

LG Electronics Inc. and its subsidiaries

Interim condensed consolidated financial statements
for the three-month period ended March 31, 2024
with the independent auditor's review report

LG Electronics Inc. and its subsidiaries

Table of contents

Report on review of interim condensed consolidated financial statements

Interim condensed consolidated financial statements	Page
Interim condensed consolidated statements of financial position	3
Interim condensed consolidated statements of profit or loss	4
Interim condensed consolidated statements of comprehensive income	5
Interim condensed consolidated statements of changes in equity	6
Interim condensed consolidated statements of cash flows	7
Notes to the interim condensed consolidated financial	8



Ernst & Young Han Young
2-3F, 7-8F, Taeyoung Building, 111, Yeouigongwon-ro,
Yeongdeungpo-gu, Seoul 07241 Korea

Tel: +82 2 3787 6600
Fax: +82 2 783 5890
ey.com/kr

Report on review of interim condensed consolidated 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 consolidated financial statements of LG Electronics Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as of March 31, 2024, and the related interim condensed statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended, and a summary of material accounting policy information and other explanatory information.

Management’s responsibility for the interim condensed consolidated financial statements

Management is responsible for the preparation and presentation of these interim condensed consolidated 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 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 consolidated 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 consolidated financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Other matters

The interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period ended March 31, 2023, prepared in accordance with KIFRS 1034 and presented for comparative purposes, have been reviewed by Samil PwC whose review report dated May 15, 2023 expressed an unqualified review conclusion thereon.

Moreover, the consolidated statement of financial position as of December 31, 2023, and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended (not presented herein), had been audited by Samil PwC, in accordance with KSA, whose report dated March 14, 2024 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2023, presented for comparative purpose is not different in all material respects from the above audited consolidated statement of financial position.

Ernst & Young Han Young

May 16, 2024

This review report is effective as of May 16, 2024, 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 consolidated financial statements and may result in modification to this review report.

LG Electronics Inc. and its subsidiaries

Interim condensed consolidated financial statements
for each the three-month periods ended March 31, 2024 and 2023

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

JOO WAN CHO
Chief Executive Officer
LG Electronics Inc.

LG Electronics Inc. and its subsidiaries
Interim condensed consolidated statements of financial position
as of March 31, 2024 and December 31, 2023

(in millions of Korean won)

	Notes	March 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	5,32	7,009,588	8,487,563
Deposits held by financial institutions	5,32	28,824	26,386
Trade receivables	5,6,32	10,289,883	9,265,022
Other receivables	5,6,32	571,672	595,793
Other financial assets	5,7,32	128,377	102,054
Inventories	8	10,036,937	9,125,404
Current tax assets		207,823	226,253
Contract assets	9	1,265,644	1,129,399
Other current assets		1,526,247	1,379,180
Assets held for sale	33	4,006	4,155
		<u>31,069,001</u>	<u>30,341,209</u>
Non-current assets			
Deposits held by financial institutions	5,32	193,453	195,189
Trade receivables	5,6,32	799,447	639,439
Other receivables	5,6,32	1,809,846	1,779,637
Other financial assets	5,7,32	549,846	385,370
Property, plant and equipment	10	16,710,358	16,818,629
Intangible assets	10	2,930,800	2,867,687
Deferred tax assets		2,775,286	2,821,557
Investments in associates and joint ventures	11	3,283,641	3,004,464
Investment properties		93,181	94,461
Net defined benefit assets	14	460,565	557,822
Contract assets	9	384,417	426,278
Other non-current assets		306,267	309,051
		<u>30,297,107</u>	<u>29,899,584</u>
Total assets		<u>61,366,108</u>	<u>60,240,793</u>
Liabilities			
Current liabilities			
Trade payables	5,32	9,978,019	9,427,288
Borrowings	5,12,32	2,592,040	2,601,636
Lease liabilities	5,13,32	338,764	336,772
Other payables	5,32	3,999,284	4,624,046
Other financial liabilities	5,7,32	11,339	9,292
Current tax liabilities		321,882	226,343
Provisions	15	1,018,192	1,049,625
Contract liabilities	9	2,163,649	1,898,005
Other current liabilities		3,660,444	3,987,373
		<u>24,083,613</u>	<u>24,160,380</u>
Non-current liabilities			
Borrowings	5,12,32	10,975,502	10,719,175
Lease liabilities	5,13,32	848,491	856,251
Other payables	5,32	220,848	212,648
Other financial liabilities	5,7,32	25,130	52,754
Deferred tax liabilities		34,656	35,025
Net defined benefit liabilities	14	112,501	105,278
Provisions	15	331,476	327,495
Contract liabilities	9	65,267	63,497
Other non-current liabilities		209,219	209,754
		<u>12,823,090</u>	<u>12,581,877</u>
Total liabilities		<u>36,906,703</u>	<u>36,742,257</u>
Equity			
Paid-in capital:	16		
Share capital		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	17	16,531,388	16,201,439
Accumulated other comprehensive income (loss)	18	76,263	(420,818)
Accumulated other comprehensive income (loss) from assets held for sale	18,33	8	(136)
Other components of equity	19	(108,182)	(108,079)
Equity attributable to owners of the Parent Company		<u>20,491,825</u>	<u>19,664,754</u>
Non-controlling interests		<u>3,967,580</u>	<u>3,833,782</u>
Total equity		<u>24,459,405</u>	<u>23,498,536</u>
Total liabilities and equity		<u>61,366,108</u>	<u>60,240,793</u>

LG Electronics Inc. and its subsidiaries
Interim condensed consolidated statements of profit or loss
for each of the three-month periods ended March 31, 2024 and 2023

(in millions of Korean won, except per share amounts)

	Notes	Three-month period ended March 31	
		2024	2023
Continuing operations			
Net sales	20	21,095,949	20,415,872
Cost of sales	21	15,710,998	15,245,929
Gross profit		5,384,951	5,169,943
Selling expenses	21,22	2,517,405	2,285,658
Administrative expenses	21,22	507,470	456,256
Research and development expenses	21,22	630,547	577,323
Service costs	21,22	394,118	353,318
Operating profit (loss)		1,335,411	1,497,388
Financial income	23	348,513	358,565
Financial expenses	24	300,880	385,583
Profit (Loss) from equity method valuation	11	(309,710)	(471,685)
Other non-operating income	25	538,029	688,457
Other non-operating expenses	26	633,005	753,481
Profit (Loss) before income tax		978,358	933,661
Income tax expense (benefit)		392,943	387,716
Profit (Loss) from continuing operations		585,415	545,945
Discontinued operations			
Profit (Loss) from discontinued operations	34	-	584
Profit (Loss) for the period		585,415	546,529
Profit (Loss) for the period attributable to:			
Owners of the Parent Company			
Profit (Loss) from continuing operations		474,754	470,676
Profit (Loss) from discontinued operations		-	584
		474,754	471,260
Non-controlling interests			
Profit (Loss) from continuing operations		110,661	75,269
Profit (Loss) from discontinued operations		-	-
		110,661	75,269
Earnings (Losses) per share attributable to owners of the Parent Company during the period (in Korean won):			
Earnings (Losses) per ordinary share			
From continuing operations		2,635	2,613
From discontinued operations		-	3
		2,635	2,616
Earnings (Losses) per preferred share			
From continuing operations		2,648	2,625
From discontinued operations		-	3
		2,648	2,628

LG Electronics Inc. and its subsidiaries
Interim condensed consolidated statements of comprehensive income
for each of the three-month periods ended March 31, 2024 and 2023

(in millions of Korean won)

	Notes	Three-month period ended March 31	
		2024	2023
Profit (Loss) for the period		585,415	546,529
Other comprehensive income (loss), net of tax			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurements of the net defined benefit liability	14	4,020	(107,446)
Share of remeasurements of associates	11	(1,155)	(524)
Financial assets at fair value through other comprehensive income	7	49,878	3,664
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income (excluding remeasurements) of associates and joint ventures	11	82,147	116,693
Cash flow hedges	32	24,406	(20,934)
Exchange differences on translation of foreign operations		396,402	523,933
Other comprehensive income(loss) for the period, net of tax		555,698	515,386
Total comprehensive income(loss) for the period, net of tax		1,141,113	1,061,915
Total comprehensive income(loss) for the period, net of tax, attributable to:			
Owners of the Parent Company		972,086	951,838
Non-controlling interests		169,027	110,077
Total comprehensive income(loss) for the period, net of tax		1,141,113	1,061,915

LG Electronics Inc. and its subsidiaries
Interim condensed consolidated statements of changes in equity
for each of the three-month periods ended March 31, 2024 and 2023

		Attributable to owners of the parent company								
		Accumulated other comprehensive income (loss) components of equity								
		Paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	from assets held for sale	other components of equity	Total	Non-controlling interests	Total equity	
<i>(in millions of Korean won)</i>	Notes									
Balance as of January 1, 2023		3,992,348	15,834,021	(750,372)	838	(84,727)	18,992,108	3,499,889	22,491,997	
Total comprehensive income (loss):										
Profit (Loss) for the period		-	471,260	-	-	-	471,260	75,269	546,529	
Remeasurements of the net defined benefit liability	14	-	(96,657)	-	-	-	(96,657)	(10,789)	(107,446)	
Share of remeasurements of associates	11	-	(524)	-	-	-	(524)	-	(524)	
Financial assets at fair value through other comprehensive income	7	-	(30)	3,562	-	-	3,532	132	3,664	
Share of other comprehensive income (excluding remeasurements) of associates and joint ventures	11	-	-	116,693	-	-	116,693	-	116,693	
Cash flow hedges	32	-	-	(20,254)	-	-	(20,254)	(680)	(20,934)	
Exchange differences on translation of foreign operations		-	-	478,860	(1,072)	-	477,788	46,145	523,933	
Total comprehensive income (loss):		-	374,049	578,861	(1,072)	-	951,838	110,077	1,061,915	
Transactions with owners:										
Dividends	17	-	(126,905)	-	-	-	(126,905)	(69,475)	(196,380)	
Changes in controlling interests in subsidiaries		-	-	-	-	1,325	1,325	913	2,238	
Total transactions with owners		-	(126,905)	-	-	1,325	(125,580)	(68,562)	(194,142)	
Balance as of March 31, 2023		3,992,348	16,081,165	(171,511)	(234)	(83,402)	19,818,366	3,541,404	23,359,770	
Balance as of January 1, 2024		3,992,348	16,201,439	(420,818)	(136)	(108,079)	19,664,754	3,833,782	23,498,536	
Total comprehensive income (loss):										
Profit (Loss) for the period		-	474,754	-	-	-	474,754	110,661	585,415	
Remeasurements of the net defined benefit liability	14	-	1,262	-	-	-	1,262	2,758	4,020	
Share of remeasurements of associates	11	-	(1,155)	-	-	-	(1,155)	-	(1,155)	
Financial assets at fair value through other comprehensive income	7	-	-	49,686	-	-	49,686	192	49,878	
Share of other comprehensive income (excluding remeasurements) of associates and joint ventures	11	-	-	82,147	-	-	82,147	-	82,147	
Cash flow hedges	32	-	-	24,080	-	-	24,080	326	24,406	
Exchange differences on translation of foreign operations		-	-	341,168	144	-	341,312	55,090	396,402	
Total comprehensive income (loss)		-	474,861	497,081	144	-	972,086	169,027	1,141,113	
Transactions with owners:										
Dividends	17	-	(144,912)	-	-	-	(144,912)	(36,570)	(181,482)	
Changes in controlling interests in subsidiaries		-	-	-	-	(103)	(103)	1,341	1,238	
Total transactions with owners		-	(144,912)	-	-	(103)	(145,015)	(35,229)	(180,244)	
Balance as of March 31, 2024		3,992,348	16,531,388	76,263	8	(108,182)	20,491,825	3,967,580	24,459,405	

LG Electronics Inc. and its subsidiaries
Interim condensed consolidated statements of cash flows
for each of the three-month periods ended March 31, 2024 and 2023

(in millions of Korean won)

	Notes	Three-month period ended March 31	
		2024	2023
Cash flows from operating activities			
Cash generated from (used in) operations	28	145,433	1,354,850
Interest received		135,760	82,133
Interest paid		(145,701)	(117,410)
Dividend received		-	1,128
Income tax paid		(215,548)	(241,371)
Net cash provided by (used in) operating activities		(80,056)	1,079,330
Cash flows from investing activities			
Decrease in deposits held by financial institutions		7,458	4,849
Decrease in other receivables		23,423	69,971
Proceeds from redemption and disposal of other financial assets		79,063	6,514
Proceeds from disposal of property, plant and equipment		27,756	5,868
Proceeds from disposal of intangible assets		13,936	901
Proceeds from withdrawal and disposal of investments in associates and joint ventures		1,197	-
Proceeds from disposal of assets held for sale		-	13,261
Increase in deposits held by financial institutions		(8,165)	(3,339)
Increase in other receivables		(37,802)	(744,292)
Acquisition of other financial assets		(125,270)	(27,898)
Acquisition of property, plant and equipment		(564,344)	(765,163)
Acquisition of intangible assets		(377,201)	(175,901)
Acquisition of investments in associates and joint ventures		(525,907)	(14,284)
Disposal of business		(13,748)	-
Net cash provided by (used in) investing activities		(1,499,604)	(1,629,513)
Cash flows from financing activities			
Proceeds from borrowings		1,144,913	2,169,018
Increase due to transactions with non-controlling interests		14	-
Repayments of borrowings		(1,021,533)	(1,178,618)
Repayments of lease liabilities		(75,054)	(92,360)
Net cash provided by (used in) financing activities		48,340	898,040
Effects of exchange rate changes on cash and cash equivalents		53,345	140,768
Net increase (decrease) in cash and cash equivalents		(1,477,975)	488,625
Cash and cash equivalents at the beginning of the period		8,487,563	6,322,360
Cash and cash equivalents at the end of the period		7,009,588	6,810,985

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

1. General Information

LG Electronics Inc. (the “Company” or “Parent Company”) was spun off from LG Electronics Investment Ltd. on April 1, 2002. The Parent 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 at the end of the reporting period. The Parent Company is domiciled in Korea at Yeoui-daero, Yeongdeungpo-gu, Seoul.

As of March 31, 2024, LG Corp. owns 33.7% of the Parent Company’s total shares, excluding preferred shares, while financial institutions, foreign investors and others own the rest.

The Parent Company and its subsidiaries (collectively referred to as the “Group”) operate following five major business segments: Home Appliance & Air Solution segment manufactures and sells refrigerators, washing machines, vacuum cleaners, and residential and commercial air conditioners; Home Entertainment segment manufactures and sells TVs and digital media products; Vehicle component Solutions segment designs and manufactures automobile parts; Business Solutions segment manufactures and sells monitors, PCs, information displays and others; and LG Innotek Co., Ltd. operates optics solutions, substrate materials and automotive components businesses. As of March 31, 2024, the Parent Company has 147 subsidiaries (see Note 1 (a)), 23 associates and joint ventures (see Note 11).

