

LG Electronics Inc.

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

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Report on review of interim condensed separate financial statements

(English translation of a report originally issued in Korean)

The Stockholders and Board of Directors LG Electronics Inc.

We have reviewed the accompanying interim condensed separate financial statements of LG Electronics Inc. (the “Company”), which comprise the interim condensed separate statement of financial position as of March 31, 2024, and the related interim condensed statement of profit or loss, interim condensed separate statement of comprehensive income, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for 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 separate financial statements

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

Auditor’s responsibility

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

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

Conclusion

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

Other matters

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

LG Electronics Inc.

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

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

JOO WAN CHO
Chief Executive Officer
LG Electronics Inc.

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

(in millions of Korean won)

	Notes	March 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	4,31	2,188,903	2,349,705
Deposits held by financial institutions	4,31	20,863	20,863
Trade receivables	4,5,31	6,201,444	5,393,204
Other receivables	4,5,31	386,816	458,642
Other financial assets	4,6,31	10,848	19,106
Inventories	7	1,477,619	1,369,524
Current tax assets		29,073	23,395
Contract assets	8	868,109	741,957
Other current assets		464,814	381,541
		<u>11,648,489</u>	<u>10,757,937</u>
Non-current assets			
Deposits held by financial institutions	4,31	120,670	120,652
Trade receivables	4,5,31	770,176	617,892
Other receivables	4,5,31	1,181,325	1,169,185
Other financial assets	4,6,31	396,125	268,906
Property, plant and equipment	9	5,951,479	6,030,130
Intangible assets	9	2,150,799	2,097,399
Deferred tax assets		1,565,180	1,616,968
Investments in subsidiaries, associates and joint ventures	10	8,924,384	8,391,013
Investment properties		79,414	80,507
Net defined benefit assets	13	271,505	347,307
Contract assets	8	129,781	177,510
Other non-current assets		70,172	72,147
		<u>21,611,010</u>	<u>20,989,616</u>
Total assets		<u>33,259,499</u>	<u>31,747,553</u>
Liabilities			
Current liabilities			
Trade payables	4,31	7,328,372	5,808,472
Borrowings	4,11,31	1,149,718	1,604,369
Lease liabilities	4,12,31	67,268	74,853
Other payables	4,31	1,841,880	2,156,944
Other financial liabilities	4,6,31	12,019	13,466
Current tax liabilities		17,182	14,515
Provisions	14	579,097	597,772
Contract liabilities	8	1,015,172	821,195
Other current liabilities		1,885,969	2,141,883
		<u>13,896,677</u>	<u>13,233,469</u>
Non-current liabilities			
Borrowings	4,11,31	7,754,038	7,620,242
Lease liabilities	4,12,31	75,962	80,611
Other payables	4,31	11,830	11,960
Other financial liabilities	4,6,31	37,667	63,437
Provisions	14	82,905	83,556
Contract liabilities	8	4,838	5,432
Other non-current liabilities		133,033	133,299
		<u>8,100,273</u>	<u>7,998,537</u>
Total liabilities		<u>21,996,950</u>	<u>21,232,006</u>
Equity			
Paid-in capital:	15		
Share capital		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	16	7,241,624	6,566,223
Accumulated other comprehensive income (loss)	17	61,396	(10,205)
Other components of equity	18	(32,819)	(32,819)
Total equity		<u>11,262,549</u>	<u>10,515,547</u>
Total liabilities and equity		<u>33,259,499</u>	<u>31,747,553</u>

LG Electronics Inc.

