS INDIA LIMITED	75,220	-	80	75,300	27,889	-	6,458	34,347
	Alphonso Inc.	57,971	-	-	57,971	-	-	-	-
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	22,969	-	42,350	65,319	1,926	-	348	2,274

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		March 31, 2025							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ³	Total
	P.T. LG Electronics Indonesia	19,233	-	220	19,453	716,586	-	37	716,623
	LG Electronics Vehicle Components U.S.A., LLC.	134,612	-	7,122	141,734	-	-	18,718	18,718
	LG Electronics Mexico S.A. DE C.V.	210,852	-	-	210,852	-	-	185	185
	LG Electronics RUS, LLC	148,623	-	123,319	271,942	-	-	2,881	2,881
	LG Electronics (Tianjin) Appliances Co., Ltd.	42,773	-	121	42,894	500,794	-	122	500,916
	LG Electronics U.K. Ltd	120,595	-	12,810	133,405	-	-	418	418
	Taizhou LG Electronics Refrigeration Co., Ltd.	36,860	-	1,052	37,912	398,096	-	10,230	408,326
	LG Electronics Almaty Kazakhstan	108,776	-	-	108,776	-	-	147	147
	LG Electronics Colombia Ltda.	95,934	-	86	96,020	-	-	184	184
	Hi-Caresolution Corp	8,534	-	-	8,534	-	-	29,120	29,120
	LG Electronics Deutschland GmbH	109,348	-	12	109,360	-	-	2,134	2,134
	LG Electronics Peru S.A.	63,188	-	-	63,188	-	-	8	8
	LG Electronics Africa Logistics FZE	79,567	-	-	79,567	-	-	41	41
	Zenith Electronics Corporation	-	-	3,906	3,906	-	-	117,259	117,259
	NanJing LG Panda Appliances Co., Ltd.	29,220	-	444	29,664	336,663	-	430	337,093
	Others	1,338,017	-	91,748	1,429,765	756,900	-	113,712	870,612
	Subtotal	4,958,602	-	367,341	5,325,943	5,162,748	434,130	351,545	5,948,423
Associates	LG Display Co., Ltd. and its subsidiaries	51,136	1,000,000	81,685	1,132,821	95,292	-	120,812	216,104
	Ericsson Korea Partners Co., Ltd. ²	-	-	5,000	5,000	-	-	-	-
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	-	-	-	-	113	-	3	116
	Robostar Co.,Ltd.	-	-	-	-	136	-	5,355	5,491
	ROBOTIS Co., Ltd.	-	-	-	-	26	-	-	26
	Acryl Inc.	-	-	-	-	-	-	479	479
	Subtotal	51,136	1,000,000	86,685	1,132,821	95,567	-	126,649	222,216
Joint venture	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	11,408	-	-	11,408	31,784	-	-	31,784
	Subtotal	11,408	-	-	11,408	31,784	-	-	31,784

LG Electronics Inc.

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		March 31, 2025							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ³	Total
Other related parties	LG CNS Co., Ltd. and its subsidiaries	14,970	-	240	15,210	12,034	-	113,243	125,277
	D&O Corp. and its subsidiaries	1	-	-	1	-	-	3,619	3,619
	LG Management Development Institute	8	-	-	8	-	-	1,676	1,676
	LG SPORTS Ltd.	-	-	-	-	-	-	1,523	1,523
	Subtotal	14,979	-	240	15,219	12,034	-	120,061	132,095
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	283,740	-	684,774	968,514	88,173	-	77,026	165,199
	LG Uplus Corp and its subsidiaries	180	-	250	430	157	-	829	986
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	20	-	19	39	-	-	90	90
	HS Ad Inc. and its subsidiaries	29	-	-	29	-	-	164,322	164,322
	Subtotal	283,969	-	685,043	969,012	88,330	-	242,267	330,597
Total		5,320,564	1,000,000	1,167,467	7,488,031	5,390,463	434,130	901,144	6,725,737

(in millions of Korean won)