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

(a) Consolidated subsidiaries as of March 31, 2024 and December 31, 2023 are as follows:

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
The Republic of Korea	South Korea	Hiplaza Co., Ltd.	100.0%	-	100.0%	-	December	Wholesales and retails of electronic products	More than half of voting rights
	South Korea	ACE R&A Co., Ltd.	100.0%	-	100.0%	-	December	Production and sales of air conditioning plants	More than half of voting rights
	South Korea	Hi M Solutek Co., Ltd.	100.0%	-	100.0%	-	December	Other general machinery and equipment repairs	More than half of voting rights
	South Korea	Hi-Caresolution Corp.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	South Korea	Hi Teleservice Co., Ltd.	100.0%	-	100.0%	-	December	Call center and telemarketing services	More than half of voting rights
	South Korea	LG Innotek Co., Ltd. ¹	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic materials	De-facto control
	South Korea	Innowith Co., Ltd. ¹	40.8%	59.2%	40.8%	59.2%	December	Services	De-facto control
	South Korea	Hanuri Co., Ltd.	100.0%	-	100.0%	-	December	Business facility maintenance	More than half of voting rights
	South Korea	ZKW Lighting Systems Korea Co., Ltd.	70.0%	30.0%	70.0%	30.0%	December	R&D	More than half of voting rights
	South Korea	LG Magna e-Powertrain Co., Ltd.	51.0%	49.0%	51.0%	49.0%	December	Production and sales of vehicle components	More than half of voting rights
South Korea	HIEVCHARGER CO., LTD.	60.0%	40.0%	60.0%	40.0%	December	Manufacture of electric transformers	More than half of voting rights	
China	China	LG Electronics (China) Co., Ltd(LGECH)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	China	LG Electronics (China) Research and Development Center Co., Ltd.(LGERD)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	China	LG Electronics Air-Conditioning(Shandong) Co., Ltd.(LGEQA)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	China	LG ELECTRONICS HK LIMITED(LGEHK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	China	LG Electronics (Huizhou) Inc.(LGEHZ)	80.0%	20.0%	80.0%	20.0%	December	Production of electronic products	More than half of voting rights
	China	LG Electronics Nanjing New Technology Co., Ltd(LGENT)	70.0%	30.0%	70.0%	30.0%	December	Production of electronic products	More than half of voting rights
	China	LG Electronics Nanjing Vehicle Components Co., Ltd.(LGENV)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
	China	LG Electronics (Qinhuangdao) Co., Ltd(LGEQH)	100.0%	-	100.0%	-	December	Production of casting	More than half of voting rights
	China	LG Electronics (Shenyang) Inc(LGESY)	78.9%	21.1%	78.9%	21.1%	December	Production of electronic products	More than half of voting rights
	China	LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	80.0%	20.0%	80.0%	20.0%	December	Production of electronic products	More than half of voting rights
	China	Nanjing LG Panda Appliances Co., Ltd(LGEPN)	70.0%	30.0%	70.0%	30.0%	December	Production of electronic products	More than half of voting rights
	China	Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
	China	QINGGONGLIAN ELECTRICAL INSTALLATION ENGINEERING CO., LTD.	80.0%	20.0%	80.0%	20.0%	December	Installation and sales of air conditioners	More than half of voting rights
	China	LG Innotek Yantai Co., Ltd.(LGITYT) ¹	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic components	De-facto control
	China	LG Innotek Trading (Shanghai) Co., Ltd.(LGITSH) ¹	40.8%	59.2%	40.8%	59.2%	December	Sales of electrical/electronic components	De-facto control
	China	ZKW Lighting Systems (Dalian) Co. Ltd.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
Asia	China	LG Magna Nanjing e-Powertrain Vehicle Components Co., Ltd.	51.0%	49.0%	51.0%	49.0%	December	Production and sales of vehicle components	More than half of voting rights
	Australia	LG ELECTRONICS AUSTRALIA PTY LIMITED(LGEAP)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	India	LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL) ⁴	100.0%	-	100.0%	-	March	Production and sales of electronic products	More than half of voting rights
	Japan	LG Japan Lab. Inc.(LGJL)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights
	Japan	LG Electronics Japan, Inc.(LGEJP)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Malaysia	LG Electronics (M) Sdn. Bhd(LGEML)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Philippines	LG Electronics Philippines Inc.(LGEPH)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Singapore	LG Electronics Singapore Pte.Ltd.(LGESL)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Taiwan	LG Electronics Taiwan Taipei Co., Ltd.(LGETT)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Thailand	LG Electronics (Thailand) Company Limited(LGETH)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	India	LG Soft India Private Limited.(LGS1) ⁴	100.0%	-	100.0%	-	March	R&D	More than half of voting rights
	Indonesia	P.T. LG Electronics Indonesia(LGEIN)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	Philippines	LG Electronics Pasig Inc. ³	38.0%	62.0%	38.0%	62.0%	December	Real estates	De-facto control
	Indonesia	PT. LG Innotek Indonesia(LGITIN) ¹	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic components	De-facto control
Taiwan	LG Innotek (Taiwan) Co., Ltd.(LGITTW) ¹	40.8%	59.2%	40.8%	59.2%	December	Sales of electrical/electronic components	De-facto control	

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Vietnam	LG Innotek Vietnam Hai Phong Co., Ltd.(LGITVH) ¹	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic components	De-facto control
	Vietnam	LG Electronics Vietnam Hai Phong Co., Ltd.(LGEVH)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	Indonesia	PT. LG Electronics Service Indonesia(LGEID)	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Philippines	HI-M SOLUTEK PHILIPPINES INC.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Vietnam	HI-M SOLUTEK VIETNAM CO., LTD.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	India	Alphonso Labs Private Limited ⁴	55.5%	44.5%	55.5%	44.5%	March	R&D	More than half of voting rights
	Indonesia	PT LGE INDONESIA RESEARCH AND DEVELOPMENT CENTER (LGERC)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights
	Japan	Cybellum Technologies Ltd.	72.9%	27.1%	69.1%	30.9%	December	Development and sales of automotive security solutions	More than half of voting rights
	Vietnam	LG Electronics Development Vietnam Company Limited (LGEDV)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights
	Indonesia	PT HI-M SOLUTEK INDONESIA	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	India	Hi-M.Solutek India Private Limited ⁴	100.0%	-	100.0%	-	March	Services	More than half of voting rights
Europe	Netherlands	LG Electronics Benelux Sales B.V.(LGEBN)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Germany	LG Electronics Deutschland GmbH(LGEDG)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Spain	LG Electronics Espana S.A.(LGEES)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Netherlands	LG Electronics European Holding B.V.(LGEEH)	100.0%	-	100.0%	-	December	European holding company	More than half of voting rights
	Netherlands	LG Electronics European Shared Service Center B.V.(LGESC)	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	France	LG Electronics France S.A.S(LGEFS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Greece	LG ELECTRONICS HELLAS SINGLE MEMBER SA (LGEHS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Italy	LG Electronics Italia S.P.A.(LGEIS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Latvia	LG Electronics Latvia LTD(LGELA)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Hungary	LG Electronics Magyar K.F.T.(LGEMK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Poland	LG Electronics Mlawa Sp. z.O.O.(LGEMA)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
	Sweden	LG Electronics Nordic AB(LGESW)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Poland	LG Electronics Polska Sp. Z.O.O.(LGEPL)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Portugal	LG Electronics Portugal S.A.(LGEPT)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	UK	LG Electronics U.K. LTD(LGEUK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Poland	LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
	Finland	LG Electronics Finland Lab Oy(LGEFL)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Poland	LG Innotek Poland Sp. z.o.o.(LGITPO) ¹	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic materials	De-facto control
	Germany	LG Electronics Vehicle Components Europe GmbH (LGEVG)	100.0%	-	100.0%	-	December	Sales of vehicle components	More than half of voting rights
	Austria	ZKW Holding GmbH	70.0%	30.0%	70.0%	30.0%	December	Holding company	More than half of voting rights
	Austria	ZKW Group GmbH	70.0%	30.0%	70.0%	30.0%	December	Services	More than half of voting rights
	Austria	ZKW Lichtsysteme GmbH	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	Austria	ZKW Austria Immobilien Holding GmbH	70.0%	30.0%	70.0%	30.0%	December	Holding company	More than half of voting rights
	Austria	ZKW Austria Immobilien GmbH	70.0%	30.0%	70.0%	30.0%	December	Real estates	More than half of voting rights
	Slovakia	ZKW Slovakia s.r.o.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	Czech	KES - kabelove a elektricke systemy spol. s.r.o.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	Czech	ZKW Automotive Engineering CZ s.r.o.	70.0%	30.0%	70.0%	30.0%	December	R&D	More than half of voting rights
	Poland	KES Poland Sp.z o.o.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Poland	HI-M SOLUTEK POLAND Sp. z o.o.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Hungary	ACE R&A Hungary Limited Liability Company	100.0%	-	100.0%	-	December	Production and sales of air conditioning plants	More than half of voting rights
	UK	Alphonso UK Limited	55.5%	44.5%	55.5%	44.5%	December	Advertisement	More than half of voting rights
	Greece	Alphonso Hellas S.A.	55.5%	44.5%	55.5%	44.5%	December	Advertisement	More than half of voting rights
	Hungary	LG Magna e-Powertrain Hungary Ltd.	51.0%	49.0%	51.0%	49.0%	December	Production and sales of vehicle components	More than half of voting rights
	Germany	HI-M SOLUTEK Germany GmbH	100.0%	-	100.0%	-	December	Services	More than half of voting rights
North America	USA	LG Electronics Alabama Inc.(LGEAL)	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Canada	LG Electronics Canada, Inc.(LGECL)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Mexico	LG Electronics Mexico S.A. DE C.V.(LGEMS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Mexico	LG Electronics Reynosa, S.A. De C.V.(LGERS)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
	USA	LG Electronics U.S.A., Inc.(LGEUS)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	USA	Zenith Electronics LLC(Zenith)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights
	USA	LG Innotek USA, Inc.(LGITUS) ¹	40.8%	59.2%	40.8%	59.2%	December	Sales of electrical/electronic components	De-facto control
	Mexico	LG Innotek Mexico SA DE CV(LGITMX) ¹	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic components	De-facto control

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	USA	LG Electronics Vehicle Components U.S.A., LLC.(LGEVU)	100.0%	-	100.0%	-	December	Sales of vehicle components	More than half of voting rights
	USA	LGEUS Power, LLC	100.0%	-	100.0%	-	December	Investment of solar power plant	More than half of voting rights
	USA	LG Electronics Fund I LLC	100.0%	-	100.0%	-	December	Investment in technology start-ups	More than half of voting rights
	USA	LG Technology Ventures LLC	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	USA	LG Electronics New Jersey, LLC	100.0%	-	100.0%	-	December	Real estates	More than half of voting rights
	USA	ZKW Lighting Systems USA, Inc.	70.0%	30.0%	70.0%	30.0%	December	Sales of vehicle components	More than half of voting rights
	Mexico	ZKW Mexico Inmobiliaria, S.A. de C.V.	70.0%	30.0%	70.0%	30.0%	December	Real estates	More than half of voting rights
	Mexico	ZKW Mexico, S.A. de C.V.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	USA	LG Magna e-Powertrain USA Inc.	51.0%	49.0%	51.0%	49.0%	December	Sales of vehicle components	More than half of voting rights
	USA	Alphonso Inc.	55.5%	44.5%	55.5%	44.5%	December	Advertisement	More than half of voting rights
	USA	LG Innotek Fund I LLC ¹	40.8%	59.2%	40.8%	59.2%	December	Investment in technology start-ups	De-facto control
	USA	Cybellum Technologies USA, Inc	72.9%	27.1%	69.1%	30.9%	December	Development and sales of automotive security solutions	More than half of voting rights
	USA	LG Electronics Fund II LLC	100.0%	-	100.0%	-	December	Investment in technology start-ups	More than half of voting rights
	Mexico	HI-M SOLUTEK MEXICO S DE RL DE CV.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Mexico	LG Magna e-Powertrain Mexico S.A. DE C.V.	51.0%	49.0%	51.0%	49.0%	December	Production and sales of vehicle components	More than half of voting rights

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	USA	ACE R&A US INC	100.0%	-	100.0%	-	December	Production and sales of air conditioning plants	More than half of voting rights
	USA	Overdrive Energy, Inc	75.0%	25.0%	75.0%	25.0%	December	Investment in technology start-ups	More than half of voting rights
	USA	Primefocus Health, Inc	75.0%	25.0%	75.0%	25.0%	December	Investment in technology start-ups	More than half of voting rights
	USA	Hi-M.SOLUTEK US INC	100.0%	-	100.0%	-	December	Services	More than half of voting rights
South America	Argentina	LG Electronics Argentina S.A.(LGEAR)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Colombia	LG Electronics Colombia Limitada(LGECB)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Brazil	LG Electronics do Brasil Ltda.(LGEBR)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	Honduras	LG Electronics Honduras S.de R.L. ²	20.0%	80.0%	20.0%	80.0%	December	Sales of electronic products	De-facto control
	Chile	LG Electronics Inc Chile Limitada(LGECL)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Panama	LG Electronics Panama, S.A.(LGEPS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Peru	LG Electronics Peru S.A.(LGEPR)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Venezuela	LG Electronics Venezuela, S.A.(LGEVZ)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Panama	LG Consulting Corp.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Guatemala	LG Electronics Guatemala, S.A.	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
Middle East and Africa	Angola	LG Electronics Angola Limitada(LGEAO)	100.0%	-	100.0%	-	December	Sales and services of electronic products	More than half of voting rights

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Jordan	LG Electronics Levant – Jordan(LGELF)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	UAE	LG Electronics Africa Logistics FZE(LGEAF)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Algeria	LG Electronics Algeria SARL(LGEAS)	70.0%	30.0%	70.0%	30.0%	December	Sales of electronic products	More than half of voting rights
	UAE	LG Electronics Dubai FZE(LGEDF)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Egypt	LG Electronics Egypt S.A.E(LGEEG)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	UAE	LG Electronics Gulf FZE(LGEGF)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	UAE	LG Electronics Middle East Company FZCO (LGEME)	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Morocco	LG Electronics Morocco S.A.R.L.(LGEMC)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Nigeria	LG Electronics Nigeria Limited(LGENI)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Tunisia	LGENAF Service Company SARL	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	UAE	LG Electronics Overseas Trading FZE(LGEOT)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	South Africa	LG Electronics S.A. (Pty) Ltd.(LGESA)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	Türkiye	LG Electronics Ticaret A.S.(LGETK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Saudi Arabia	LG-Shaker Co.Ltd.(LGESR)	51.0%	49.0%	51.0%	49.0%	December	Production of electronic products	More than half of voting rights
	Saudi Arabia	LG Electronics Saudi Arabia LLC	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023, and December 31, 2023

Territory	Location	Subsidiary	March 31, 2024		December 31, 2023		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	UAE	HI M SOLUTEK HVAC SERVICE AND MAINTENANCE LLC	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Egypt	HI-M.SOLUTEK LLC	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Israel	Cybellum Technologies Ltd.	72.9%	27.1%	69.1%	30.9%	December	Development and sales of automotive security solutions	More than half of voting rights
	Saudi Arabia	LG Electronics Middle East & Africa Regional Headquarter(LGESQ)	100.0%	-	100.0%	-	December	Services	More than half of voting rights
Other	Kazakhstan	LG Electronics Almaty Kazakhstan Limited Liability Partnership(LGEAK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Russia	LG Electronics RUS, LLC(LGERA)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	Ukraine	LG Electronics Ukraine(LGEUR)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights

¹ Although the Group owns less than half of the voting rights of LG Innotek Co., Ltd., which is an intermediate parent company of its subsidiaries, the Group 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 (See. Note 3.2).

² Although the Group owns less than a majority of the effective percentage of ownership of the entity, the Group has concluded that the Group controls the entity. This is because the Group has a right to appoint or dismiss the majority of its Board of Directors by virtue of an agreement with the other investors.

³ Although the Group owns less than a majority of the effective percentage of ownership of the entity, the Group has concluded that the Group controls the entity. This is because the Group has the substantial power to direct the relevant activities and is exposed to variable returns.