Interim condensed separate statements of profit or loss

for each of the three-month periods ended March 31, 2024 and 2023

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

	Notes	Three-month period ended March 31	
		2024	2023
Continuing operations			
Net sales	19	7,750,009	7,194,808
Cost of sales	20	5,716,484	5,325,796
Gross profit		2,033,525	1,869,012
Selling expenses	20,21	910,746	817,895
Administrative expenses	20,21	209,851	191,385
Research and development expenses	20,21	452,554	392,809
Service costs	20,21	174,858	148,437
Operating profit (loss)		285,516	318,486
Financial income	22	140,876	194,795
Financial expenses	23	158,304	243,127
Other non-operating income	24	960,499	1,003,100
Other non-operating expenses	25	303,996	391,987
Profit (Loss) before income tax		924,591	881,267
Income tax expense (benefit)		103,497	164,456
Profit (Loss) from continuing operations		821,094	716,811
Discontinued operations			
Profit (Loss) from discontinued operations	32	-	(141)
Profit (Loss) for the period		821,094	716,670
Earnings (Losses) per share during the period			
<i>(in Korean won):</i>	26		
Earnings (Losses) per ordinary share		4,559	3,979
From continuing operations		4,559	3,980
From discontinued operations		-	(1)
Earnings (Losses) per preferred share		4,571	3,991
From continuing operations		4,571	3,992
From discontinued operations		-	(1)

LG Electronics Inc.**Interim condensed separate 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		821,094	716,670
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	13	(781)	(83,365)
Financial assets at fair value through other comprehensive income	6	49,638	2,943
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Cash flow hedges	31	21,963	(17,468)
Other comprehensive income(loss) for the period, net of tax		70,820	(97,890)
Total comprehensive income (loss) for the period, net of tax		891,914	618,780

LG Electronics Inc.

Interim condensed separate statements of changes in equity

for each of the three-month periods ended March 31, 2024 and 2023

(in millions of Korean won)

	Notes	Paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Other components of equity	Total equity
Balance as of January 1, 2023		3,992,348	5,890,737	38,763	(32,819)	9,889,029
Total comprehensive income (loss):						
Profit (Loss) for the period		-	716,670	-	-	716,670
Remeasurements of the net defined benefit liability	13	-	(83,365)	-	-	(83,365)
Financial assets at fair value through other comprehensive income	6	-	-	2,943	-	2,943
Cash flow hedges	31	-	-	(17,468)	-	(17,468)
Total comprehensive income (loss)		-	633,305	(14,525)	-	618,780
Transactions with owners:						
Dividends	16	-	(126,905)	-	-	(126,905)
Total transactions with owners		-	(126,905)	-	-	(126,905)
Balance as of March 31, 2023		3,992,348	6,397,137	24,238	(32,819)	10,380,904
Balance as of January 1, 2024		3,992,348	6,566,223	(10,205)	(32,819)	10,515,547
Total comprehensive income (loss):						
Profit (Loss) for the period		-	821,094	-	-	821,094
Remeasurements of the net defined benefit liability	13	-	(781)	-	-	(781)
Financial assets at fair value through other comprehensive income	6	-	-	49,638	-	49,638
Cash flow hedges	31	-	-	21,963	-	21,963
Total comprehensive income (loss)		-	820,313	71,601	-	891,914
Transactions with owners:						
Dividends	16	-	(144,912)	-	-	(144,912)
Total transactions with owners		-	(144,912)	-	-	(144,912)
Balance as of March 31, 2024		3,992,348	7,241,624	61,396	(32,819)	11,262,549

LG Electronics Inc.

Interim condensed separate 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	2,023
Cash flows from operating activities			
Cash generated from (used in) operations	27	745,440	(537,418)
Interest received		38,930	14,355
Interest paid		(83,287)	(59,480)
Dividend received		670,849	645,306
Income tax paid		(79,565)	(105,092)
Net cash provided by (used in) operating activities		1,292,367	(42,329)
Cash flows from investing activities			
Decrease in deposits held by financial institutions		919	26
Decrease in other receivables		15,729	19,315
Proceeds from withdrawal and disposal of other financial assets		-	435
Proceeds from disposal of property, plant and equipment		10,192	6,536
Proceeds from disposal of intangible assets		3,681	-
Increase in deposits held by financial institutions		(937)	-
Increase in other receivables		(27,955)	(676,932)
Acquisition of other financial assets		(907)	(1,196)
Acquisition of property, plant and equipment		(160,032)	(126,538)
Acquisition of intangible assets		(343,521)	(145,658)
Acquisition of investments in subsidiaries, associates and joint ventures	10	(533,371)	(83,465)
Transfer of business		(13,748)	-
Net cash provided by (used in) investing activities		(1,049,950)	(1,007,477)
Cash flows from financing activities			
Proceeds from borrowings		303,851	1,281,915
Repayments of borrowings		(688,292)	(426,817)
Repayments of lease liabilities		(18,778)	(18,406)
Net cash provided by (used in) financing activities		(403,219)	836,692
Effects of exchange rate changes on cash and cash equivalents		-	-
Net increase (decrease) in cash and cash equivalents		(160,802)	(213,114)
Cash and cash equivalents at the beginning of the period		2,349,705	1,941,615
Cash and cash equivalents at the end of the period		2,188,903	1,728,501