		December 31, 2024							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ³	Total
Significantly influencing the Company	LG Corp.	59	-	28,158	28,217	-	-	36,316	36,316
Subsidiaries	LG Innotek Co., Ltd.	35,828	-	738	36,566	25,238	-	24,362	49,600
	Hiplaza Co., Ltd.	122,359	-	32,675	155,034	-	-	885	885
	LG Electronics U.S.A., Inc.	462,157	-	395	462,552	-	-	14,079	14,079
	LG Electronics Vietnam Hai Phong Co., Ltd	372,109	-	4,581	376,690	860,091	-	16,623	876,714
	LG Electronics Mlawas Sp. z.O.O.	116,095	-	1,829	117,924	878,258	-	94	878,352
	LG Electronics Canada, Inc.	87,533	-	8	87,541	-	-	1,469	1,469
	LG Electronics European Shared Service Center B.V.	73,429	-	9,397	82,826	-	-	8,847	8,847
	LG Electronics Nanjing New Technology co.,LTD	90,607	-	66	90,673	421,332	-	264	421,596
	LG Electronics Vehicle Components Europe GmbH	743,835	-	70,204	814,039	-	-	16,296	16,296

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	LG ELECTRONICS INDIA LIMITED	62,515	-	77	62,592	18,612	-	2,640	21,252
	Alphonso Inc.	80,766	-	-	80,766	-	-	-	-
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	41,517	-	49,001	90,518	2,111	-	3,005	5,116
	P.T. LG Electronics Indonesia	17,609	-	260	17,869	744,539	-	312	744,851
	LG Electronics Vehicle Components U.S.A., LLC.	109,558	-	10,450	120,008	-	-	3,856	3,856
	LG Electronics Mexico S.A. DE C.V.	188,424	-	34	188,458	-	-	175	175
	LG Electronics RUS, LLC	131,416	-	119,656	251,072	-	-	364	364
	LG Electronics (Tianjin) Appliances Co., Ltd.	45,388	-	154	45,542	313,231	-	47	313,278
	LG Electronics U.K. Ltd	67,950	-	10,894	78,844	-	-	1,615	1,615
	Taizhou LG Electronics Refrigeration Co., Ltd.	30,179	-	965	31,144	413,022	-	141	413,163
	LG Electronics Almaty Kazakhstan	118,563	-	-	118,563	-	-	175	175
	LG Electronics Colombia Ltda.	99,800	-	54	99,854	-	-	163	163
	Hi-Caresolution Corp	7,521	-	-	7,521	-	-	27,197	27,197
	LG Electronics Deutschland GmbH	114,254	-	6,368	120,622	-	-	2,644	2,644
	LG Electronics Peru S.A.	89,420	-	34	89,454	-	-	32	32
	LG Electronics Africa Logistics FZE	32,364	-	-	32,364	-	-	19	19
	Zenith Electronics Corporation	-	-	5,101	5,101	-	-	134,422	134,422
	NanJing LG Panda Appliances Co., Ltd.	29,499	-	-	29,499	342,839	-	405	343,244
	Others	1,050,414	-	58,999	1,109,413	640,495	-	125,639	766,134
	Subtotal	4,421,109	-	381,940	4,803,049	4,659,768	-	385,770	5,045,538
Associates	LG Display Co., Ltd. and its subsidiaries	67,544	1,000,000	72,850	1,140,394	163,352	-	44,188	207,540
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	-	-	-	-	1,712	-	3	1,715
	Robostar Co.,Ltd.	-	-	-	-	311	-	5,966	6,277
	Subtotal	67,544	1,000,000	72,850	1,140,394	165,375	-	50,157	215,532
Other related parties	LG CNS Co., Ltd. and its subsidiaries	12,521	-	316	12,837	2,894	-	408,363	411,257
	D&O Corp. and its subsidiaries	1	-	-	1	-	-	4,384	4,384

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	LG Management Development Institute	8	-	7	15	-	-	1,182	1,182
	LG SPORTS Ltd.	-	-	-	-	-	-	972	972
	Subtotal	12,530	-	323	12,853	2,894	-	414,901	417,795
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	314,245	-	637,298	951,543	80,461	-	74,467	154,928
	LG Uplus Corp and its subsidiaries	856	-	487	1,343	127	-	829	956
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	21	-	277	298	-	-	45	45
	HS Ad Inc. and its subsidiaries	19	-	-	19	-	-	208,329	208,329
	Subtotal	315,141	-	638,062	953,203	80,588	-	283,670	364,258
Total		4,816,383	1,000,000	1,121,333	6,937,716	4,908,625	-	1,170,814	6,079,439

¹ Although the entities are not the related parties of the Company in accordance with KIFRS 1024, the entities belong to the large-scale business group to which the Company also belongs in accordance with the *Monopoly Regulation and Fair-Trade Act*.