⁴ In the preparation of the consolidated financial statements, the financial statements for the three-month period ended March 31, 2024 were used for those subsidiaries with different fiscal year ends.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(b) Financial information of major subsidiaries as of March 31, 2024 and December 31, 2023 and for the three-month periods ended March 31, 2024 and 2023 are as follows (before elimination of intercompany transactions):

<i>(in millions of Korean won)</i>	March 31, 2024			Three-month period ended March 31, 2024	
	Assets	Liabilities	Equity	Sales	Profit (loss) for the period
LG Innotek Co., Ltd.	9,475,115	5,695,579	3,779,536	4,265,119	34,344
LG Electronics U.S.A., Inc.(LGEUS)	5,681,536	3,886,651	1,794,885	3,250,675	286,005
LG Electronics European Shared Service Center B.V.(LGESC)	1,390,774	1,331,427	59,347	177,198	14,382
LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)	1,425,604	815,613	609,991	1,044,567	93,435
LG Electronics Vietnam Hai Phong Co., Ltd(LGEVH)	2,015,641	1,000,682	1,014,959	1,446,348	71,523
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	1,430,419	663,000	767,419	1,084,139	48,888
Zenith Electronics LLC(Zenith)	1,599,972	350,439	1,249,533	75,243	45,583
LG Electronics do Brasil Ltda.(LGEBR)	1,754,369	447,290	1,307,079	466,454	41,678
Hiplaza Co., Ltd.	1,168,607	978,144	190,463	549,523	(12,053)
LG Innotek Vietnam Hai Phong Co.,Ltd.(LGITVH)	2,289,506	1,260,221	1,029,285	1,794,737	96,601
ZKW Lichtsysteme GmbH	1,081,859	652,811	429,048	212,254	4,226
LG Electronics (China) Co., Ltd(LGECH)	846,761	779,200	67,561	60,938	905
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	1,219,671	691,874	527,797	643,562	50,935
ZKW Group GmbH	1,585,635	1,191,158	394,477	45,869	7,247
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	798,021	593,824	204,197	379,494	13,079
LG Electronics Mexico S.A.DE C.V.(LGEMS)	654,597	438,222	216,375	390,044	29,031
LG Electronics (Thailand) Company Limited(LGETH)	745,457	464,840	280,617	574,189	38,712
P.T. LG Electronics Indonesia(LGEIN)	1,171,045	537,943	633,102	780,258	31,314
LG Electronics Nanjing New Technology co.,LTD(LGENT)	768,229	481,867	286,362	538,300	24,304
Nanjing LG Panda Appliances Co., Ltd(LGEPN)	654,399	438,984	215,415	341,380	27,216
LG Magna e-Powertrain Co., Ltd.	1,343,222	557,132	786,090	154,667	(15,884)
LG Electronics Vehicle Components Europe GmbH(LGEVG)	1,054,431	940,867	113,564	885,574	(13,122)
LG Electronics Deutschland GmbH(LGEDG)	547,579	311,888	235,691	314,223	10,696

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

<i>(in millions of Korean won)</i>	December 31, 2023			Three-month period ended March 31, 2023	
	Assets	Liabilities	Equity	Sales ¹	Profit (loss) for the period
LG Innotek Co., Ltd.	9,964,207	6,162,549	3,801,658	4,257,251	60,330
LG Electronics U.S.A., Inc.(LGEUS)	5,754,119	3,803,939	1,950,180	3,408,896	232,742
LG Electronics European Shared Service Center B.V.(LGESC)	1,440,444	1,396,400	44,044	221,186	16,842
LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)	1,146,627	651,697	494,930	940,105	84,572
LG Electronics Vietnam Hai Phong Co., Ltd(LGEVH)	1,996,002	993,153	1,002,849	1,281,040	48,841
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	1,358,792	658,445	700,347	954,963	47,877
Zenith Electronics LLC(Zenith)	1,734,558	324,269	1,410,289	64,658	34,162
LG Electronics do Brasil Ltda.(LGEBR)	1,665,466	413,251	1,252,215	395,615	42,471
Hiplaza Co., Ltd.	1,126,143	923,833	202,310	577,034	(9,829)
LG Innotek Vietnam Hai Phong Co.,Ltd.(LGITVH)	2,175,605	1,283,941	891,664	689,552	14,471
ZKW Lichtsysteme GmbH	934,433	450,478	483,955	203,708	(2,502)
LG Electronics (China) Co., Ltd(LGECH)	865,584	800,698	64,886	65,512	16,165
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	1,061,827	597,903	463,924	586,268	49,218
ZKW Group GmbH	1,520,505	1,140,886	379,619	36,162	(485)
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	707,039	521,057	185,982	325,157	15,101
LG Electronics Mexico S.A.DE C.V.(LGEMS)	597,534	422,982	174,552	321,481	32,569
LG Electronics (Thailand) Company Limited(LGETH)	576,365	329,419	246,946	497,552	26,157
P.T. LG Electronics Indonesia(LGEIN)	988,050	412,359	575,691	736,452	48,882
LG Electronics Nanjing New Technology co.,LTD(LGENT)	716,079	461,106	254,973	564,144	35,705
Nanjing LG Panda Appliances Co., Ltd(LGEPN)	589,208	406,157	183,051	300,993	18,608
LG Magna e-Powertrain Co., Ltd.	1,405,309	603,239	802,070	254,042	10,348
LG Electronics Vehicle Components Europe GmbH(LGEVG)	945,480	821,031	124,449	810,724	22,186
LG Electronics Deutschland GmbH(LGEDG)	573,321	352,506	220,815	332,966	13,826

¹ The sales related to the discontinued operations were excluded.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(c) Information of subsidiaries with material non-controlling interests is as follows:

- LG Innotek Co., Ltd. and its subsidiaries

i) Percentage of ownership in non-controlling interests and accumulated non-controlling interests

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Percentage of ownership in non-controlling interests	59.2%	59.2%
Accumulated non-controlling interests	2,962,230	2,877,933

ii) Profit and dividends attributable to non-controlling interests for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Profit(Loss) to non-controlling interests	87,231	53,368
Dividends to non-controlling interests	36,570	58,147

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

iii) Summarized consolidated statements of financial position of subsidiaries with material non-controlling interests are as follows (before elimination of intercompany transactions):

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Current assets	5,165,183	5,349,009
Non-current assets	5,787,968	5,855,297
Total assets	10,953,151	11,204,306
Current liabilities	3,729,487	4,219,145
Non-current liabilities	2,375,579	2,270,586
Total liabilities	6,105,066	6,489,731
Equity attributable to the owners of LG Innotek Co., Ltd.	4,848,085	4,714,575
Non-controlling interests	-	-
Total equity	4,848,085	4,714,575

iv) Summarized consolidated statements of comprehensive income of subsidiaries with material non-controlling interests for the three-month periods ended March 31, 2024 and 2023 are as follows (before elimination of intercompany transactions):

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Net sales	4,333,578	4,375,862
Profit(Loss) for the period	138,466	83,282
Other comprehensive income, net of tax	56,809	12,712
Total comprehensive income (loss), net of tax	195,275	95,994

v) Summarized consolidated statements of cash flows of subsidiaries with material non-controlling interests for the three-month periods ended March 31, 2024 and 2023 are as follows (before elimination of intercompany transactions):

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Cash flows from operating activities	(280,375)	186,549
Cash flows from investing activities	(458,596)	(467,042)
Cash flows from financing activities	214,140	345,420
Effects of exchange rate changes on cash and cash equivalents	5,295	6,663
Net increase (decrease) in cash and cash equivalents	(519,536)	71,590
Cash and cash equivalents at the beginning of the period	1,389,646	577,908
Cash and cash equivalents at the end of the period	870,110	649,498

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(d) Significant restrictions on subsidiaries

i) Significant restrictions on the ability to use the assets and settle the liabilities of the Group

Cash and other short-term financial instruments held by subsidiaries in Egypt, Algeria, Russia and Kazakhstan are subject to exchange control regulations of each relevant country. Accordingly, there are transfer limits on their cash and other short-term financial instruments from these countries.

ii) The protective rights of non-controlling interests which can restrict the use of the assets and settlement of the liabilities of the Group exist in certain subsidiaries.

(e) Changes in the Parent Company's interest in subsidiaries

i) During the three-month period ended March 31, 2024, non-controlling interests increased by ₩116 million due to the effect of changes in the percentage of ownership resulting from the stock options exercised and the tender offer agreement for non-controlling interests in relation to Cybellum Technologies USA, Inc..

ii) During the three-month period ended March 31, 2024, non-controlling interests increased by ₩132 million due to the effect of changes in the percentage of ownership resulting from the stock options exercised and the tender offer agreement for non-controlling interests in relation to Alphonso Inc..

(f) None of the subsidiaries are included or excluded in the scope of preparation of the interim condensed consolidated financial statements for the three-month period ended March 31, 2024.

(g) Gain or loss resulted from the loss of control

The Group did not recognize any gain or loss from the loss of control for the three-month period ended March 31, 2024.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

2. Material Accounting Policies

2.1 Basis of Preparation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (KIFRS). The accompanying consolidated interim financial statements have been condensed, restructured and translated into English from the Korean language 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 Group's interim condensed consolidated financial statements for the three-month period ended March 31, 2024, have been prepared in accordance with KIFRS 1034 *Interim Financial Reporting*. These interim condensed consolidated financial statements have been prepared in accordance with KIFRS which is effective or early adopted as of March 31, 2024.

2.1.1 Changes in Accounting Policies and Disclosures

(a) New and amended standards and interpretations effective for the financial year beginning January 1, 2024

- KIFRS 1001 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current, non-current liabilities with agreements

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. In addition, covenants that an entity is required to comply with after non-current the end of the reporting period would not affect classification of a liability as current or at the reporting date. When an entity classifies a liability that is subject to the covenants which an entity is required to comply with within twelve months of the reporting date as non-current at the end of the reporting period, the entity shall disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. The amendments do not have a material impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements - Amendments to KIFRS 1007 State of Cash Flows and KIFRS 1107 Financial instruments: Disclosures

The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on the interim condensed consolidated financial statements of the Group.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

- Lease Liability in a Sale and Leaseback - Amendments to KIFRS 1116 Leases

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments do not have a material impact on the interim condensed consolidated financial statements of the Group.

(b) New, enacted and amended standards issued, but not effective for March 31, 2024, and not early adopted by the Group.

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

The amendments require disclosure of information that enables users of financial statements to understand the risk and impact of a currency not being exchangeable. The amendments apply to annual reporting periods beginning on or after January 1, 2025. Early application is permitted, in which case, an entity is required to disclose that fact. The Group does not expect that these amendments have a material impact on the Group's interim condensed consolidated financial statements.

2.2 Application of Accounting Policies

The material accounting policies and method of computation used in the preparation of the interim condensed consolidated financial statements are consistent with those of the consolidated financial statements for the year ended December 31, 2023, 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. The Group is subject to Pillar Two. Income tax for the current period related to this was additionally recognized, and exceptions were applied to the recognition and disclosure of deferred income tax.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

3. Material Accounting Estimates and Judgements

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 Group 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 Russia - Ukraine armed conflict and continuous international sanctions on Russia have a material impact on the global economy. It may have a negative impact; 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 Group, and the impact is expected to be continued to the consolidated annual financial statements in 2024.

Material accounting estimates and assumptions applied in the preparation of the interim condensed consolidated financial statements can be adjusted depending on changes in the uncertainty from Russia - Ukraine armed conflict. Also, the ultimate effect of Russia - Ukraine armed conflict to the Group'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 end of the reporting period are addressed below.

(a) Revenue Recognition

The Group recognizes revenue over time using the percentage of completion method for the rendering of service such as equipment production and installation. The Group 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

The Group 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 Group 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. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(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 Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of the reporting period.

(e) Provisions

The Group recognizes provisions for product warranties and others based on their historical data at the end of the reporting period.

(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 Group 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 Group capitalizes development costs when there is a reasonable assurance that projects have technical feasibility and the possibility of generating future economic benefits, and performs periodic impairment test. 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

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.

3.2 Material Judgment on Accounting Policies Adopted by the Group

In order to determine the Group's de-facto control, the Group considers the Group's shareholding of voting rights relative to the percentage of shareholding and dispersion of other voting right holders and additional facts and circumstances including voting patterns at previous shareholders' meetings.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

4. Segment Information

The segments of the Group are strategic business divisions providing different products and services. They are reported separately because each business division requires different technologies and marketing strategies. At the end of the reporting periods, the main products of each business division are as follows, and the comparative information is presented in conformity with the same classification in the current period.

Operating segment	Type of products
Home Appliance & Air Solution (H&A)	Refrigerators, washing machines, air conditioners, vacuum cleaners and others
Home Entertainment (HE)	TVs, audio and others
Vehicle component Solutions (VS)	Vehicle components and others
Business Solutions (BS)	Monitors, PCs, information displays and others
LG Innotek Co., Ltd. and its subsidiaries (Innotek)	Camera modules, substrate & material, motor/sensor and others
Other segments	Equipment production and others

(a) The segment information for sales and operating profit (loss) for each of the three-month periods ended March 31, 2024 and 2023 is as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024						Total
	H&A	HE	VS	BS	Innotek	Other segments ¹	
Sales	8,607,495	3,492,034	2,661,897	1,575,495	4,333,578	425,450	21,095,949
External sales	8,595,722	3,489,802	2,661,897	1,574,428	4,194,436	579,664	21,095,949
Internal sales	11,773	2,232	-	1,067	139,142	(154,214)	-
Operating profit (loss) ²	940,298	132,211	52,045	12,757	176,038	22,062	1,335,411
Depreciation and amortization	243,810	73,677	137,801	33,650	314,959	43,098	846,995

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023						Total
	H&A	HE	VS	BS	Innotek	Other segments ¹	
Sales	8,029,178	3,352,141	2,386,526	1,479,595	4,375,862	792,570	20,415,872
External sales	8,017,672	3,350,857	2,386,526	1,478,540	4,240,709	941,568	20,415,872
Internal sales	11,506	1,284	-	1,055	135,153	(148,998)	-
Operating profit (loss) ²	1,015,242	203,850	54,004	65,737	145,344	13,211	1,497,388
Depreciation and amortization	231,929	88,223	137,308	31,613	230,122	49,413	768,608

¹ Other segments include operating segments that are not qualified as reportable segments, departments that support the operating segments and R&D, and inter-company transactions. Sales between segments are accounted on terms equivalent to those that prevail in arm's length transactions.

² Other income or expenses items not included in the operating profit (loss) are not separately disclosed because the Chief Operating Decision Maker does not review them by segment.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(b) Segment assets and liabilities as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
H&A	29,203,869	14,409,999	27,581,665	13,509,146
HE	14,397,626	9,693,205	14,206,186	9,767,084
VS	9,818,595	11,668,340	9,642,087	11,498,661
BS	5,688,979	4,243,418	5,339,239	4,009,534
Innotek	10,953,151	6,105,066	11,204,306	6,489,731
Subtotal¹	70,062,220	46,120,028	67,973,483	45,274,156
Other segments and inter-company transactions	(8,696,112)	(9,213,325)	(7,732,690)	(8,531,899)
Total	61,366,108	36,906,703	60,240,793	36,742,257

¹ The amounts of assets and liabilities of each segment are before inter-company elimination, and common assets and liabilities are allocated based on the operations of the segments.

(c) Non-current assets by geographic area as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	Non-current assets ¹	
	March 31, 2024	December 31, 2023
Geographic areas		
The Republic of Korea	13,207,804	13,361,340
Americas	2,260,125	2,192,785
Europe	1,060,815	1,060,434
Asia, Africa and others	3,205,595	3,166,218
Total	19,734,339	19,780,777

¹ Non-current assets consist of property, plant and equipment, intangible assets and investment properties.

(d) A single external customer who contributes more than 10% of the Group's total sales for the three-month period ended March 31, 2024 is Innotek segment and others, whose sales amount to ₩3,338,417 million (March 31, 2023: ₩3,416,644 million).