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Notes to the interim condensed separate financial statements

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

1. General Information

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

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

The Company operates following 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 components Solutions segment designs and manufactures automobile parts; and Business Solutions segment manufactures and sells monitors, PCs, information displays and others. As of March 31, 2024, the Company operates manufacturing facilities mainly in Changwon, Pyeongtaek and Gumi in the Republic of Korea.

2. Material Accounting Policies

2.1 Basis of Presentation

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

The interim condensed separate 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 separate 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

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Notes to the interim condensed separate financial statements

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

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 separate financial statements.

- Supplier Finance Arrangements - Amendments to KIFRS 1007 Statement 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 separate financial statements.

- 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 separate financial statements.

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

- 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 Company does not expect that these amendments have a material impact on the interim condensed separate financial statements.

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

2.2 Application of Accounting Policies

The material accounting policies and method of computation used in the preparation of the interim condensed separate financial statements are consistent with those of the separate financial statements for the year ended December 31, 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 Company is in scope of the Pillar Two Model Rules and it has been considered when the Company recognized the current income tax and has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

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 Company makes estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The 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 Company, and the impact is expected to be continued to the annual separate financial statements in 2024.

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

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

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Notes to the interim condensed separate financial statements

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

(a) Revenue Recognition

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

(b) Impairment of Goodwill

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

(c) Income Taxes

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

(d) Fair Value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its 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 Company 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 Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for defined benefit liability are based on current market conditions.

LG Electronics Inc.

Notes to the interim condensed separate financial statements

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

(g) Development Costs

The Company 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.

4. 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	2,188,903	-	-	-	2,188,903
Deposits held by financial institutions	141,533	-	-	-	141,533
Trade receivables	5,885,730	268,445	-	817,445	6,971,620
Other receivables	1,568,141	-	-	-	1,568,141
Other financial assets and others	-	131,732	81,209	208,734	421,675
Total	9,784,307	400,177	81,209	1,026,179	11,291,872

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Notes to the interim condensed separate financial statements

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

March 31, 2024

<i>(in millions of Korean won)</i>	Financial liabilities				Total
	Financial liabilities at amortized cost	at fair value through profit or loss	Other		
Trade payables	7,328,372	-	-	-	7,328,372
Borrowings	8,903,756	-	-	-	8,903,756
Lease liabilities	-	-	143,230	-	143,230
Other payables	1,853,710	-	-	-	1,853,710
Other financial liabilities	-	18,304	31,382	-	49,686
Total	18,085,838	18,304	174,612	-	18,278,754

December 31, 2023

<i>(in millions of Korean won)</i>	Financial assets					Total
	Financial assets at amortized cost	at fair value through comprehensive income	at fair value through other	Financial assets at fair value through profit or loss	Other	
Cash and cash equivalents	2,349,705	-	-	-	-	2,349,705
Deposits held by financial institutions	141,515	-	-	-	-	141,515
Trade receivables	5,189,911	212,773	-	-	608,412	6,011,096
Other receivables	1,627,827	-	-	-	-	1,627,827
Other financial assets and others	-	66,926	80,702	155,086	-	302,714
Total	9,308,958	279,699	80,702	763,498	-	10,432,857