² The entity has changed its name from Ericsson-LG Co., Ltd. to Ericsson Korea Partners Co., Ltd. on March 1, 2025.

³ Other payables include lease liabilities.

iii) Major capital transactions and others with the related parties

(in millions of Korean won)

		For the three-month period ended March 31, 2025						
Classification	Name	Dividend income	Dividend paid ⁴	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ⁵	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp.	-	28,717	-	-	-	-	7,552
Subsidiaries	LG Innotek Co., Ltd.	20,175	-	-	-	-	-	-
	LG Electronics Fund II LLC	-	-	723	-	-	-	-
	LG Electronics U.S.A., Inc.	-	-	-	-	-	434,130	-
	Subtotal	20,175	-	723	-	-	434,130	-
Associates	Ericsson Korea Partners Co., Ltd. ²	5,000	-	-	-	-	-	-
	Mirae Asset-LG Electronics New Growth Fund I	-	-	10,000	-	-	-	-
	Subtotal	5,000	-	10,000	-	-	-	-
Other related parties	D&O Corp. and its subsidiaries	-	-	-	-	-	-	341
	Subtotal	-	-	-	-	-	-	341
Total		25,175	28,717	10,723	-	-	434,130	7,893

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(in millions of Korean won)

		For the three-month period ended March 31, 2024						
Classification	Name	Dividend income	Dividend paid ⁴	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ⁵	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp	-	44,076	-	-	-	-	7,192
Subsidiaries	LG Innotek Co., Ltd.	25,195	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	204	-	-	-	-
	LG Electronics Fund II LLC	-	-	7,261	-	-	-	-
	LG Electronics U.S.A., Inc.	535,400	-	-	-	-	-	248,920
	LG ELECTRONICS AUSTRALIA PTY LIMITED	30,542	-	-	-	-	-	-
	LG Electronics Vietnam Hai Phong Co., Ltd	79,748	-	-	-	-	-	-
	Subtotal	670,885	-	7,465	-	-	-	248,920
Associates	LG Display Co., Ltd. ¹	-	-	436,031	-	-	-	-
	Ericsson-LG Co., Ltd. ²	17,500	-	-	-	-	-	-
	NOVA Prime Fund I, LP	-	-	4,181	-	-	-	-
	Subtotal	17,500	-	440,212	-	-	-	-
Joint ventures	LG-LHT Aircraft Solutions GmbH ³	-	-	3,514	-	-	-	-
	LG-LHT Passenger Solutions GmbH ³	-	-	3,514	-	-	-	-
	Subtotal	-	-	7,028	-	-	-	-
	D&O Corp. and its subsidiaries	-	-	-	-	-	99	312
	Subtotal	-	-	-	-	-	99	312
Total		688,385	44,076	454,705	-	-	99	256,424

¹ As of March 31, 2025, the Company has entered into a loan agreement with LG Display Co., Ltd. for ₩1,000,000 million, and has been provided with collateral related thereto. As of March 31, 2025, ₩1,000,000 million has been executed.

² The entity has changed its name from Ericsson-LG Co., Ltd. to Ericsson Korea Partners Co., Ltd. on March 1, 2025.

³ The entity was disposed of for the year ended December 31, 2024.

⁴ Presenting the dividend declared which is recognized as other payables as of March 31, 2025.

⁵ Financing borrowing transactions include repayment of the principal amount of lease liabilities.

(b) The compensations paid or payable to key management personnel for each of the three-month periods ended March 31, 2025 and 2024 is as follows:

(in millions of Korean won)	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
	2025	2024
Salaries and other short-term benefits	7,472	8,836

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Retirement benefits	635	560
Other long-term benefits	-	1
Total	8,107	9,397

Key management refers to the directors who have material control and responsibilities on the Company's business plans, operations and control.

(c) The payment guarantees for the financial support of the related parties as of March 31, 2025 are presented in Note 26.

(d) There is no collateral provided by the Company for the financial support of the related parties as of March 31, 2025.