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

5. Financial Instruments by Category

(a) Categorizations of financial instruments as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 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	Other	Total
Cash and cash equivalents	7,009,588	-	-	-	7,009,588
Deposits held by financial institutions	222,277	-	-	-	222,277
Trade receivables	8,361,077	1,879,071	-	849,182	11,089,330
Other receivables	2,381,518	-	-	-	2,381,518
Other financial assets and others	-	191,814	272,125	228,986	692,925
Total	17,974,460	2,070,885	272,125	1,078,168	21,395,638

<i>(in millions of Korean won)</i>	March 31, 2024			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	9,978,019	-	-	9,978,019
Borrowings	13,567,542	-	-	13,567,542
Lease liabilities	-	-	1,187,255	1,187,255
Other payables	4,220,132	-	-	4,220,132
Other financial liabilities	-	12,993	23,476	36,469
Total	27,765,693	12,993	1,210,731	28,989,417

<i>(in millions of Korean won)</i>	December 31, 2023				
	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
Cash and cash equivalents	8,487,563	-	-	-	8,487,563
Deposits held by financial institutions	221,575	-	-	-	221,575
Trade receivables	7,012,256	2,265,310	-	626,895	9,904,461
Other receivables	2,375,430	-	-	-	2,375,430
Other financial assets and others	-	117,872	206,014	178,240	502,126
Total	18,096,824	2,383,182	206,014	805,135	21,491,155

<i>(in millions of Korean won)</i>	December 31, 2023			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	9,427,288	-	-	9,427,288
Borrowings	13,320,811	-	-	13,320,811
Lease liabilities	-	-	1,193,023	1,193,023
Other payables	4,836,694	-	-	4,836,694
Other financial liabilities	-	18,162	43,884	62,046
Total	27,584,793	18,162	1,236,907	28,839,862

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(b) Net gains or losses on each category of financial instruments for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 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	Other	Total
Interest income	137,283	-	-	-	137,283
Exchange differences	416,687	41,941	-	-	458,628
Bad debts expenses	(2,523)	-	-	(219)	(2,742)
Gain (Loss) on disposal of trade receivables	(694)	(8,970)	-	-	(9,664)
Dividend income	-	257	-	-	257
Gain (Loss) on valuation of financial assets at fair value through profit or loss	-	-	(1,332)	-	(1,332)
Gain (Loss) on derivatives (through profit or loss)	-	-	21,493	-	21,493
Fair value gain (loss), net of tax (through other comprehensive income)	-	49,878	-	-	49,878
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	17,093	17,093

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expense	(150,715)	-	6,074	(144,641)
Exchange differences	(528,714)	-	40,987	(487,727)
Gain (Loss) on derivatives (through profit or loss)	-	(10,943)	-	(10,943)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	7,313	7,313
Others	(669)	-	-	(669)

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023				
	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	83,047	-	-	-	83,047
Exchange differences	203,049	48,383	-	-	251,432
Bad debts expense	(7,540)	-	-	-	(7,540)
Gain (Loss) on disposal of trade receivables	-	(12,021)	-	-	(12,021)
Dividend income	-	189	263	-	452
Gain (Loss) on valuation of financial assets at fair value through profit or loss	-	-	(1,014)	-	(1,014)
Gain (Loss) on derivatives (through profit or loss)	-	-	4,818	-	4,818
Profit (Loss) for the period from discontinued operations	(4)	-	-	-	(4)
Fair value gain(loss), net of tax (through other comprehensive income)	-	3,664	-	-	3,664
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	(263)	(263)

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expense	(126,462)	-	1,412	(125,050)
Exchange differences	(303,392)	-	47,475	(255,917)
Gain (Loss) on derivatives (through profit or loss)	-	(14,344)	-	(14,344)
Profit (Loss) for the period from discontinued operations	(2)	-	-	(2)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	(20,671)	(20,671)
Others	(796)	-	-	(796)

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

6. Trade Receivables and Other Receivables

(a) Trade receivables and other receivables, net of allowance for doubtful accounts, as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024			December 31, 2023		
	Original amount	Allowance for doubtful accounts	Carrying amount	Original amount	Allowance for doubtful accounts	Carrying amount
Trade receivables						
Current	10,397,173	(107,290)	10,289,883	9,366,948	(101,926)	9,265,022
Non-current	801,117	(1,670)	799,447	640,936	(1,497)	639,439
Other receivables						
Current	578,359	(6,687)	571,672	602,781	(6,988)	595,793
Non-current	1,809,944	(98)	1,809,846	1,779,720	(83)	1,779,637

(b) Movements in allowance for doubtful accounts for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024				
	January 1	Addition (Reversal)	Write-off	Other	March 31
Trade receivables					
Current	101,926	2,953	(194)	2,605	107,290
Non-current	1,497	173	-	-	1,670
Other receivables					
Current	6,988	(743)	(2)	444	6,687
Non-current	83	-	-	15	98

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023				
	January 1	Addition (Reversal)	Write-off	Other	March 31
Trade receivables	87,922	8,826	(945)	7,357	103,160
Other receivables					
Current	10,287	(1,257)	(47)	(219)	8,764
Non-current	83	(4)	-	11	90

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(c) The aging analysis of trade receivables and other receivables as of March 31, 2024 and December 31, 2023 is as follows:

<i>(in millions of Korean won)</i>	March 31, 2024				Total
	Trade receivables		Other receivables		
	Current	Non-current	Current	Non-current	
Receivables not past due	9,056,151	801,117	504,354	1,809,944	12,171,566
Past due but not impaired					
Up to 6 months	961,834	-	50,085	-	1,011,919
7 to 12 months	77,879	-	4,281	-	82,160
Over 1 year	114,671	-	11,056	-	125,727
Subtotal	1,154,384	-	65,422	-	1,219,806
Impaired	186,638	-	8,583	-	195,221
Total	10,397,173	801,117	578,359	1,809,944	13,586,593

<i>(in millions of Korean won)</i>	December 31, 2023				Total
	Trade receivables		Other receivables		
	Current	Non-current	Current	Non-current	
Receivables not past due	7,871,059	640,936	504,987	1,779,720	10,796,702
Past due but not impaired					
Up to 6 months	1,088,174	-	65,314	-	1,153,488
7 to 12 months	65,336	-	14,494	-	79,830
Over 1 year	98,544	-	9,435	-	107,979
Subtotal	1,252,054	-	89,243	-	1,341,297
Impaired	243,835	-	8,551	-	252,386
Total	9,366,948	640,936	602,781	1,779,720	12,390,385

(d) Some of trade receivables have been discounted through collateralized borrowing agreements with banks for the three-month period ended March 31, 2024. In case the customers' default, the Group has an obligation to pay the amounts related thereto to the banks. As a result, this transaction has been accounted for as a collateralized borrowing (see Note 12). Discounted trade receivables recognized as of March 31, 2024 amount to ₩35,495 million (December 31, 2023: ₩60,269 million).

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

7. Other Financial Assets and Liabilities

(a) Details of other financial assets and liabilities as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Other financial assets		
Derivatives	247,304	185,437
Financial assets at fair value through other comprehensive income	191,814	117,872
Financial assets at fair value through profit or loss	239,105	184,115
Total	678,223	487,424
Current	128,377	102,054
Non-current	549,846	385,370

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Other financial liabilities		
Derivatives	36,389	61,931
Financial guarantee liability	80	115
Total	36,469	62,046
Current	11,339	9,292
Non-current	25,130	52,754

(b) Details of derivatives as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Current				
Currency forward	532	5,401	2,070	2,567
Cross-currency swap	16,489	4,925	23,118	6,610
Interest rate swap	1,504	-	2,116	-
Option	-	933	-	-
Subtotal	18,525	11,259	27,304	9,177
Non-current				
Cross-currency swap	197,411	10,399	133,597	30,515
Interest rate swap	25,934	7,604	21,451	13,254
Option	3,222	1,525	3,085	2,457
Intrinsic derivatives Contract	2,212	5,602	-	6,528
Subtotal	228,779	25,130	158,133	52,754
Total	247,304	36,389	185,437	61,931

The details of major derivative contracts at the end of the reporting period are presented in 'Note 32'.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(c) Movements in carrying amount of financial assets at fair value through other comprehensive income for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024						
	January 1	Acquisition	Disposals	Transfer	Valuation	Other	March 31
Listed equity securities	30,668	-	-	30	64,818	273	95,789
Unlisted equity securities	87,204	7,016	-	(30)	-	1,835	96,025
Total	117,872	7,016	-	-	64,818	2,108	191,814

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023						
	January 1	Acquisition	Disposals	Transfer	Valuation	Other	March 31
Listed equity securities	29,425	-	-	-	4,537	423	34,385
Unlisted equity securities	89,501	2,613	-	-	-	(840)	91,274
Total	118,926	2,613	-	-	4,537	(417)	125,659

(d) Movements in carrying amount of financial assets at fair value through profit or loss for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024						
	January 1	Acquisition	Disposals	Transfer	Valuation	Other	March 31
Unlisted equity securities	108,232	19,719	-	-	(1,332)	1,501	128,120
Listed debt securities	74,750	91,616	(60,219)	-	-	3,705	109,852
Unlisted debt securities	1,133	-	-	-	-	-	1,133
Total	184,115	111,335	(60,219)	-	(1,332)	5,206	239,105

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023						
	January 1	Acquisition	Disposals	Transfer	Valuation	Other	March 31
Unlisted equity securities	105,011	6,866	(179)	(2,027)	(746)	52	108,977
Listed debt securities	362	67,728	(209)	27	(268)	249	67,889
Unlisted debt securities	633	-	-	-	-	-	633
Total	106,006	74,594	(388)	(2,000)	(1,014)	301	177,499

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

8. Inventories

Inventories as of March 31, 2024 and December 31, 2023 consist of:

<i>(in millions of Korean won)</i>	March 31, 2024			December 31, 2023		
	Cost	Valuation allowance	Carrying amount	Cost	Valuation allowance	Carrying amount
Finished products and merchandise	6,184,567	(140,215)	6,044,352	5,381,164	(173,428)	5,207,736
Work-in-process	655,733	(21,893)	633,840	682,107	(27,316)	654,791
Raw materials and supplies	3,245,246	(184,837)	3,060,409	3,167,187	(179,490)	2,987,697
Other	346,525	(48,189)	298,336	342,469	(67,289)	275,180
Total	10,432,071	(395,134)	10,036,937	9,572,927	(447,523)	9,125,404

9. Contract Assets and Contract Liabilities

(a) Contract assets as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Due from customers	928,399	842,113
(Less: allowance for doubtful accounts)	(2,843)	(3,786)
Right to recover returned products	93,768	98,111
Costs to fulfill contracts and others	630,737	619,239
Total	1,650,061	1,555,677
Current	1,265,644	1,129,399
Non-current	384,417	426,278

(b) Contract liabilities as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Expected promotional incentives for customers	932,777	870,426
Expected returns from customers	219,128	213,712
Customer loyalty program	97,563	100,951
Rendering of warranty services	155,111	150,670
Due to customers and others	824,337	625,743
Total	2,228,916	1,961,502
Current	2,163,649	1,898,005
Non-current	65,267	63,497

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(c) Revenue recognized in relation to contract liabilities for the three-month periods ended March 31, 2024 and 2023 is as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Revenue recognized that was included in the contract liability amount at the beginning of the period:		
Due to customers and others	191,401	155,241
Customer loyalty program	20,932	20,392
Rendering of warranty services	14,827	12,652
Total	227,160	188,285
Revenue recognized from performance obligations satisfied in previous periods	7,557	17,564

(d) Unsatisfied long-term contracts

At the end of the reporting period, the total amount of transaction price allocated to the unsatisfied or partially unsatisfied performance obligations as of March 31, 2024 is ₩ 1,642,769 million (December 31, 2023: ₩ 1,297,935 million) which were expected to be satisfied by 2031, at the latest. Also, as a practical expedient, the Group excluded performance obligation which was a contract that had an original expected duration of one year or less.

(e) For the three-month period ended March 31, 2024, the Group recognized a reversal of impairment loss amounting to ₩691 million (March 31, 2023: a reversal of impairment loss of ₩317 million) in relation to due from customers, and amortization and other costs of ₩ 113,992 million (March 31, 2023: ₩ 38,828 million) in relation to costs to fulfill contracts.

10. Property, Plant and Equipment, and Intangible Assets

(a) Movements in property, plant and equipment for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
January 1	16,818,629	15,831,838
Acquisitions	492,495	742,391
Disposals and others	(24,117)	(20,475)
Depreciation	(725,266)	(646,846)
Impairment losses	(18,832)	(14,237)
Exchange differences	167,449	222,726
March 31	16,710,358	16,115,397

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(b) Line items included in depreciation for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations		
Cost of sales	562,631	492,924
Selling expenses	69,195	70,742
Administrative expenses	50,921	43,616
Research and development expenses	31,745	26,992
Service costs	10,723	8,736
Other non-operating expenses	51	3,811
Subtotal	725,266	646,821
Discontinued operations	-	25
Total	725,266	646,846

(c) Movements in right-of-use assets included in property, plant and equipment for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
January 1	1,291,295	1,207,052
Acquisitions	69,167	89,019
Disposals and others	(10,943)	(11,222)
Depreciation	(91,795)	(101,925)
Exchange differences	21,042	25,593
March 31	1,278,766	1,208,517

The amount recognized as lease income in relation to sublease of the above right-of-use assets for the three-month period ended March 31, 2024 is ₩ 1,142 million (March 31, 2023: ₩ 1,716 million).

(d) Movements in intangible assets for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
January 1	2,867,687	2,454,830
Acquisitions	85,274	119,071
Acquisitions by internal development	118,631	69,215
Disposals and others	(26,676)	(12,524)
Amortization	(120,507)	(124,311)
Impairment losses	(7,779)	(775)
Exchange differences	14,170	13,424
March 31	2,930,800	2,518,930

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(e) Line items included in amortization of intangible assets for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations		
Cost of sales	83,182	87,492
Selling expenses	5,440	4,905
Administrative expenses	12,606	13,834
Research and development expenses	17,941	17,015
Service costs	1,331	1,043
Other non-operating expenses	7	13
Subtotal	120,507	124,302
Discontinued operations	-	9
Total	120,507	124,311

11. Investments in Associates and Joint Ventures

(a) Investments in associates and joint ventures

i) Carrying amounts of investments in associates and joint ventures as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Associates	3,224,913	2,946,619
Joint ventures	58,728	57,845
Total	3,283,641	3,004,464

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

ii) Investments in associates as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024				December 31, 2023			
	Acquisition cost	Net asset amount	Unrealized gain	Carrying amount	Acquisition cost	Net asset amount	Unrealized gain	Carrying amount
LG Display Co., Ltd.	1,115,249	3,008,885	(139,837)	2,869,048	679,218	2,741,257	(91,846)	2,649,411
Ericsson-LG Co., Ltd.	12,649	52,718	-	52,718	12,649	67,327	-	67,327
Hitachi-LG Data Storage Inc.(HLDS)	101,961	57,173	(892)	56,281	101,961	65,570	(900)	64,670
CCP-LGE OWNER, LLC ¹	11,652	9,898	-	9,898	11,652	9,476	-	9,476
ROBOTIS Co., Ltd. ¹	9,000	8,675	-	8,675	9,000	8,604	-	8,604
Acryl Inc. ¹	2,000	753	-	753	2,000	873	-	873
Robostar Co., Ltd.	88,112	79,366	(1,971)	77,395	88,112	79,136	(2,148)	76,988
AiM Future, Inc.	800	1,045	-	1,045	800	1,106	-	1,106
Mirae Asset-LG Electronics New Growth Fund I	28,023	27,044	-	27,044	28,023	27,207	-	27,207
Rinse, Inc. ¹	18,184	14,311	-	14,311	18,184	14,950	-	14,950
SideChef Group Limited	7,702	-	-	7,702	7,702	-	-	7,702
TheWaveTalk Co., Ltd.	2,000	-	-	2,000	2,000	-	-	2,000
GOQUAL Inc.	5,000	-	-	5,000	5,000	-	-	5,000
NOVA Prime Fund I, LP	15,486	14,377	-	14,377	11,305	11,305	-	11,305
BEAR ROBOTICS, INC. ²	78,666	-	-	78,666	-	-	-	-
Total	1,496,484	3,274,245	(142,700)	3,224,913	977,606	3,026,811	(94,894)	2,946,619

¹ The financial statements as of February 29, 2024 were used due to a different closing date.