December 31, 2023

<i>(in millions of Korean won)</i>	Financial liabilities				Total
	Financial liabilities at amortized cost	at fair value through profit or loss	Other		
Trade payables	5,808,472	-	-	-	5,808,472
Borrowings	9,224,611	-	-	-	9,224,611
Lease liabilities	-	-	155,464	-	155,464
Other payables	2,168,904	-	-	-	2,168,904
Other financial liabilities	-	18,304	58,599	-	76,903
Total	17,201,987	18,304	214,063	-	17,434,354

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Notes to the interim condensed separate financial statements

March 31, 2024 and 2023, 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	36,833	-	-	-	36,833
Exchange differences	237,415	-	-	-	237,415
Bad debt expenses	(321)	-	-	(219)	(540)
Gain (Loss) on disposal of trade receivables	-	(72)	-	-	(72)
Dividend income	-	257	-	-	257
Fair value gain (loss), net of tax (through other comprehensive income)	-	49,638	-	-	49,638
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	17,443	17,443
Others	(2,186)	-	-	-	(2,186)

<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 expenses	(91,611)	-	15,246	(76,365)
Exchange differences	(290,478)	-	52,696	(237,782)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	4,520	4,520
Others	(1,926)	-	138	(1,788)

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March 31, 2024 and 2023, 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	14,872	-	-	-	14,872
Exchange differences	198,870	-	-	-	198,870
Reversal of bad debt expenses	1,153	-	-	-	1,153
Gain (Loss) on disposal of trade receivables	-	(169)	-	-	(169)
Dividend income	-	189	263	-	452
Gain (Loss) on valuation of financial assets at fair value through profit or loss	-	-	(17)	-	(17)
Profit (Loss) for the period from discontinued operations	(4)	-	-	-	(4)
Fair value gain (loss), net of tax (through other comprehensive income)	-	2,943	-	-	2,943
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	886	886
Others	(7,489)	-	-	484	(7,005)

<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 expenses	(77,164)	-	11,405	(65,759)
Exchange differences	(253,534)	-	43,995	(209,539)
Gain (Loss) on derivatives (through profit or loss)	-	(1,752)	-	(1,752)
Profit (Loss) for the period from discontinued operations	(2)	-	-	(2)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	(18,354)	(18,354)
Others	-	-	112	112

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5. 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	6,242,956	(41,512)	6,201,444	5,434,267	(41,063)	5,393,204
Non-current	771,846	(1,670)	770,176	619,389	(1,497)	617,892
Other receivables						
Current	390,176	(3,360)	386,816	462,061	(3,419)	458,642
Non-current	1,181,340	(15)	1,181,325	1,169,199	(14)	1,169,185

(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 and other	March 31
Trade receivables				
Current	41,063	449	-	41,512
Non-current	1,497	173	-	1,670
Other receivables				
Current	3,419	(59)	-	3,360
Non-current	14	1	-	15

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023			
	January 1	Addition (Reversal)	Write-off and other	March 31
Trade receivables	36,264	1,010	-	37,274
Other receivables				
Current	7,579	(2,136)	-	5,443
Non-current	12	1	-	13

(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				
	Trade receivables		Other receivables		Total
	Current	Non-current	Current	Non-current	
Receivables not past due	5,648,353	771,846	353,290	1,181,340	7,954,829
Past due but not impaired					
Up to 6 months	204,597	-	29,927	-	234,524
7 to 12 months	64,856	-	1,801	-	66,657
Over 1 year	252,953	-	1,745	-	254,698

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Subtotal	522,406	-	33,473	-	555,879
Impaired	72,197	-	3,413	-	75,610
Total	6,242,956	771,846	390,176	1,181,340	8,586,318

<i>(in millions of Korean won)</i>	December 31, 2023				
	Trade receivables		Other receivables		Total
	Current	Non-current	Current	Non-current	
Receivables not past due	4,714,267	619,389	416,669	1,169,199	6,919,524
Past due but not impaired					
Up to 6 months	321,317	-	30,365	-	351,682
7 to 12 months	59,604	-	9,662	-	69,266
Over 1 year	266,411	-	1,948	-	268,359
Subtotal	647,332	-	41,975	-	689,307
Impaired	72,668	-	3,417	-	76,085
Total	5,434,267	619,389	462,061	1,169,199	7,684,916

(d) Trade receivables have been discounted through collateralized borrowing agreements with banks for the three-month period ended March 31, 2024. In case of the customers default, the Company 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 11). Discounted trade receivables recognized as of March 31, 2024 amount to ₩35,495 million (December 31, 2023: ₩60,269 million).