(e) The Company has not recognized any bad debt expense or allowance for receivables from the related parties as of March 31, 2025.

28. Risk Management

28.1 Financial Risk Management

The Company's Financial Risk Management ("FRM") policy supports each business division to achieve excellent performance solidly and continuously against market risk, credit risk and liquidity risk. In addition, FRM helps the Company to enhance cost competitiveness through cost-efficient financing cost by improving financial structure and effectiveness of cash management.

While cooperating with other divisions, Finance Division in the Company mainly implements FRM. This involves setting-up risk management policies and recognizing, evaluating and hedging risks from a global point of view.

The Company mitigates adverse effects from financial risk by monitoring the risk periodically and updating the FRM policy each year.

The carrying amount and profit or loss of each category of financial instruments and details of borrowings related to financial risk management are presented in Note 4 and Note 11, respectively.

(a) Market risk

i) Foreign exchange risk

Due to its multinational business operations, the Company is exposed to foreign exchange risk on various currencies. The Company is mainly exposed to foreign exchange risk on the US Dollar and Euro.

The purpose of foreign exchange risk management is to provide the foundation of a stable business operation by minimizing the uncertainty and volatility of foreign exchange gains and losses from foreign exchange rate fluctuations.

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The Company's foreign exchange risk management is implemented under its own foreign exchange policy which regulate the measure and the management of foreign exchange risk. The Company can minimize the exposure to foreign exchange risk by preferentially making equal amount of foreign exchange assets and liabilities from general operating activities by using this policy. Accordingly, the Company continuously considers efficient foreign exchange risk hedges against its remaining exposure with derivative financial instruments and scrutinizes changes in foreign exchange exposure and the results of hedging activities on a monthly basis. Speculative foreign exchange trading is prohibited in principle.

As of March 31, 2025 and December 31, 2024 assuming all other variables remain constant, if the functional currency fluctuated by 10% against the US dollar and the Euro for the Company's monetary assets and liabilities denominated in major foreign currency other than functional currency, the impact on profits (losses) before tax would be as follows:

<i>(in millions of Korean won)</i>	March 31, 2025		December 31, 2024	
	10% increase	10% decrease	10% increase	10% decrease
USD/KRW	(9,591)	9,591	(35,564)	35,564
EUR/KRW	37,557	(37,557)	18,136	(18,136)

ii) Interest rate risk

The Company is exposed to interest rate risk through changes in interest-bearing liabilities or assets. The risk mainly arises from borrowings and deposits held by financial institutions with variable interest rates linked to market interest rate changes in the future. The purpose of interest rate risk management lies in improving corporate value by minimizing uncertainty caused by fluctuations in interest rates and minimizing net interest expense.

The Company minimizes its borrowings from others and optimizes its deposits. The Company periodically monitors both domestic and foreign interest rate trends to establish countermeasures against changes in interest rates.

If interest rates fluctuate by 1%p with all other variables held constant, the effects on income and expenses related to borrowings and deposits held by financial institutions with variable interest rates for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Interest income	2,543	(2,543)	5,472	(5,472)
Interest expense	146	(146)	89	(89)

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iii) Details of derivative contracts are as follows:

Derivatives for hedging purposes

The Company entered into the cross-currency swap and interest rate swap contracts to hedge cash flow risks related to the floating interest rates and foreign exchange rates.

Details of hedging instruments are as follows:

	Contractor	Contracted amount (in millions)	Contracted currency rate	Interest rate (paid) (%)	Starting date	Expiration date	Carrying amount (in millions of Korean won)	
							Assets	Liabilities
Cross-currency swap	KEB Hana Bank and others	USD 1,785	1,067.9 ~ 1,377.9	1.88 ~ 4.56	Oct. 23, 2017 ~ Sep. 24, 2024	Apr. 23, 2025 ~ Jul. 28, 2031	357,573	-
	Citi Bank	EUR 95	1,312.5	3.84	Jul. 15, 2022	Jan. 14, 2028	23,062	-
	Citi Bank and others	JPY 22,000	8.7 ~ 10.0	4.06 ~ 4.38	Apr. 4, 2023 ~ Nov. 24, 2023	Apr. 4, 2029 ~ May 24, 2029	9,943	8,690
Interest rate swap	Woori Bank and others	KRW 1,166,821	-	2.75 ~ 4.87	Apr. 30, 2014 ~ Mar. 29, 2024	Jan. 15, 2027 ~ Nov. 16, 2032	3,400	17,097

Interest rates received for the above swap contracts are equal to annual interest rates of borrowings (See Note 11).