² It was newly acquired during the three-month period ended March 31, 2024.

iii) Investments in joint ventures as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024				December 31, 2023			
	Acquisition cost	Net asset amount	Unrealized gain	Carrying amount	Acquisition cost	Net asset amount	Unrealized gain	Carrying amount
Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	14,718	29,044	(676)	28,368	14,718	26,989	(162)	26,827
EIC PROPERTIES PTE LTD.	9,636	19,707	-	19,707	9,636	19,313	-	19,313
LG-MRI LLC ¹	-	-	-	-	516	1,222	-	1,222
Neolite ZKW Lightings PVT Ltd.	-	-	-	-	-	-	-	-
LG-LHT Aircraft Solutions GmbH	50,304	4,917	-	4,917	46,790	5,080	-	5,080
LG-LHT Passenger Solutions GmbH	50,170	3,140	-	3,140	46,656	2,895	-	2,895
GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	1,855	2,291	-	2,291	1,855	2,207	-	2,207
Alluto LLC	2,095	305	-	305	2,095	301	-	301
FITNESSCANDY Co., Ltd.	5,610	-	-	-	5,610	-	-	-
Total	134,388	59,404	(676)	58,728	127,876	58,007	(162)	57,845

¹ Liquidation was completed during the three-month period ended March 31, 2024.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(b) Associates and joint ventures

i) Associates as of March 31, 2024 are as follows:

Name of associate	Location	Closing month	Percentage of ownership (%)	Nature of relationships with the associates
LG Display Co., Ltd.	South Korea	December	36.7	Production and supply of display products
Ericsson-LG Co., Ltd.	South Korea	December	25.0	Supply of communication devices and network solution products
Hitachi-LG Data Storage Inc.(HLDS)	Japan	December	49.0	Production and supply of data storages
CCP-LGE OWNER, LLC ¹	USA	December	71.0	Solar power plant business
ROBOTIS Co., Ltd. ²	South Korea	December	7.3	Production and sales of personal robot
Acryl Inc. ²	South Korea	December	13.6	Development and sales of software
Robostar Co., Ltd.	South Korea	December	33.4	Production and sales of industrial robot
AiM Future, Inc. ²	South Korea	December	11.7	Provision of artificial intelligence solution
Mirae Asset-LG Electronics New Growth Fund I	South Korea	December	50.0	Investment in technology start-ups
Rinse, Inc.	USA	December	23.3	Laundry service
SideChef Group Limited ²	Hong Kong	December	17.0	Provision of smart kitchen content service
TheWaveTalk Co., Ltd. ²	Korea	December	3.7	Provision of joint development of microbial sensors
GOQUAL Inc. ²	Korea	December	7.2	Supply of communication Devices and network solution products
NOVA Prime Fund I, LP ¹	USA	December	88.0	Investment in technology start-ups
BEAR ROBOTICS, INC.	USA	December	25.0	Production and sales of commercial robot

¹ The Group's percentage of ownership of the entity is more than 50% but the Group does not have control over the entity in accordance with the shareholders' agreement. Accordingly, the entity is classified as an associate.

² The Group's percentage of ownership of the entity is less than 20% but the Group can exercise a significant influence in the entity's Board of Directors. Accordingly, the entity is classified as an associate.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

ii) Joint ventures as of March 31, 2024 are as follows:

All joint arrangements, over which the Group has joint control, are structured through separate companies and are categorized as joint ventures as the parties with joint control are assumed to have rights to the net assets of the arrangement.

Name of joint venture	Location	Closing month	Percentage of ownership (%)	Nature of relationships with the Group
Arcelik-LG Klima Sanayi ve Ticarta A.S.(LGEAT)	Türkiye	December	50.0	Production and supply of air conditioning products
EIC PROPERTIES PTE LTD.	Singapore	December	38.2	Real estate rentals
Neolite ZKW Lightings PVT Ltd.	India	March	26.0	Production and sales of vehicle components
LG-LHT Aircraft Solutions GmbH	Germany	December	49.0	Production and sales of aircraft components
LG-LHT Passenger Solutions GmbH	Germany	December	49.0	Production and sales of aircraft components
GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	China	December	35.0	Sales of electronic products
Alluto LLC ¹	USA	December	51.0	Automotive software license
FITNESSCANDY Co., Ltd. ¹	Korea	December	51.0	Production and sales of media contents

¹ The Group's percentage of ownership of the entity is more than 50%, but the Group has joint control over the entity under the joint venture agreement. Accordingly, the entity is classified as a joint venture.

(c) Movements in investments in associates and joint ventures

i) Movements in the carrying amounts of investments in associates for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
January 1	2,946,619	3,909,200
Acquisition	518,878	7,702
Transfer	-	2,000
Gain (Loss) from equity method valuation	(305,407)	(465,461)
Share of other comprehensive income of associates	81,908	114,808
Withdrawal of investments by dividend / capital reduction / liquidation and others	(17,500)	(11,250)
Changes in share of associates	415	179
Exchange differences	-	287
March 31	3,224,913	3,557,465

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

ii) Movements in the carrying amounts of investments in joint ventures for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
January 1	57,845	54,350
Acquisition	7,029	6,583
Gain (Loss) from equity method valuation	(4,303)	(6,224)
Share of other comprehensive income (loss) of joint ventures	(916)	1,361
Withdrawal of investments by dividend / capital reduction / liquidation and others	(925)	(317)
Exchange differences	(2)	39
March 31	58,728	55,792

(d) Condensed financial information of the associates that are material to the Company as of March 31, 2024 and December 31, 2023 and for the three-month periods ended March 31, 2024 and 2023 is as follows:

- LG Display Co., Ltd. and its subsidiaries

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Current assets	10,190,020	9,503,186
Non-current assets	25,922,769	26,256,112
Total assets	36,112,789	35,759,298
Current liabilities	13,865,383	13,885,028
Non-current liabilities	12,706,983	13,103,726
Total liabilities	26,572,366	26,988,754
Equity attributable to the owners of LG Display Co., Ltd.	7,938,259	7,232,182
Non-controlling interests	1,602,164	1,538,362
Total equity	9,540,423	8,770,544

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Net sales	5,252,975	4,411,056
Gain (Loss) for the period	(761,276)	(1,153,100)
Equity attributable to owners of LG Display Co., Ltd.		
Gain (Loss) for the period	(783,157)	(1,213,778)
Other comprehensive income(loss), net of tax	208,420	301,519
Total comprehensive income(loss), net of tax	(574,737)	(912,259)

There are no dividends to be received from LG Display Co., Ltd. for the three-month period ended March 31, 2024 (2023: nil).

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(e) Reconciliations of the condensed financial information of associates that are material to the Company adjusted to the carrying amount of the Group's interest for the three-month periods ended March 31, 2024 and 2023 are as follows:

- LG Display Co., Ltd. and its subsidiaries

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Opening equity attributable to owners of LG Display Co., Ltd.	7,232,182	9,879,589
Paid-in capital increase	1,280,814	-
Gain (Loss) for the period	(783,157)	(1,213,778)
Other comprehensive income(loss), net of tax	208,420	301,519
Closing equity attributable to owners of LG Display Co., Ltd.	7,938,259	8,967,330
The Group's percentage of ownership (%) ¹	36.7	37.9
The Group's share at the end of the reporting period	3,008,885	3,398,940
Unrealized gain (loss)	(139,837)	(96,656)
Carrying amount at the end of the reporting period	2,869,048	3,302,284

¹ The percentage of ownership changed after the Group participating in paid-in capital increase during the three-month period ended March 31, 2024.

(f) The Group's share in the operating results of the individually insignificant associates and joint ventures for the three-month periods ended March 31, 2024 and 2023 is as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	
	Associates	Joint ventures
Gain (Loss) for the period	(10,200)	(3,793)
Other comprehensive income (loss), net of tax	81,906	(913)
Total comprehensive income (loss), net of tax	71,706	(4,706)

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023	
	Associates	Joint ventures
Gain (Loss) for the period	(7,804)	(5,789)
Other comprehensive income(loss), net of tax	521	1,379
Total comprehensive income(loss), net of tax	(7,283)	(4,410)

(g) There are no accumulated changes unrecognized in equity due to discontinued application of the equity method as of March 31, 2024 and December 31, 2023.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(h) Fair value of marketable investments in associates as of March 31, 2024 and December 31, 2023 are as follows:

March 31, 2024					
	Type	Shares held (in number of shares)	Price per share (in Korean won)	Fair value (in millions of Korean won)	Carrying amount
LG Display Co., Ltd.	Associate	183,593,206	10,750	1,973,627	2,869,048
Robostar Co., Ltd.	Associate	3,256,500	34,200	111,372	77,395
ROBOTIS Co., Ltd.	Associate	961,550	26,700	25,673	8,675

December 31, 2023					
	Type	Shares held (in number of shares)	Price per share (in Korean won)	Fair value (in millions of Korean won)	Carrying amount
LG Display Co., Ltd.	Associate	135,625,000	12,740	1,727,863	2,649,411
Robostar Co., Ltd.	Associate	3,256,500	29,800	97,044	76,988
ROBOTIS Co., Ltd.	Associate	961,550	30,600	29,423	8,604

12. Borrowings

(a) Carrying amounts of borrowings as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Current		
Short-term borrowings	801,865	707,605
Current portion of long-term borrowings	1,110,461	1,247,341
Current portion of debentures	679,714	646,690
Subtotal	2,592,040	2,601,636
Non-current		
Long-term borrowings	5,678,652	5,536,626
Debentures	5,296,850	5,182,549
Subtotal	10,975,502	10,719,175
Total	13,567,542	13,320,811

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(b) Details of borrowings as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	Latest maturity date	Annual interest rate as of March 31, 2024(%)	Carrying amount	
			March 31, 2024	December 31, 2023
Short-term borrowings in local currency				
Shinhan Bank and others	-	4.15 ~ 7.96	106,227	118,168
Short-term borrowings in foreign currency				
Citibank and others ¹	-	2.65 ~ 12.5	695,638	589,437
Long-term borrowings in local currency				
Korea Development Bank and others	2035. 1. 9	2.31 ~ 5.13	3,957,681	4,014,970
Long-term borrowings in foreign currency				
Hana Bank and others	2031. 7.28	0.67 ~ 7.52	2,831,432	2,768,997
Local currency debentures				
Public, non-guaranteed bonds	2036. 5. 4	1.59 ~ 4.84	4,090,000	3,960,000
Private, non-guaranteed bonds	2041. 2. 9	1.99 ~ 5.15	1,130,000	1,130,000
Foreign currency debentures				
Private, non-guaranteed bonds	2031. 1. 8	0.76 ~ 7.22	703,903	688,442
Private, guaranteed bonds	2026.10.26	6.72	67,340	64,470
(Less: discount on debentures)			(14,679)	(13,673)
Total			13,567,542	13,320,811

¹ The above short-term borrowings in foreign currency include the short-term borrowings collateralized by trade receivables amounting to ₩35,495 million (December 31, 2023: ₩60,269 million) as of March 31, 2024.

The Group entered into interest rate swap and cross-currency swap contracts to hedge cash flow risk related to floating interest rates and foreign exchange rates of certain portion of borrowings (see Note 32).

The principal and interests of certain private guaranteed bonds are guaranteed by Shinhan Bank (see Note 29).

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

13. Lease Liabilities

(a) Details of lease liabilities as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Lease liabilities		
Current	338,764	336,772
Non-current	848,491	856,251
Total	1,187,255	1,193,023

(b) The amounts, relating to leases, recognized in profit or loss for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations		
Interest expense relating on lease liabilities	13,000	10,070
Short-term lease payments (included in cost of sales, selling and administrative expenses, and others)	16,055	13,099
Payments for leases of low-value assets that are not short-term leases (included in cost of sales, selling and administrative expenses, and others)	7,853	6,861
Expense relating to variable lease payments not included in the measurement of lease liabilities (included in selling and administrative expenses and others)	25,361	22,136
Subtotal	62,269	52,166
Discontinued operations	-	4
Total	62,269	52,170

Depreciation of right-of-use assets is stated in Note 10.

(c) Total expenditure for leases including short-term leases and leases of low-value assets for the three-month period ended March 31, 2024 are ₩136,744 million (March 31, 2023: ₩143,928 million).

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

14. Retirement Benefits

14.1 Defined Benefit Plan

(a) The amounts of net defined benefit liabilities (assets) as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Present value of funded obligations	4,574,363	4,558,536
Present value of unfunded obligations	68,324	64,553
Subtotal	4,642,687	4,623,089
Fair value of plan assets	(4,990,751)	(5,075,633)
Net defined benefit liabilities(assets)	(348,064)	(452,544)

(b) The amounts recognized in profit or loss for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Current service cost	113,683	98,483
Net interest cost	(4,843)	(9,128)
Operating management cost	1,503	1,018
Total	110,343	90,373

(c) Line items in which expenses are included for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations		
Cost of sales	51,497	42,226
Selling expenses	19,479	16,488
Administrative expenses	10,286	8,223
Research and development expenses	20,467	15,405
Service costs	8,563	7,034
Other non-operating expenses	51	977
Subtotal	110,343	90,353
Discontinued operations	-	20
Total	110,343	90,373

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(d) Movements in the present value of defined benefit obligations for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
January 1	4,623,089	3,939,596
Current service cost	113,683	98,483
Interest expense	51,162	50,982
Remeasurements for:		
- Actuarial loss (gain) arising from changes in financial assumptions	(11,250)	144,556
Benefits paid	(137,040)	(135,534)
Others ¹	3,043	5,838
March 31	4,642,687	4,103,921

¹ Others include effects of exchange rate changes.

(e) Movements in the fair value of plan assets for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
January 1	5,075,633	4,624,609
Interest income	56,005	60,110
Remeasurements of plan assets	(5,811)	618
Employer contributions	1,287	657
Benefits paid	(135,449)	(139,243)
Operating management cost	(1,503)	(1,018)
Others ¹	589	582
March 31	4,990,751	4,546,315

¹ Others include effects of exchange rate changes.

(f) The key actuarial assumptions used as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Weighted average discount rate of the Group	4.60%	4.50%
Weighted average expected salary growth rate of the Group	5.90%	5.90%

As of March 31, 2024, the discount rates applied to the Parent Company and its subsidiaries are 0.9%~10.3% (December 31, 2023: 0.9%~10.3%), and the expected salary growth rates are 1.0%~10.0% (December 31, 2023: 1.0%~10.0%).

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(g) The sensitivity analysis of the defined benefit obligation to changes in principal assumptions as of March 31, 2024 is as follows:

<i>(in millions of Korean won)</i>	1%p increase	1%p decrease
Discount rate	(393,954)	453,989
Expected salary growth rate	466,616	(410,391)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be 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.

14.2 Defined Contribution Plan

The expense recognized for the three-month period ended March 31, 2024 in relation to the defined contribution plan is ₩8,573 million (March 31, 2023: ₩3,907 million).

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

15. Provisions

Movements in provisions for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024			
	Warranty	Restoration	Litigation and others	Total
January 1	1,001,682	52,511	322,927	1,377,120
Additions ¹	179,152	1,553	4,881	185,586
Utilizations	(204,613)	(661)	(20,972)	(226,246)
Exchange differences	8,087	179	4,942	13,208
March 31	984,308	53,582	311,778	1,349,668
Current	887,295	11,229	119,668	1,018,192
Non-current	97,013	42,353	192,110	331,476

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023			
	Warranty	Restoration	Litigation and others	Total
January 1	1,556,634	36,374	175,927	1,768,935
Additions ¹	127,458	1,983	25,297	154,738
Utilizations	(206,413)	(226)	(18,520)	(225,159)
Exchange differences	14,237	606	4,869	19,712
March 31	1,491,916	38,737	187,573	1,718,226
Current	1,375,999	9,930	45,491	1,431,420
Non-current	115,917	28,807	142,082	286,806

¹ Net amount of additional provisions equals to additional provisions less reversed amounts.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

16. Paid-in Capital

(a) The number of ordinary shares and preferred shares as of March 31, 2024 is 600 million shares

	Par value per share	March 31, 2024		December 31, 2023	
		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, 2024 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 spin-off back on April 1, 2002 less the Parent Company's capital of ₩783,961 million and less the Parent 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.