6. 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	208,734	155,086
Financial assets at fair value through other comprehensive income	131,732	66,926
Financial assets at fair value through profit or loss	66,507	66,000
Total	406,973	288,012
Current	10,848	19,106
Non-current	396,125	268,906

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Other financial liabilities		
Derivatives	39,537	65,762
Financial guarantee liability	10,149	11,141
Total	49,686	76,903
Current	12,019	13,466
Non-current	37,667	63,437

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(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				
Cross-currency swap	10,848	-	19,033	6,610
Interest rate swap	-	-	73	-
Put option	-	5,858	-	-
Subtotal	10,848	5,858	19,106	6,610
Non-current				
Cross-currency swap	183,230	15,324	122,779	30,515
Interest rate swap	14,656	5,909	13,201	10,333
Put option	-	12,446	-	18,304
Subtotal	197,886	33,679	135,980	59,152
Total	208,734	39,537	155,086	65,762

The details of major derivative contracts at the end of the reporting period are presented in 'Note 31'.

(c) Changes 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	March 31
Marketable equity securities	18,311	-	-	30	64,406	82,747
Unmarketable equity securities	48,615	400	-	(30)	-	48,985
Total	66,926	400	-	-	64,406	131,732

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023					
	January 1	Acquisition	Disposals	Transfer	Valuation	March 31
Marketable equity securities	18,271	-	-	-	3,954	22,225
Unmarketable equity securities	43,260	-	-	-	-	43,260
Total	61,531	-	-	-	3,954	65,485

(d) Changes 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	March 31
Marketable equity securities	64,867	507	-	-	-	65,374
Unmarketable equity securities	1,133	-	-	-	-	1,133
Total	66,000	507	-	-	-	66,507

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Three-month period ended March 31, 2023

<i>(in millions of Korean won)</i>	January 1	Acquisition	Disposals	Transfer	Valuation	March 31
Unlisted equity securities	70,841	150	(88)	(2,000)	(17)	68,886
Debt securities	24,025	-	-	-	-	24,025
Total	94,866	150	(88)	(2,000)	(17)	92,911

7. Inventories

Inventories 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		
	Cost	Valuation allowance	Carrying amount	Cost	Valuation allowance	Carrying amount
Finished products and merchandise	819,205	(29,562)	789,643	758,746	(28,653)	730,093
Work-in-process	67,855	(2,582)	65,273	66,352	(2,656)	63,696
Raw materials and supplies	578,544	(61,571)	516,973	541,547	(57,900)	483,647
Others	143,490	(37,760)	105,730	148,293	(56,205)	92,088
Total	1,609,094	(131,475)	1,477,619	1,514,938	(145,414)	1,369,524

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8. 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	621,789	542,849
(Less: allowance for doubtful accounts)	(6)	(5)
Right to recover returned products	1,476	838
Costs to fulfil contracts and others	374,631	375,785
Total	997,890	919,467
Current	868,109	741,957
Non-current	129,781	177,510

(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	69,195	66,844
Expected returns from customers	62,005	47,353
Customer loyalty program	56,216	55,843
Rendering of warranty services	10,665	10,506
Due to customers and others	821,929	646,081
Total	1,020,010	826,627
Current	1,015,172	821,195
Non-current	4,838	5,432

(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	245,023	216,019
Customer loyalty program	12,089	10,929
Rendering of warranty services	1,867	2,175
Total	258,979	229,123
Revenue recognized from performance obligations satisfied in previous periods	670	2,109

(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 was ₩1,446,441 million (December 31, 2023: ₩1,052,645 million) which were expected to be satisfied by 2031, at the latest. Also, as a practical expedient, the Company excluded performance obligation which was a contract that had an original expected duration of one year or less.