Details of hedged items are as follows:

(in millions of Korean won)	Hedged items	Carrying amount	Changes in fair value (net of tax)
Cross-currency swap	Borrowings	2,970,252	(23,825)
Interest rate swap	Borrowings	928,536	2,240

The results of hedge accounting are as follows:

(in millions of Korean won)	Changes in fair value of derivatives (net of tax)	Line items in profit or loss	Reclassified to profit or loss (net of tax)	Other comprehensive loss (net of tax)	Accumulated other comprehensive income (loss)
Cross-currency swap	23,825	Interest expense and exchange differences	(14,366)	9,459	4,189
Interest rate swap	(2,240)	Interest expense	(655)	(2,895)	(10,804)

Derivatives for trading purposes

- Stock purchase agreement

According to the put options granted to Cybellum Technologies Ltd.'s shareholders and employees to whom stock options were granted the Company recognized ₩27,848 million of derivative liabilities and no gain or loss on derivative transactions was recognized for the three-month period ended March 31, 2025. The Company also recognized a derivative financial asset of ₩4,359 million as it holds a call option to purchase Series C-1 shares of Bear Robotics, Inc. Additionally, there were no gain or losses from

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derivative transactions related to this contract for the three-month period ended March 31, 2025.

- Currency swap agreement

The Company entered into a currency swap agreement for its short-term foreign borrowings and, as it did not apply hedge accounting, recognized a derivative financial asset of ₩6,596 million. No gain or loss from derivative transactions was recognized for the three-month period ended March 31, 2025.

iv) Price risk

The Company is exposed to price risk through equity securities owned by the Company classified as financial assets at fair value through other comprehensive income.

The listed securities owned by the Company are traded in the open market, and related to KOSDAQ, NASDAQ and NYSE Index.

The effect of price index's fluctuation related to the listed securities on the equity (before applying the tax effect) is set out in the below table. The analysis is performed in respect of 30% increase/decrease in the price index under the assumption that other variations are held constant and the listed securities owned by the Company have correlation with the relevant past index.

<i>(in millions of Korean won)</i>	March 31, 2025		December 31, 2024	
	30% increase	30% decrease	30% increase	30% decrease
KOSDAQ	12,468	(12,468)	12,461	(12,461)
NASDAQ	29	(29)	62	(62)
NYSE	1,048	(1,048)	1,482	(1,482)

The valuation and changes in carrying amounts of the financial assets at fair value through other comprehensive income related to the market risk above are presented in Note 6.

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(b) Credit risk

The Company operates a consistent Global Credit / TR (trade receivables) policy to manage credit risk exposure.

In regard to trade receivables, the Company operates an integrated receivable insurance program with the Korea Trade Insurance Corporation (K-SURE) and Seoul Guarantee Insurance (Coface reinsurance company). To minimize receivable credit risk, the Company applies the credit rating of the counterparty rated by insurers, when determining the insurance coverage. In addition, the Company performs stringent credit risk managements based on credit valuation criteria for receivables without insurance coverage or collateral.

As of March 31, 2025, trade receivable balance of the Company, excluding the trade receivables from the subsidiaries, is ₩3,993,840 million (December 31, 2024: ₩3,468,413 million) and its risk is managed appropriately within insurer's credit limit of ₩3,086,861 million (December 31, 2024: ₩2,952,869 million). Therefore, the Company determined that credit risk exposed to the Company is limited.

As of March 31, 2025, the carrying amount of financial assets represents net of impairment loss to reflect Company's maximum exposure to the credit risk.

(c) Liquidity risk

The Company forecasts its cash flow and liquidity status and sets action plans on a regular base to manage liquidity risk proactively. The Company systematically works with experts in four regional treasury centers to carry out fund and liquidity management that can react proactively to the changing global financial environment.

The Company also maintains the adequate amounts of bank deposits.