17. Retained Earnings

Retained earnings as of March 31, 2024 and December 31, 2023 are as follow:

(in millions of Korean won)	March 31, 2024	December 31, 2023
Legal reserve ¹	273,794	259,300
Discretionary reserve	6,147,419	5,504,433
Unappropriated retained earnings ²	10,110,175	10,437,706
Total	16,531,388	16,201,439

¹ The Commercial Code of the Republic of Korea requires the Parent 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 share capital. The reserve is not available for the payment of cash dividends, but may be transferred to share capital or used to reduce accumulated deficit.

² Dividend for the year ended December 31, 2023 of ₩144,912 million was approved at the annual general meeting held on March 26, 2024, and paid in April 2024 (payments in 2023: ₩126,905 million).

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

18. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) as of March 31, 2024 and December 31, 2023 consists of:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Accumulated share of other comprehensive income(loss) of associates and joint ventures	170,176	88,029
Cash flow hedge	30,960	6,880
Financial assets at fair value through other comprehensive income(loss)	29,984	(19,702)
Exchange differences on translation of foreign operations	(154,857)	(496,025)
Subtotal	76,263	(420,818)
Accumulated other comprehensive income (loss) held for sale	8	(136)
Total	76,271	(420,954)

19. Other Components of Equity

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

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
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
Capital transactions within the Group and others ²	(75,363)	(75,260)
Total	(108,182)	(108,079)

¹ The Parent Company has treasury shares consisting of 763,176 ordinary shares (December 31, 2023: 763,176 shares) and 4,693 preferred shares (December 31, 2023: 4,693 shares) at the end of the reporting period. The Parent Company intends to either grant these treasury shares to employees and directors as compensation or to sell them in the future.

² Included gain (loss) from disposal of investments in associates and subsidiaries and changes in investments due to changes in the percentage of ownership, net of deferred taxes.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

20. Net Sales

(a) Details of net sales for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations:		
Revenue from contracts with customers:		
Sales of goods	20,116,518	19,699,578
Rendering of services and others	624,525	504,714
Subtotal	20,741,043	20,204,292
Revenue from other sources:		
Rental income and others	354,906	211,580
Subtotal of continuing operations	21,095,949	20,415,872
Discontinued operations:	-	504
Total	21,095,949	20,416,376

(b) Details of revenue from contracts with customers for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
By <i>type</i> of products:		
Refrigerator/ washing machine/ air conditioner and others	8,276,682	7,822,756
TV/AV and others	3,468,771	3,349,129
In-vehicle infotainment and others	2,661,472	2,385,881
Monitor/PC and others	1,572,676	1,478,372
Camera module and others	4,331,656	4,373,861
Others ¹	429,786	794,293
By <i>major</i> geographical market ² :		
Korea	7,859,200	7,518,080
America	5,242,314	5,513,706
Europe	3,344,370	3,092,655
Asia, Africa and others	4,295,159	4,079,851
Timing of revenue recognition		
At a point in time	19,644,724	19,286,362
Over time	1,096,319	917,930
Total	20,741,043	20,204,292

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

² Major geographical market presents the region in which the Group is located.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

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

Due to the factors causing the changes in the costs of VS and other segments during the three-month period ended March 31, 2024, 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, 2024 and the succeeding periods are as follows:

<i>(in millions of Korean won)</i>	Changes in estimated total contract revenue	Changes in estimated total contract cost	Impact on profit or loss for the period ended March 31, 2024	Impact on profit or loss for the subsequent periods
VS	(7,306)	(6,126)	(2,081)	901
Other segments	69,326	55,529	(6,805)	20,602
Total	62,020	49,403	(8,886)	21,503

21. Expenses by Nature

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

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations:		
Changes in finished goods and work-in-process	(899,429)	(506,293)
Raw materials and merchandise used	13,553,100	12,904,593
Employee benefit expense	2,552,388	2,352,826
Depreciation and amortization	846,995	768,608
Advertising expense	306,484	245,266
Promotion expense	111,351	88,993
Freight expense	691,436	690,469
Commission expense	1,295,551	1,165,456
Other expenses	1,302,662	1,208,566
Subtotal¹:	19,760,538	18,918,484
Discontinued operations	-	(258)
Total	19,760,538	18,918,226

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

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

22. General Operating Expenses (Selling and Administrative Expenses, Research and Development Expenses, and Service Costs)

Details of general operating expenses for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations:		
Salaries	1,027,025	916,262
Retirement benefits	74,617	91,239
Employee welfare benefits	243,611	224,226
Freight expense	686,291	685,583
Rental expense	21,952	20,139
Commission expense	960,813	836,868
Depreciation	163,864	151,395
Amortization	37,318	36,797
Advertising expense	306,484	245,266
Promotion expense	111,351	88,993
R&D expense	65,923	63,416
Direct service costs	126,443	98,976
Bad debts expense	2,571	8,484
Others	221,277	204,911
Subtotal	4,049,540	3,672,555
Discontinued operations	-	140
Total	4,049,540	3,672,695

23. Financial Income

Financial income for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations:		
Interest income	137,283	83,047
Exchange differences	193,386	275,160
Gain on derivatives	17,844	358
Subtotal	348,513	358,565
Discontinued operations	-	-
Total	348,513	358,565

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

24. Financial Expenses

Financial expenses for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations:		
Interest expense	144,641	125,050
Exchange differences	143,357	246,668
Loss on derivatives	2,549	1,049
Loss on disposal of trade receivables	9,664	12,021
Others	669	795
Subtotal	300,880	385,583
Discontinued operations	-	-
Total	300,880	385,583

25. Other Non-operating Income

Other non-operating income for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations:		
Dividend income	257	452
Exchange differences	513,524	636,821
Gain on derivatives	3,649	4,468
Gain on disposal of property, plant and equipment	3,148	3,620
Gain on disposal of intangible assets	-	204
Gain on disposal of assets held for sale	-	3,719
Gain on valuation of financial assets at fair value through profit or loss	49	9
Others	17,402	39,164
Subtotal	538,029	688,457
Discontinued operations	-	36
Total	538,029	688,493

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

26. Other Non-operating Expenses

Other non-operating expenses for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Continuing operations:		
Exchange differences	578,581	659,623
Loss on derivatives	8,394	13,303
Loss on disposal of property, plant and equipment	2,633	2,122
Impairment loss on property, plant and equipment	18,878	13,254
Loss on disposal of intangible assets	7,704	9,832
Impairment loss on intangible assets	7,779	775
Loss on valuation of financial assets at fair value through profit or loss	1,381	1,023
Others	7,655	53,549
Subtotal	633,005	753,481
Discontinued operations	-	19
Total	633,005	753,500

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

27. Earnings (Losses) per Share

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

(a) Basic earnings (losses) per ordinary share for the three-month periods ended March 31, 2024 and 2023 is as follows:

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Profit(Loss) attributable to ordinary shares <i>(in millions of Korean won)</i>	429,260	426,100
Continuing operations	429,260	425,572
Discontinued operations	-	528
Weighted average number of ordinary shares outstanding <i>(in number of shares)</i>	162,884,638	162,884,638
Basic earnings(losses) per ordinary share <i>(in Korean won)</i>	2,635	2,616
Continuing operations	2,635	2,613
Discontinued operations	-	3

(b) Basic earnings (losses) per preferred share for the three-month periods ended March 31, 2024 and 2023 is as follows:

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Profit(Loss) attributable to preferred shares <i>(in millions of Korean won)</i>	45,494	45,160
Continuing operations	45,494	45,104
Discontinued operations	-	56
Weighted average number of preferred shares outstanding <i>(in number of shares)</i>	17,181,299	17,181,299
Basic earnings(losses) per preferred share <i>(in Korean won)</i>	2,648	2,628
Continuing operations	2,648	2,625
Discontinued operations	-	3

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

28. Cash Flow Information

Cash flows from operating activities are presented using the indirect method. Details of cash generated from (used in) operations for the three-month periods ended March 31, 2024 and 2023 are as follows:

(a) Cash generated from (used in) operations

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Profit for the period	585,415	546,529
Adjustments:		
Interest expense, net	7,358	42,003
Exchange differences, net	35,373	70,520
Loss(Gain) on derivatives, net	(10,550)	9,526
Depreciation	725,266	646,821
Amortization	120,507	124,302
Loss(Gain) on disposal of property, plant and equipment and intangible assets, net	7,189	8,130
Provisions for retirement benefits	110,343	94,260
Additional provisions, net	184,468	153,435
Income tax expense	392,943	387,716
Loss(Gain) from equity method valuation	309,710	471,685
Others	35,454	(11,292)
Discontinued operations	-	295
	<u>1,918,061</u>	<u>1,997,401</u>
Changes in operating assets and liabilities		
Decrease (Increase) in trade receivables	(615,213)	(274,897)
Decrease (Increase) in other receivables	(118,494)	11,305
Decrease (Increase) in inventories	(717,550)	(162,245)
Decrease (Increase) in contract assets	(68,053)	(120,897)
Decrease (Increase) in other assets	(143,057)	(23,545)
Increase (Decrease) in trade payables	230,794	512,947
Increase (Decrease) in other payables	(586,699)	(795,219)
Increase (Decrease) in provisions	(226,246)	(225,159)
Increase (Decrease) in contract liabilities	233,982	124,284
Increase (Decrease) in other liabilities	(344,629)	(234,799)
Payment of defined benefit liability	(1,591)	(198)
Deposit in plan assets, net	(1,287)	(657)
	<u>(2,358,043)</u>	<u>(1,189,080)</u>
Cash generated from used in operations	<u>145,433</u>	<u>1,354,850</u>

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(b) Movements in liabilities from financing activities

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024							March 31
	January 1	Net cash flows from financing activities	Effects of other changes				Gain (Loss) on valuation and others	
			Additions	Exchange differences (profit/loss)	Amortization	Effects of exchange rate changes		
Borrowings	7,491,572	(15,957)	-	56,985	-	58,378	-	7,590,978
Debentures	5,829,239	122,883	-	23,619	823	-	-	5,976,564
Lease liabilities	1,193,023	(75,054)	54,893	(113)	579	13,927	-	1,187,255
Net derivative liabilities (assets)	(123,743)	16,454	-	(51,956)	1,440	-	(27,466)	(185,271)
Other payables	271,413	-	-	2,393	-	9,218	-	283,024
Total	14,661,504	48,326	54,893	30,928	2,842	81,523	(27,466)	14,852,550

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023							March 31
	January 1	Net cash flows from financing activities	Effects of other changes				Gain (Loss) on valuation and others	
			Additions	Exchange differences (profit/loss)	Amortization	Effects of exchange rate changes		
Borrowings	5,977,271	81,622	-	68,087	-	95,065	-	6,222,045
Debentures	5,067,916	911,378	-	21,932	(1,892)	-	-	5,999,334
Lease liabilities	1,096,235	(92,360)	75,592	(1,738)	602	21,726	-	1,100,057
Net derivative liabilities (assets)	(135,375)	(2,600)	-	(44,019)	(508)	-	6,681	(175,821)
Other payables	125,288	-	-	2,368	-	2,116	-	129,772
Total	12,131,335	898,040	75,592	46,630	(1,798)	118,907	6,681	13,275,387

(c) Significant non-cash transactions

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Reclassification of construction-in-progress to property, plant and equipment	225,148	308,532
Reclassification of construction-in-progress to intangible assets	258,163	99,646
Reclassification of current portion of borrowings	549,887	763,713
Other payables to acquire property, plant and equipment	266,710	393,787
Other payables to acquire intangible assets	15,608	12,118
Acquisition of right-of-use assets	67,285	89,019

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

29. Contingencies

(a) As of March 31, 2024, borrowings are collateralized by a certain portion of property, plant and equipment (land, buildings) with the pledged amount of ₩84,767 million (December 31, 2023: ₩80,481 million) and the carrying amount of pledged assets is ₩124,332 million (December 31, 2023: ₩120,253 million). In addition, the Group have been providing buildings as collateral to Shinhan Bank and others, the mortgagee, in order to guarantee obligations of landlords, who leased the land to the Group, with the pledged amount of ₩14,400 million (December 31, 2023: ₩14,400 million), and the carrying amount of pledged assets is ₩4,505 million (December 31, 2023: ₩4,649 million).

(b) As of March 31, 2024, the Parent Company and domestic subsidiaries are provided with performance guarantees of ₩405,105 million (December 31, 2023: ₩400,116 million) from Seoul Guarantee Insurance and others relating to the performance guarantees.

LG Innotek Co., Ltd. are provided with guarantee of principal amounting to USD 50 million (December 31, 2023: USD 50 million) and interests from Shinhan Bank for the guaranteed private placement bonds.

(c) At the end of the reporting period, the Parent Company is providing KEB Hana Bank with a subrogation payment obligation for buyers up to ₩46,000 million (December 31, 2023: ₩46,000 million).

(d) There are a number of legal actions, disputes and investigations arising from the normal course of business that remain pending at the end of the reporting period. The ultimate effect of those lawsuits on the financial position of the Group cannot reflect a reasonable expectation. Management does not expect the outcome of the litigations will have a material effect on the Group's financial position.

At the end of the reporting period, LG Display Co., Ltd., an associate of the Group, has been accused as a defendant in several litigation cases related to the infringement of patents. In addition, LG Display Co., Ltd. is currently under the investigation and civil suit for anti-competitive activities. The outcome of such investigation and litigation cases may affect the gain or loss from the equity method valuation of the Group, but the Group is not individually responsible for the above litigation case and the investigation.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

30. Commitments

(a) At the end of the reporting period, the Group has borrowing agreements, such as overdraft facility agreements, trade financing and others, with various banks, including Shinhan Bank, with a limit of ₩7,679,525 million (December 31, 2023: ₩7,779,499 million).

(b) At the end of the reporting period, the Group has sales agreements for receivables with various banks including KEB Hana Bank amounting to ₩5,345,932 million (December 31, 2023: ₩5,655,911million).

(c) At the end of the reporting period, the Group has corporate electronic settlement services contracts and vendor prepayment services contracts with various banks including Shinhan Bank for up to ₩1,518,042 million (December 31, 2023: ₩1,511,711 million) in connection with the payment of trade payables.

(d) At the end of the reporting period, the Group has commercial paper agreements with Shinhan Bank and others for ₩60,000 million (December 31, 2023: ₩60,000 million).

(e) Contractual commitments for the acquisition of assets

Assets contracted for, but not yet acquired at the end of the reporting period, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Property, plant and equipment	306,404	392,694
Intangible assets	41,009	39,483
Investments in associates and joint ventures	68,706	78,772
Total	416,119	510,949

Other than the above commitments, Zenith Electronics LLC(Zenith), a subsidiary of the Group, agreed to the tender offers based on fair value at certain time in relation to the shares held by non-controlling shareholders of Alphonso Inc. and the shares to be issued by the exercise of stock options. At the end of the reporting period, the Group recognized this commitment as other payables.

In addition, the Parent Company agreed to tender offers based on fair value at certain time in relation to the shares held by non-controlling shareholders of Cybellum Technologies Ltd. and the shares to be issued by the exercise of stock options. At the end of the reporting period, the Group recognized this commitment as other payables and other financial liabilities.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(f) Operating lease commitments – the Group as a lessor

i) The Group has non-cancellable operating lease agreements regarding home appliance rental business and real estate rental business. The future aggregate lease receipts under operating leases at the end of the reporting period are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024					Total lease payments
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 4 years	
Home appliance rental	216,286	108,717	40,343	4,360	-	369,706
Real estate rental	5,489	5,489	5,489	4,149	105	20,721
Total	221,775	114,206	45,832	8,509	105	390,427

ii) The Group recognized ₩95,361 million (March 31, 2023: ₩131,118 million) in lease income for the three-month period ended March 31, 2024.