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- (e) For the three-month period ended March 31, 2024, the Company recognized an impairment loss amounting to ₩1 million (March 31, 2023: ₩1 million) in relation to due from customers, and amortization and other costs of ₩93,514 million (March 31, 2023: ₩24,629 million) in relation to costs to fulfil contracts.

9. Property, Plant and Equipment, and Intangible Assets

- (a) Changes 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	6,030,130	6,007,599
Acquisitions	98,191	66,468
Disposals and others	(7,226)	(6,144)
Depreciation	(155,672)	(163,806)
Impairment losses	(13,944)	(6,332)
March 31	5,951,479	5,897,785

- (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	114,047	123,172
Selling expenses	7,976	9,912
Administrative expenses	16,543	15,034
Research and development expenses	9,956	9,184
Service costs	6,256	4,781
Other non-operating expenses	894	1,709
Subtotal	155,672	163,792
Discontinued operations	-	14
Total	155,672	163,806

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- (c) Changes 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	154,141	115,297
Acquisitions	8,897	6,607
Disposals and others	(1,272)	(3,516)
Depreciation	(19,897)	(19,631)
March 31	141,869	98,757

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, was ₩1,164 million (March 31, 2023: ₩1,716 million).

- (d) Changes 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	2,097,399	1,715,271
Acquisitions	72,011	107,288
Acquisitions by internal development	97,088	50,581
Disposals and others	(11,097)	(9,665)
Amortization	(96,823)	(103,598)
Impairment losses	(7,779)	(773)
March 31	2,150,799	1,759,104

- (e) Line items including amortization of intangible assets in the interim condensed separate financial statements of 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		
Cost of sales	72,330	78,423
Selling expenses	2,967	2,608
Administrative expenses	7,218	8,285
Research and development expenses	13,678	13,515
Service costs	999	756
Other non-operating expenses	(369)	2
Subtotal	96,823	103,589
Discontinued operations	-	9
Total	96,823	103,598

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10. Investments in Subsidiaries, Associates and Joint Ventures

(a) Investments in subsidiaries, associates and joint ventures as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	Location	Closing month	Percentage of ownership (%)	Carrying amount	
				March 31, 2024	December 31, 2023
Subsidiaries					
LG Electronics U.S.A., Inc.(LGEUS)	USA	December	100.0	955,542	955,542
LG Innotek Co., Ltd. ⁴	Korea	December	40.8	541,538	541,538
LG Magna e-Powertrain Co., Ltd.	Korea	December	51.0	388,661	388,661
ZKW Holding GmbH	Austria	December	70.0	349,482	349,482
LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)	India	March	100.0	311,746	311,746
LG Electronics do Brasil Ltda.(LGEBR)	Brazil	December	100.0	270,631	270,631
LG Electronics Mława Sp. z.O.O.(LGEMA)	Poland	December	100.0	214,091	214,091
LG Electronics Nanjing Vehicle Components Co.,Ltd.(LGENV)	China	December	100.0	180,349	180,349
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	China	December	70.0	161,331	161,331
LG Electronics European Holding B.V.(LGEEH)	Netherlands	December	100.0	148,551	148,551
Hiplaza Co., Ltd.	Korea	December	100.0	136,459	136,459
PT LGE Indonesia Research and Development Center(LGERC)	Indonesia	December	100.0	121,467	121,467
Cybellum Technologies Ltd.	Israel	December	72.9	113,509	113,509
LG Electronics Egypt S.A.E(LGEEG)	Egypt	December	100.0	110,245	110,245
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	China	December	88.3	97,608	97,608
P.T. LG Electronics Indonesia(LGEIN)	Indonesia	December	100.0	94,118	94,118
LG Electronics Vietnam Hai Phong Co., Ltd(LGEVH)	Vietnam	December	100.0	84,784	84,784
LG Electronics Wrocław Sp. z.O.O.(LGEWR)	Poland	December	100.0	70,014	70,014
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Mexico	December	100.0	68,721	68,721
LG Electronics (Shenyang) Inc(LGESY)	China	December	56.3	62,033	62,033
LG Electronics (Thailand) Company Limited(LGETH)	Thailand	December	100.0	55,578	55,578
LG Electronics Fund I LLC ¹	USA	December	100.0	54,600	54,396
LG ELECTRONICS AUSTRALIA PTY LIMITED(LGEAP)	Australia	December	100.0	50,664	50,664
LG Electronics Ticaret A.S.(LGETK)	Türkiye	December	100.0	47,320	47,320
LG Electronics RUS, LLC(LGERA)	Russia	December	100.0	43,645	43,645
LG Electronics (Huizhou) Inc.(LGEHZ) ⁵	China	December	45.0	41,984	41,984
LG Electronics Nanjing New Technology co.,LTD(LGENT) ⁵	China	December	45.0	38,744	38,744
LG Electronics Panama, S.A.(LGEPS)	Panama	December	100.0	36,492	36,492
ZKW Austria Immobilien Holding GmbH	Austria	December	70.0	35,640	35,640
HIEVCHARGER CO., LTD.	Korea	December	60.0	35,040	35,040
LG Electronics S.A. (Pty) Ltd.(LGESA)	Republic of South Africa	December	100.0	30,175	30,175