In addition, the Company is able to source funds any time in domestic and international financial markets because it has good investment credit grades of AA Stable from Korea Investors Service, Korea Ratings and NICE Information Service, BBB from Standard & Poors, and Baa2 from Moody's as of March 31, 2025.

i) Cash flow information on maturity of financial liabilities as of March 31, 2025 and December 31, 2024 is as follows:

(in millions of Korean won)	March 31, 2025				
	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade payables	7,731,639	7,731,639	-	-	-
Borrowings	11,049,782	1,891,743	1,379,250	5,492,982	2,285,807
Lease liabilities	126,768	67,328	32,633	23,414	3,393
Other payables	1,982,229	1,970,339	-	11,690	200
Other financial liabilities	27,848	-	22,885	4,963	-
Total	20,918,266	11,661,049	1,434,768	5,533,049	2,289,400

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	December 31, 2024				
<i>(in millions of Korean won)</i>	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade payables	6,787,335	6,787,335	-	-	-
Borrowings	10,681,079	1,204,138	1,398,849	5,077,065	3,001,027
Lease liabilities	134,104	74,037	30,782	25,455	3,830
Other payables	2,504,159	2,492,269	-	11,690	200
Other financial liabilities	27,848	-	22,885	4,963	-
Total	20,134,525	10,557,779	1,452,516	5,119,173	3,005,057

The above cash flows are calculated at nominal value based on the earliest maturity dates and include cash flows of principal and interests. Derivatives for cash flow hedges from changes in interest rate and exchange rate are reflected in the cash flows of related borrowings.

ii) The maturity analysis of financial guarantee contracts provided by the Company to subsidiaries as of March 31, 2025 is as follows:

<i>(in millions of Korean won)</i>	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Financial guarantee contracts	4,248,177	4,248,177	-	-	-

The financial guarantee contracts provided to subsidiaries are allocated to earliest period in which the Company can be required to make the payments, at the maximum amount of guarantees.

28.2 Capital risk management

The Company's capital risk management purpose is to maximize shareholders' value through maintaining a sound capital structure. The Company monitors financial ratios, such as liability to equity ratio and net borrowing ratio each month and implements required action plan to improve the capital structure.

Details of liability to equity ratio and net borrowing ratio as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won, except for ratios)</i>	March 31, 2025	December 31, 2024
Liability(A)	23,996,218	23,421,431
Equity(B)	11,553,910	11,477,051
Cash and cash equivalents(C)	1,015,160	1,204,080
Borrowings and lease liabilities(D)	9,901,652	9,490,914
Liability to equity ratio(A/B)	207.7%	204.1%
Net borrowings ratio((D-C)/B)	76.9%	72.2%

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28.3 Fair value estimation

(a) The carrying amounts and fair values of the Company's financial assets and liabilities as of March 31, 2025 and December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets at fair value				
Financial assets at fair value through profit or loss				
Other financial assets and others	10,955	10,955	105,113	105,113
Financial assets at fair value through other comprehensive income				
Trade receivables	199,941	1	-	-
Other financial assets	-	-	73,186	1
Derivatives for hedging purposes				
Other financial assets	56,996	56,996	336,982	336,982
Assets at amortized cost				
Financial assets at amortized cost				
Cash and cash equivalents	1,015,160	1	-	-
Deposits held by financial institutions	-	1	120,317	1
Trade receivables	6,594,344	1	89,887	89,887
Other receivables	1,453,319	1	162,028	141,538
Other assets				
Trade payables	334,697	1	1,680,543	1,680,543
Total	9,665,412		2,568,056	

<i>(in millions of Korean won)</i>	March 31, 2025			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities at fair value				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	-	-	27,848	27,848
Derivatives for hedging purposes				
Other financial liabilities	-	-	25,787	25,787
Liabilities at amortized cost				
Financial liabilities at amortized cost				
Trade payables	7,731,639	1	-	-
Borrowings	1,585,109	1	8,195,482	9,096,455
Other payables	1,970,339	1	11,890	10,837
Other liabilities				
Lease liabilities	66,233	2	54,828	2
Other financial liabilities	6,596	3	6,735	3
Total	11,359,916		8,322,570	