(g) Financial lease commitments – the Group as a lessor

i) Gross investment in the lease and present value of the minimum lease payments for the financial lease as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024		December 31, 2023	
	Gross investment in the lease ¹	Net Investment in the lease	Gross investment in the lease ¹	Net Investment in the lease
Within 1 year	185,246	131,298	137,636	98,689
Between 1 and 2 years	191,117	146,658	138,113	106,012
Between 2 and 3 years	189,098	154,870	134,626	109,731
Between 3 and 4 years	190,786	167,781	138,393	121,343
Later than 4 years	270,611	255,492	204,101	192,587
Total	1,026,858	856,099	752,869	628,362

¹ There are no remaining useful life without guarantee reflected on gross investment in the lease.

ii) Unrealized interest income of financial lease as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Gross investment in the lease	1,026,858	752,869
Net investment in the lease	856,099	628,362
Unrealized interest income	170,759	124,507

iii) For the three-month period ended March 31, 2024, the Group recognized income amounting to ₩250,202 million (March 31, 2023: ₩69,936 million) in relation to financial lease contract, and financial income of net investment in the lease amounting to ₩12,255 million (March 31, 2023: ₩3,013 million) is included.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(h) License agreements including patent and trademark

At the end of the reporting period, the Group has various agreements as follows:

<u>Purpose</u>	<u>Related products</u>	<u>Provided by</u>	<u>Used by</u>
Use of license	All products	Qualcomm Incorporated and others	LG Electronics Inc.
Provision of license	All products	LG Electronics Inc.	Panasonic Corporation and others
Use of trademarks	All products	LG Corp.	LG Electronics Inc.
Use of trademarks	Vehicle components	Magna International Inc.	LG Electronics Inc.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

31. Related Party

(a) Major transactions for the three-month periods ended March 31, 2024 and 2023, and balances of receivables and payables from transaction with related parties as of March 31, 2024 and December 31, 2023 are as follows:

i) Major income and expense transactions with related parties

(in millions of Korean won)

Classification	Name	Three-month period ended March 31, 2024					
		Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others ⁵	Total
Significantly influencing the Group	LG Corp.	167	-	167	-	43,679	43,679
Associates	LG Display Co., Ltd. and its subsidiaries	109,445	27,722	137,167	690,327	103	690,430
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	97	-	97	3,557	-	3,557
	Acryl Inc.	-	-	-	-	676	676
	ROBOTIS Co., Ltd.	-	-	-	-	20	20
	Robostar Co., Ltd. and its subsidiaries	6	-	6	372	107	479
	Subtotal	109,548	27,722	137,270	694,256	906	695,162
Joint ventures	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	34,632	-	34,632	33,825	6	33,831
	EIC PROPERTIES PTE LTD.	-	-	-	-	299	299
	LG-MRI LLC ²	-	-	-	2,281	-	2,281
	LG-LHT Passenger Solution GmbH	23	-	23	-	-	-
	Subtotal	34,655	-	34,655	36,106	305	36,411
Other related parties	LG CNS Co., Ltd. and its subsidiaries	19,714	796	20,510	31,874	163,690	195,564
	D&O Corp. and its subsidiaries	33	-	33	26	9,453	9,479
	LG Management Development Institute	14	-	14	9	26,333	26,342
	LG SPORTS Ltd.	4	-	4	280	2,739	3,019
	LG Holdings Japan Co., Ltd.	-	-	-	-	302	302
	Subtotal	19,765	796	20,561	32,189	202,517	234,706
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	451,387	3,891	455,278	163,862	2,346	166,208
	LG Uplus Corp and its subsidiaries	6,504	592	7,096	9,639	996	10,635
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	2,121	609	2,730	-	155	155
	HS Ad Inc. and its subsidiaries ³	2,019	-	2,019	51	102,203	102,254
	XI C&A Co., Ltd. and its subsidiaries ⁴	1,113	-	1,113	-	74,478	74,478
	S&I Corp. and its subsidiaries ⁴	4,355	-	4,355	1,103	27,422	28,525
	Subtotal	467,499	5,092	472,591	174,655	207,600	382,255
	Total	631,634	33,610	665,244	937,206	455,007	1,392,213

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(in millions of Korean won)

		Three-month period ended March 31, 2023					
Classification	Name	Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others ⁵	Total
Significantly influencing the Group	LG Corp.	793	-	793	-	42,184	42,184
Associates	LG Display Co., Ltd. and its subsidiaries	160,794	23,273	184,067	777,352	153	777,505
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	85	-	85	21,904	7	21,911
	Acryl Inc.	-	-	-	-	590	590
	ROBOTIS Co., Ltd.	-	-	-	-	1	1
	Robostar Co., Ltd. and its subsidiaries	6	-	6	2,514	920	3,434
	Subtotal	160,885	23,273	184,158	801,770	1,671	803,441
Joint ventures	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	31,495	-	31,495	66,734	2	66,736
	EIC PROPERTIES PTE LTD.	-	-	-	-	215	215
	LG-MRI LLC ²	-	-	-	12,867	-	12,867
	LG-LHT Passenger Solution GmbH	442	-	442	-	-	-
	Subtotal	31,937	-	31,937	79,601	217	79,818
Other related parties	LG CNS Co., Ltd. and its subsidiaries	32,432	754	33,186	29,795	127,991	157,786
	D&O Corp. and its subsidiaries	57	-	57	350	7,281	7,631
	LG Management Development Institute	11	-	11	29	20,648	20,677
	LG SPORTS Ltd.	4	-	4	-	2,633	2,633
	LG Holdings Japan Co., Ltd.	-	-	-	-	1,517	1,517
	Subtotal	32,504	754	33,258	30,174	160,070	190,244
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	357,864	16,943	374,807	630,667	2,113	632,780
	LG Uplus Corp and its subsidiaries	6,982	613	7,595	14,000	2,769	16,769
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	114	531	645	184	94	278
	G IIR Inc. and its subsidiaries ³	2,070	-	2,070	2	81,756	81,758
	XI C&A Co., Ltd. and its subsidiaries ⁴	5,029	-	5,029	5,638	35,956	41,594
	S&I Corp. and its subsidiaries ⁴	2,983	-	2,983	1,146	27,636	28,782
	Subtotal	375,042	18,087	393,129	651,637	150,324	801,961
	Total	601,161	42,114	643,275	1,563,182	354,466	1,917,648

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

² Liquidation was completed during the three-month period ended March 31, 2024.

³ 'G IIR Inc.' merged with its subsidiaries 'HS Ad Inc.' and 'LBEST Inc.' and changed its name to 'HS Ad Inc.' on July 1, 2023.

⁴ Excluded from large-scale business group under the Monopoly Regulation and Fair Trade Act as of March 19, 2024.

⁵ Others include acquisition amount of right-of-use assets and interest expense of lease liabilities.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

ii) The balances of receivables from and payables to related parties

(in millions of Korean won)

		March 31, 2024							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
Significantly influencing the Group	LG Corp.	505	-	31,941	32,446	-	-	74,179	74,179
Associates	LG Display Co., Ltd. and its subsidiaries	112,748	1,000,000	272,947	1,385,695	477,018	-	69,788	546,806
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	-	-	-	-	4,837	-	3	4,840
	Ericsson-LG Co., Ltd.	-	-	17,500	17,500	-	-	-	-
	Robostar Co., Ltd. and its subsidiaries	-	-	-	-	-	-	3,695	3,695
	Subtotal		112,748	1,000,000	290,447	1,403,195	481,855	-	73,486
Joint ventures	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	29,636	-	-	29,636	28,105	-	5	28,110
	EIC PROPERTIES PTE LTD.	-	-	-	-	-	-	110	110
	Subtotal	29,636	-	-	29,636	28,105	-	115	28,220
Other related parties	LG CNS Co., Ltd. and its subsidiaries	42,946	-	1,708	44,654	16,920	-	182,959	199,879
	D&O Corp. and its subsidiaries	1	-	1,000	1,001	22	-	6,842	6,864
	LG Management Development Institute	7	-	-	7	-	-	2,561	2,561
	LG SPORTS Ltd.	1	-	-	1	-	-	1,528	1,528
	LG Holdings Japan Co., Ltd.	-	-	5,380	5,380	-	-	13,539	13,539
	Subtotal	42,955	-	8,088	51,043	16,942	-	207,429	224,371
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	289,727	-	378,427	668,154	189,610	-	213,347	402,957
	LG Uplus Corp and its subsidiaries	1,577	-	278	1,855	1,976	-	713	2,689
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	6	-	729	735	24	-	98	122
	HS Ad Inc. and its subsidiaries	43	-	3,338	3,381	1,397	-	180,595	181,992
	Subtotal	291,353	-	382,772	674,125	193,007	-	394,753	587,760
Total	477,197	1,000,000	713,248	2,190,445	719,909	-	749,962	1,469,871	

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(in millions of Korean won)

		December 31, 2023							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
Significantly influencing the Group	LG Corp.	480	-	29,911	30,391	-	-	35,829	35,829
Associates	LG Display Co., Ltd. and its subsidiaries	173,522	1,000,000	264,036	1,437,558	384,166	-	71,278	455,444
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	-	-	-	-	16,618	-	519	17,137
	Robostar Co., Ltd. and its subsidiaries	-	-	-	-	-	-	9,891	9,891
	Subtotal	173,522	1,000,000	264,036	1,437,558	400,784	-	81,688	482,472
Joint ventures	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	11,737	-	-	11,737	13,583	-	3	13,586
	EIC PROPERTIES PTE LTD.	-	-	-	-	-	-	104	104
	LG-MRI LLC ²	6,884	-	-	6,884	3,152	-	5	3,157
	LG-LHT Passenger Solutions GmbH	66	-	-	66	-	-	-	-
	Subtotal	18,687	-	-	18,687	16,735	-	112	16,847
Other related parties	LG CNS Co., Ltd. and its subsidiaries	38,905	-	1,460	40,365	14,220	-	447,295	461,515
	D&O Corp. and its subsidiaries	1	-	1,000	1,001	21	-	7,139	7,160
	LG Management Development Institute	6	-	-	6	-	-	1,196	1,196
	LG SPORTS Ltd.	1	-	-	1	-	-	1,025	1,025
	LG Holdings Japan Co., Ltd.	-	-	5,520	5,520	-	-	-	-
	Subtotal	38,913	-	7,980	46,893	14,241	-	456,655	470,896
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	344,768	-	254,938	599,706	349,146	-	83,222	432,368
	LG Uplus Corp and its subsidiaries	10,738	-	652	11,390	2,416	-	674	3,090
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	112	-	1,331	1,443	26	-	246	272
	HS Ad Inc. and its subsidiaries	80	-	845	925	643	-	221,259	221,902
	XI C&A Co., Ltd. and its subsidiaries ³	4,372	-	-	4,372	-	-	66,383	66,383
	S&I Corp. and its subsidiaries ³	9,837	-	407	10,244	475	-	20,282	20,757
	Subtotal	369,907	-	258,173	628,080	352,706	-	392,066	744,772
Total	601,509	1,000,000	560,100	2,161,609	784,466	-	966,350	1,750,816	

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

² Liquidation was completed during the three-month period ended March 31, 2024.

³ Excluded from large-scale business group under the Monopoly Regulation and Fair Trade Act as of March 19, 2024.

⁴ Other payables include lease liabilities.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

iii) Significant capital transactions and others with related parties for the three-month periods ended March 31, 2024 and 2023, are as follows:

(in millions of Korean won)

Classification	Name	Three-month period ended March 31, 2024						
		Dividend income	Dividend paid ³	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ⁴	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Group	LG Corp.	-	44,076	-	-	-	-	7,192
Associates and joint ventures	LG Display Co., Ltd. ¹	-	-	436,031	-	-	-	526
	Ericsson-LG Co., Ltd.	17,500	-	-	-	-	-	-
	NOVA Prime Fund I, LP	-	-	4,181	-	-	-	-
	LG-LHT Aircraft Solutions GmbH	-	-	3,514	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	3,514	-	-	-	-
	Subtotal	17,500	-	447,240	-	-	-	526
Other related parties	D&O Corp. and its subsidiaries	-	-	-	-	-	99	416
	LG Holdings Japan Co., Ltd.	-	-	-	-	-	-	1,227
	Subtotal	-	-	-	-	-	99	1,643
Total	17,500	44,076	447,240	-	-	99	9,361	

(in millions of Korean won)

Classification	Name	Three-month period ended March 31, 2023						
		Dividend income	Dividend paid ³	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ⁴	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Group	LG Corp.	-	38,566	-	-	-	-	6,870
Associates and joint ventures	LG Display Co., Ltd. ¹	-	-	-	650,000	-	-	-
	Ericsson-LG Co., Ltd.	11,250	-	-	-	-	-	-
	LG-MRI LLC ²	317	-	-	-	-	-	-
	LG-LHT Aircraft Solutions GmbH	-	-	3,131	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	3,131	-	-	-	-
	GUANGDONG SMART LIFE TECHNOLOGY CO., LTD	-	-	321	-	-	-	-
	Subtotal	11,567	-	6,583	650,000	-	-	-
Other related parties	LG CNS Co., Ltd. and its subsidiaries	-	-	-	-	-	-	30
	D&O Corp. and its subsidiaries	-	-	-	-	-	409	357
	Subtotal	-	-	-	-	-	409	387
Total	11,567	38,566	6,583	650,000	-	409	7,257	

¹ At the end of the reporting period, the Parent 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. At the end of the reporting period, ₩1,000,000 million has been executed and recorded as long-term loans.

² Liquidation was completed during the three-month period ended March 31, 2024.

³ Presents dividend resolved, and is recognized as other payables as of March 31, 2024.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

⁴ Financing borrowing transactions include repayment of principal elements of lease liabilities.

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

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Salaries and other short-term benefits	8,836	5,204
Retirement benefits	560	523
Other long-term benefits	1	1
Total	9,397	5,728

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

(c) There is no collateral provided by the Group for the financial support of related parties at the end of the reporting period.

(d) The Group has not recognized any bad debt expense or allowance for trade receivables from related parties at the end of the reporting period.

32. Risk Management

32.1 Financial Risk Management

The Group'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 Group to enhance cost competitiveness through cost-efficient financing cost by improving financial structure and effective cash management.

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

The Group operates proactive and systematic management on the financial risks over global business activities through its four overseas treasury centers in New Jersey (United States), Amsterdam (Netherlands), Beijing (China), and Singapore in coordination with Finance Division in the Parent Company. And it also helps to improve business competitiveness of overseas subsidiaries by integrating their finance functions.

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

The carrying amount and profit or loss of each category of financial instruments, and the details of borrowings related to the financial risk management are presented in 'Note 5' and 'Note 12', respectively.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(a) Market risk

i) Foreign exchange risk

Due to its multinational business operations, the Group is mainly exposed to foreign exchange risk on the U.S. 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.

The Group's foreign exchange risk management is implemented under its own foreign exchange policy through which the Group can minimize the exposure to foreign exchange risk by preferentially making equal amount of foreign exchange assets and liabilities from general operating activities. Accordingly the Group 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.

The following table demonstrates the impact on profit (loss) before tax for monetary assets and liabilities denominated in major foreign currencies other than the functional currency as of March 31, 2024 and December 31, 2023 due to possible changes in foreign exchange rate of the Korean won by 10% with all other variables held constant:

<i>(in millions of Korean won)</i>	March 31, 2024		December 31, 2023	
	10% increase	10% decrease	10% increase	10% decrease
USD/KRW	67,576	(67,576)	63,185	(63,185)
EUR/KRW	31,597	(31,597)	30,146	(30,146)

ii) Interest rate risk

The Group 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 objective 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 Group minimizes its borrowings from others and optimizes its deposits by expanding internal finance sharing. The Group periodically monitors both domestic and foreign interest rate trends to establish countermeasures against changes in interest rates.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

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

<i>(in millions of Korean won)</i>	2024		2023	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Interest income	17,507	(17,507)	16,962	(16,962)
Interest expenses	5,380	(5,380)	3,440	(3,440)

iii) Details of derivative contracts are as follows:

Derivatives for hedging purposes

The Group entered into the currency forward, cross-currency swap and the interest rate swap contracts to hedge cash flow risks and fair value risks related to the floating interest rates and foreign exchange rates .