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(in millions of Korean won)	December 31, 2024			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets at fair value				
Financial assets at fair value through profit or loss				
Other financial assets	4,359	4,359	104,868	104,868
Financial assets at fair value through other comprehensive income				
Trade receivables	220,898	1	-	-
Other financial assets	-	-	68,728	1
Derivatives for hedging purposes				
Other financial assets	58,311	58,311	319,014	319,014
Assets at amortized cost				
Financial assets at amortized cost				
Cash and cash equivalents	1,204,080	1	-	-
Deposits held by financial institutions	-	1	120,631	1
Trade receivables	5,783,313	1	131,258	131,258
Other receivables	1,339,202	1	410,669	416,231
Other assets				
Trade receivables	271,314	1	1,432,465	1,432,465
Total	8,881,477		2,587,633	

(in millions of Korean won)	December 31, 2024			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities at fair value				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	-	-	27,848	27,848
Derivatives for hedging purposes				
Other financial liabilities	-	-	28,380	28,380
Liabilities at amortized cost				
Financial liabilities at amortized cost				
Trade payables	6,787,335	1	-	-
Borrowings	901,800	1	8,460,942	8,822,622
Other payables	2,492,269	1	11,890	10,700
Other liabilities				
Lease liabilities	72,610	2	55,562	2
Other financial liabilities	7,682	3	6,930	3
Total	10,261,696		8,591,552	

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¹Excluded from disclosures such as fair value hierarchy and measurement method as the carrying amount is the reasonable approximate of fair value.

²Lease liabilities were excluded from the fair value disclosures in accordance with KIFRS 1107 *Financial Instruments: Disclosures*.

³ Measured at the higher of the amount of the loss allowance determined in accordance with KIFRS 1109 *Financial Instruments* and the amount initially recognized less cumulative amount of income recognized in accordance with KIFRS 1115 *Revenue from Contracts with Customers*, and excluded from disclosure as there is no significant difference between the carrying amount and its fair value.

(b) Fair value measurements of assets and liabilities

i) Fair value hierarchy and measurement method

The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value measurement is to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. When measuring fair value using valuation techniques, the Company maximizes the use of market information and minimizes the use of unobservable inputs.

Financial instruments measured at fair value are categorized within the fair value hierarchy, and the defined levels are as follows:

- Level 1: Financial instruments measured at the quoted price in an active market for identical assets or liabilities are included in Level 1. Assets or liabilities categorized within Level 1 are financial instruments such as marketable equity securities traded.

- Level 2: When financial instruments are measured by using a discounted cash flow, if all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2. Assets or liabilities categorized within Level 2 are financial instruments such as derivative financial instruments.

- Level 3: When financial instruments are measured by using a discounted cash flow, if one or more of the significant inputs are unobservable in the market, the instrument is included in Level 3. The assets or liabilities categorized within Level 3 are unmarketable equity securities and debt securities.

The fair value of financial instruments traded in active markets is based on quoted market prices as of March 31, 2025. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, an entity within the same industry, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price for financial assets held by the Company is the closing price as of March 31, 2025. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily listed equity securities classified as financial assets at fair value through other comprehensive income.

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The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses various valuation techniques that the Company develops or figures that external valuation agencies provide, and makes judgements based on current market conditions. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3. Financial instrument included Level 3 uses other method including discounting cash flow method.

ii) Financial instruments measured at fair value

The fair value hierarchy classifications of financial assets and financial liabilities that are measured at fair value as of March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025			
<i>(in millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets and others				
Financial assets at fair value through other comprehensive income	32,333	-	40,853	73,186
Financial assets at fair value through profit or loss	-	10,955	105,113	116,068
Derivatives for hedging purposes	-	393,978	-	393,978
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	27,848	-	27,848
Derivatives for hedging purposes	-	25,787	-	25,787

	December 31, 2024			
<i>(in millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets and others				
Financial assets at fair value through other comprehensive income	32,912	-	35,816	68,728
Financial assets at fair value through profit or loss	-	4,359	104,868	109,227
Derivatives for hedging purposes	-	377,325	-	377,325
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	27,848	-	27,848
Derivatives for hedging purposes	-	28,380	-	28,380

The above fair value amounts are recurring fair value measurements.

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- Valuation technique and inputs for fair value measurements categorized within Level 2

The valuation techniques and inputs for fair value measurements categorized within Level 2 as of March 31, 2025 and December 31, 2024 are as follows:

(in millions of Korean won)	Fair value		Valuation techniques	Inputs
	March 31, 2025	December 31, 2024		
Assets				
Other financial assets				
Financial assets at fair value through profit or loss	10,955	4,359	Binomial model Discounted cash flow	Share price and volatility Discount rate and exchange rate
Derivatives for hedging purposes	393,978	377,325	Discounted cash flow	Discount rate and exchange rate

	Fair value			
(in millions of Korean won)	March 31, 2025	December 31, 2024	Valuation techniques	Inputs
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	27,848	27,848	Binomial model	Share price and volatility
Derivatives for hedging purposes	25,787	28,380	Discounted cash flow	Discount rate and exchange rate

- Valuation technique and inputs of fair value measurements categorized within Level 3

As of March 31, 2025 and December 31, 2024, financial instruments measured at fair value categorized within Level 3 comprise unmarketable equity securities and debt securities and are measured using discounted cash flow considering discount rate and others as inputs.

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iii) Financial instruments not measured at fair value but for which the fair value is disclosed

Details of financial instruments not measured at fair value but for which the fair value is disclosed as of March 31, 2025 and December 31, 2024 are as follows:

March 31, 2025				
<i>(in millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Assets				
Non-current trade receivables	-	-	1,770,430	1,770,430
Non-current other receivables	-	-	141,538	141,538
Liabilities				
Non-current borrowings	-	-	9,096,455	9,096,455
Non-current other payables	-	-	10,837	10,837

December 31, 2024				
<i>(in millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Assets				
Non-current trade receivables	-	-	1,563,723	1,563,723
Non-current other receivables	-	-	416,231	416,231
Liabilities				
Non-current borrowings	-	-	8,822,622	8,822,622
Non-current other payables	-	-	10,700	10,700

- Valuation technique and inputs for fair value measurements categorized within Level 2

As of March 31, 2025 and December 31, 2024, there are no financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within Level 2.

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- Disclosure in relation to fair value measurements categorized within Level 3

Details of valuation techniques, inputs and unobservable inputs of financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within Level 3 as of March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025		December 31, 2024		Valuation techniques	Inputs	Significant but unobservable inputs	Range of significant but unobservable inputs
(in millions of Korean won)	Carrying amount	Fair value	Carrying amount	Fair value				
Assets								
Non-current trade receivables	1,770,430	1,770,430	1,563,723	1,563,723	Discounted cash flow	Discount rate	Discount rate	5.2%~5.7%
Non-current other receivables	162,028	141,538	410,669	416,231	Discounted cash flow	Discount rate and exchange rate	Discount rate	4.2%~4.7%
Liabilities								
Non-current borrowings	8,195,482	9,096,455	8,460,942	8,822,622	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.0%~4.5%
Non-current other payables	11,890	10,837	11,890	10,700	Discounted cash flow	Discount rate	Discount rate	3.0%~4.0%

29. Assets and liabilities classified as held for sale

(a) Details of assets classified as held for sale as of March 31, 2025 and December 31, 2024 are as follows:

(in millions of Korean won)	March 31, 2025 ¹	December 31, 2024
Assets held for sale		
Land	9,237	-
Buildings	32,866	-
Structures	23	-
Total	42,126	-

¹ The sale is in progress as of March 31, 2025 and expected to be completed by 2026.

(b) Assets held for sale were measured at fair value less costs to sell before the reclassification, and there is no related impairment loss recognized.

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30. Discontinued Operations

In 2024, the Company discontinued the operations of the battery pack business in order to focus on the Company's core business through firmwide resource efficiency and to secure financial resources for preparing new business for future growth by improving its financial structure.

(a) Details of profits and losses from discontinued operations for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Net sales	-	-
Operating profit (loss)	(1,740)	(870)
Profit (Loss) before income tax	(2,158)	(11,788)
Income tax expense (benefit)	(560)	(3,001)
Profit (Loss) for the year, net of tax	(1,598)	(8,787)

(b) Cash flows from discontinued operations for each of the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(in millions of Korean won)</i>	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Net cash flows from operating activities	(82,230)	2,765
Net cash flows from investing activities	12	98
Net cash flows from financing activities	82,218	(2,863)