Details of hedging instruments are as follows:

	Contractor	Contracted amount <i>(in millions)</i>	Contracted currency rate	Interest rate (paid) (%)	Types of hedging	Starting date	Expiration date	Carrying amount <i>(in millions of Korean won)</i>	
								Assets	Liabilities
Cross-currency swap	Woori Bank and others	USD 1,114 (USD/KRW)	1,067.9 ~ 1,313.7	1.88 ~ 4.56	Cash flow hedge	2017. 10. 23 ~ 2024. 1. 8	2025. 4. 23 ~ 2031. 7.28	192,945	-
	CITI Bank	EUR 95 (EUR/KRW)	1,312	3.84	Cash flow hedge	2022. 7. 15	2028. 1. 14	9,374	-
	CITI Bank and others	JPY 22,000 (JPY/KRW)	8.7 ~ 10.0	4.06 ~ 4.38	Cash flow hedge	2023. 4. 4 ~ 2023.11.24	2029. 4. 4 2029. 5.24	733	15,324
Currency forward	ING and others	CZK 522 (CZK/EUR)	25.3 ~ 25.4	-	Cash flow hedge	2024. 3.13 ~ 2024. 3.28	2024. 4. 2 ~ 2024.12.2	-	50
	ING and others	EUR 45 (EUR/USD)	1.1	-	Fair value hedge	2024. 1.23 ~ 2024. 1.30	2024.12.20	-	418
Interest rate swap	Woori Bank and others	KRW 1,266,821 / USD 210	-	2.75 ~ 4.87	Cash flow hedge	2014. 4.30 ~ 2024. 3.29	2027. 1.15 ~ 2032.11.16	25,934	7,604

Interest rates received for the above swap contracts are equal to annual interest rates of borrowings (see Note 12).

Details of hedged items are as follows:

<i>(in millions of Korean won)</i>	Types of hedging	Hedged items	Carrying amount	Changes in fair value (net of tax)
Cross-currency swap	Cash flow hedge	Borrowings	1,795,273	(56,119)
Currency forward	Cash flow hedge	Foreign currency risk	-	39
Interest rate swap	Cash flow hedge	Borrowings	1,439,599	(10,625)
<i>(in millions of Korean won)</i>	Types of hedging	Hedged items	Carrying amount	Changes in fair value (before tax)
Currency forward	Fair value hedge	Borrowings	-	415

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

The results of hedge accounting are as follows:

<i>(in millions of Korean won)</i>	Types of hedging	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
Cross-currency swap	Cash flow hedge	56,119	Interest expense and exchange differences	(39,089)	17,030	19,276
Currency forward	Cash flow hedge	(39)	Exchange differences	-	(39)	(491)
Interest rate swap	Cash flow hedge	10,625	Interest expense	(3,210)	7,415	13,118

<i>(in millions of Korean won)</i>	Types of hedging	Changes in fair value of derivatives (before tax)	Line items in profit or loss	Effective hedge (before tax)	Ineffective hedge (before tax)
Currency forward	Fair value hedge	(415)	Exchange differences	(415)	-

Trading purposes

Currency forward and interest rate swap contracts

The Group entered into the currency forward, cross-currency swap and interest rate swap contracts to manage the risk against possible future changes in foreign exchange rates and interest rates. Details of currency forward contract, cross-currency swap contract and the interest rate swap contracts held by the Group and embedded derivatives as of March 31, 2024 and profit or loss recognized in relation thereto for the three-month period ended March 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	Purchase	Sale	Gain (Loss) on valuation	Gain (Loss) on transaction
Currency forward	591,617	599,196	(4,174)	(1,368)
Currency swap	-	-	10,848	2,845
Interest rate swap	-	-	(724)	-
Intrinsic derivatives	-	-	3,123	-

Stock purchase contracts

According to the put options granted to employees to whom stock options of Cybellum Technologies Ltd. were granted, the Group recognized ₩2,458 million of derivative liabilities and no gain or loss on derivatives transaction was recognized during the three-month period ended March 31, 2024.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

iv) Price risk

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

The listed securities owned by the Group are traded in the open market, and related to KOSDAQ, NASDAQ and NYSE Index and Austrian Traded 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 consistent and the listed securities owned by the Group have correlation with the relevant past index.

<i>(in millions of Korean won)</i>	March 31, 2024		December 31, 2023	
	30% increase	30% decrease	30% increase	30% decrease
KOSDAQ	3,956	(3,956)	4,556	(4,556)
NASDAQ	55	(55)	98	(98)
NYSE	2,895	(2,895)	2,726	(2,726)
Austrian Traded Index	8	(8)	231	(231)

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 7.

(b) Credit risk

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

In regard to receivables, the Group operates an integrated receivable insurance program with the world top three receivable insurers (Euler Hermes, Atradius and Coface) and Korea Trade Insurance Corporation (K-SURE). To minimize receivable credit risk, the Group applies the credit rating of the counterparty rated by insurers, when determining the insurance coverage. In addition, the Group performs stringent credit risk management based on credit valuation criteria for receivables without insurance coverage or collateral.

At the end of the reporting period, trade receivable balance of the Group is ₩11,198,290 million (December 31, 2023: ₩10,007,884 million) and its risk is managed appropriately within insurer's credit limit of ₩27,380,098 million (December 31, 2023: ₩26,476,779 million). Therefore, the Group determined that credit risk exposed to the Group is limited.

At the end of the reporting period, the carrying amount of financial assets represents net of impairment loss to reflect Group's maximum exposure to the credit risk.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(c) Liquidity risk

The Group forecasts its cash flow and liquidity status and sets action plans on a regular basis to manage liquidity risk proactively. The Group 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 Group maintains adequate amount of cash and committed credit facilities in Kookmin Bank, Shinhan Bank and Standard Chartered Bank to cope with potential liquidity risk arising from financial distress.

In addition, the Group is able to source funds any time in the 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 at the end of the reporting period.

i) Cash flow information on maturity of financial liabilities as of March 31, 2024 and December 31, 2023 are as follows:

	March 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	9,978,019	9,978,019	-	-	-
Borrowings	15,526,504	2,936,739	2,689,103	6,006,662	3,894,000
Lease liabilities	1,340,114	373,132	289,668	418,037	259,277
Other payables	4,220,444	3,999,352	103,888	116,709	495
Other financial liabilities	69,023	6,666	826	6,574	54,957
Total	31,134,104	17,293,908	3,083,485	6,547,982	4,208,729

	December 31, 2023				
<i>(in millions of Korean won)</i>	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade payables	9,427,288	9,427,288	-	-	-
Borrowings	15,338,523	3,101,393	2,311,301	5,731,781	4,194,048
Lease liabilities	1,341,187	370,035	280,387	460,881	229,884
Other payables	4,837,025	4,624,116	99,804	112,550	555
Other financial liabilities	70,780	3,016	1,960	7,110	58,694
Total	31,014,803	17,525,848	2,693,452	6,312,322	4,483,181

The above cash flows are calculated at nominal value based on the earliest maturity dates and include cash flows of principal and interests. Among derivatives in other financial liabilities that are not qualified for hedge accounting, liabilities on currency forward contract are classified as those with maturity within a year at their fair value of ₩4,933 million (December 31, 2023: ₩2,567 million). This is because the contractual maturities are not essential for an understanding of the timing of the cash flows.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

These contracts are managed on a net-fair value basis rather than by maturity date. Derivatives for cash flow hedges from changes in interest rate and exchange rate are reflected in the cash flows of related borrowings.

ii) At the end of the reporting period, the maturity analysis of financial guarantee contracts provided by the Group to third party companies 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	46,000	46,000	-	-	-

The above cash flow is the maximum amount of guarantees allocated to earliest period in which the Group can be required to make payments.

32.2 Capital Risk Management

The Group's capital risk management purpose is to maximize shareholders' value through maintaining a sound capital structure. The Group 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.

Liability to equity ratio and net borrowing ratio as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won, except for ratios)</i>	March 31, 2024	December 31, 2023
Liability (A)	36,906,703	36,742,257
Equity (B)	24,459,405	23,498,536
Cash and cash equivalents (C)	7,009,588	8,487,563
Borrowings and lease liabilities (D)	14,754,797	14,513,834
Liability to equity ratio (A/B)	150.9%	156.4%
Net borrowings ratio ((D-C)/B)	31.7%	25.6%

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

32.3 Fair Value Estimation

(a) The carrying amount and fair value of the Group's financial assets and liabilities as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 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 and others	122,736	122,736	149,389	149,389
Financial assets at fair value through other comprehensive income				
Trade receivables	1,879,071	1	-	-
Other financial assets	-	-	191,814	191,814
Derivatives for hedging purposes				
Other financial assets	5,641	5,641	223,345	223,345
Assets at amortized cost				
Financial assets at amortized cost				
Cash and cash equivalents	7,009,588	1	-	-
Deposits held by financial institutions	28,824	1	193,453	1
Trade receivables	8,286,258	1	74,819	74,819
Other receivables	571,672	1	1,809,846	1,751,475
Other assets				
Trade receivables	124,554	1	724,628	724,628
Total	18,028,344		3,367,294	

<i>(in millions of Korean won)</i>	March 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	5,866	5,866	7,127	7,127
Derivatives for hedging purposes				
Other financial liabilities	5,393	5,393	18,003	18,003
Liabilities at amortized cost				
Financial liabilities at amortized cost				
Trade payables	9,978,019	1	-	-
Borrowings	2,592,040	1	10,975,502	10,598,458
Other payables	3,999,284	1	220,848	219,041
Other liabilities				
Lease liabilities	338,764	2	848,491	2
Other financial liabilities	80	3	-	-
Total	16,919,446		12,069,971	

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

<i>(in millions of Korean won)</i>	December 31, 2023			
	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	78,862	78,862	127,152	127,152
Financial assets at fair value through other comprehensive income				
Trade receivables	2,265,310	1	-	-
Other financial assets	-	-	117,872	117,872
Derivatives for hedging purposes				
Other financial assets	23,192	23,192	155,048	155,048
Assets at amortized cost				
Financial assets at amortized cost				
Cash and cash equivalents	8,487,563	1	-	-
Deposits held by financial institutions	26,386	1	195,189	1
Trade receivables	6,903,227	1	109,029	109,029
Other receivables	595,793	1	1,779,637	1,717,168
Other assets				
Trade receivables	96,485	1	530,410	530,410
Total	18,476,818		3,014,337	

<i>(in millions of Korean won)</i>	December 31, 2023			
	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	9,177	9,177	8,985	8,985
Derivatives for hedging purposes				
Other financial liabilities	-	-	43,769	43,769
Liabilities at amortized cost				
Financial liabilities at amortized cost				
Trade payables	9,427,288	1	-	-
Borrowings	2,601,636	1	10,719,175	10,466,597
Other payables	4,624,046	1	212,648	210,745
Other liabilities				
Lease liabilities	336,772	2	856,251	2
Other financial liabilities	115	3	-	-
Total	16,999,034		11,840,828	

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

² Lease 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.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

(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 Group 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 prices 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 listed equity securities and others.

- 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 discounted cash flow method and others, if one or more of the significant inputs are unobservable market data, the instrument is included in 'level 3'. There are no assets or liabilities categorized within 'level 3'.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. 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 Group is the closing price at the end of the reporting period. These instruments are included in 'level 1'. Instruments included in 'level 1' comprise primarily equity investments classified as financial assets at fair value through other comprehensive income and others.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses various valuation techniques that the Group 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.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value as of March 31, 2024 and December 31, 2023 are as follows:

March 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	95,789	-	96,025	191,814
Financial assets at fair value through profit or loss	109,852	18,318	143,955	272,125
Derivatives for hedging purposes	-	228,986	-	228,986
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	7,391	5,602	12,993
Derivatives for hedging purposes	-	23,396	-	23,396
December 31, 2023				
<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	30,668	-	87,204	117,872
Financial assets at fair value through profit or loss	74,750	7,197	124,067	206,014
Derivatives for hedging purposes	-	178,240	-	178,240
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	11,634	6,528	18,162
Derivatives for hedging purposes	-	43,769	-	43,769

The above fair value amounts are recurring fair value measurements.

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

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

Valuation technique and inputs for fair value measurements categorized within level 2 as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	Fair value		Valuation techniques	Inputs
	March 31, 2024	December 31, 2023		
Assets				
Other financial assets and others				
Financial assets at fair value through profit or loss	18,318	7,197	Discounted cash flow	Discount rate and exchange rate
Derivatives for hedging purposes	228,986	178,240	Discounted cash flow	Discount rate and exchange rate
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	7,391	11,634	Discounted cash flow and binomial model	Discount rate and exchange rate share price and volatility
Derivatives for hedging purposes	23,396	43,769	Discounted cash flow	Discount rate and exchange rate

- Valuation technique and inputs for fair value measurements categorized within 'level 3'

At the end of the reporting period, financial instruments measured at fair value categorized within 'level 3' comprise unlisted equity securities, debt securities and other financial liabilities are measured using discounted cash flow method considering discount rate and others as inputs.

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

Financial instruments not measured at fair value but for which the fair value is disclosed as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Non-current trade receivables	-	-	799,447	799,447
Non-current other receivables	-	-	1,751,475	1,751,475
Liabilities				
Non-current borrowings	-	-	10,598,458	10,598,458
Non-current other payables	-	-	219,041	219,041

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

<i>(in millions of Korean won)</i>	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Non-current trade receivables	-	-	639,439	639,439
Non-current other receivables	-	-	1,717,168	1,717,168
Liabilities				
Non-current borrowings	-	-	10,466,597	10,466,597
Non-current other payables	-	-	210,745	210,745

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

At the end of the reporting period, 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.

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

Valuation technique, 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, 2024 and December 31, 2023, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024		December 31, 2023		Valuation techniques	Inputs	Significant but unobservable inputs	Range of significant but unobservable inputs
	Carrying amount	Fair value	Carrying amount	Fair value				
Assets								
Non-current trade receivables	799,447	799,447	639,439	639,439	Discounted cash flow	Discount rate and exchange rate	Discount rate	5.3% ~ 6.1%
Non-current other receivables	1,809,846	1,751,475	1,779,637	1,717,168	Discounted cash flow	Discount rate and exchange rate	Discount rate	1.6% ~ 11.6%
Liabilities								
Non-current borrowings	10,975,502	10,598,458	10,719,175	10,466,597	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.6% ~ 5.4%
Non-current other payables	220,848	219,041	212,648	210,745	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.8% ~ 4.9%

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

33. Assets Classified as Held for Sale

(a) Details of assets classified as held for sale as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024 ¹	December 31, 2023 ²
Assets held for sale		
Land	675	663
Building	3,324	3,287
Machinery	-	198
Other property, plant and equipment	7	7
Total	4,006	4,155

¹ Disposal of listed items is in progress as of March 31, 2024 and expected to be completed within 2024.

² For the three-month period ended March 31, 2024, disposal of machinery was completed and disposal of land and buildings held by the Group is in progress.

(b) Assets held for sale were measured at net fair value before the reclassification, and there is no impairment loss on property, plant and equipment recognized for the three-month period ended March 31, 2024.

(c) Details of other components of equity as held for sale as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Exchange differences on translation of foreign operations	8	(136)

LG Electronics Inc. and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited), and December 31, 2023

34. Discontinued Operation

In 2022, the Group discontinued the operations of energy business in order to focus on the Group'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) Profit and loss from discontinued operation for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Net sales	-	504
Operating profit	-	762
Profit before income tax	-	780
Income tax expense	-	196
Profit for the period, net of tax	-	584

(b) Cash flows from discontinued operations for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Net cash inflow from operating activities	-	540
Net cash outflow from investing activities	-	(33)
Net cash outflow from financing activities	-	(507)