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(in millions of Korean won)	Location	Closing month	Percentage of ownership (%)	Carrying amount	
				March 31, 2024	December 31, 2023
Nanjing LG Panda Appliances Co., Ltd.(LGEPN)	China	December	50.0	26,614	26,614
LG Electronics Peru S.A.(LGEPR)	Peru	December	100.0	25,043	25,043
LG Electronics Fund II LLC ¹	USA	December	100.0	21,032	13,771
LG Electronics Air-Conditioning(Shandong) Co., Ltd.(LGEQA)	China	December	100.0	20,615	20,615
LG Soft India Private Limited.(LGSII)	India	March	100.0	20,105	20,105
Others				147,081	147,081
Associates					
LG Display Co., Ltd. ¹	Korea	December	36.7	3,247,981	2,811,950
Robostar Co., Ltd.	Korea	December	33.4	88,112	88,112
BEAR ROBOTICS, INC. ²	USA	December	25.0	78,666	-
Hitachi-LG Data Storage Inc.(HLDS)	Japan	December	49.0	52,124	52,124
Ericsson-LG Co., Ltd.	Korea	December	25.0	38,834	38,834
Mirae Asset-LG Electronics New Growth Fund I	Korea	December	50.0	28,023	28,023
Rinse, Inc.	USA	December	23.3	18,184	18,184
NOVA Prime Fund I, LP ¹	USA	December	88.0	15,486	11,305
ROBOTIS Co., Ltd. ³	Korea	December	7.3	9,000	9,000
SideChef Group Limited ³	Hong Kong	December	15.4	7,702	7,702
GOQUAL Inc. ³	Korea	December	7.2	5,000	5,000
TheWaveTalk Co., Ltd. ³	Korea	December	3.7	2,000	2,000
Acryl Inc. ³	Korea	December	13.6	2,000	2,000
AiM Future, Inc. ³	Korea	December	11.7	800	800
Joint ventures					
LG-LHT Aircraft Solutions GmbH ¹	Germany	December	49.0	40,939	37,425
LG-LHT Passenger Solutions GmbH ¹	Germany	December	49.0	40,834	37,320
Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	Türkiye	December	50.0	27,711	27,711
EIC PROPERTIES PTE LTD.	Singapore	December	38.2	7,881	7,881
GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	China	December	35.0	1,855	1,855
FITNESSCANDY Co., Ltd.	Korea	December	51.0	-	-
Total				8,924,384	8,391,013

¹ It was additionally acquired during the three-month period ended March 31, 2024.

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

³ The Company's percentage of ownership of the entity is less than 20% but the Company can exercise a significant influence in the Board of Directors. Accordingly, the entities are classified as an associate.

⁴ The Company's percentage of ownership of LG Innotek Co., Ltd. is less than 50%, but the Company is deemed to have control over LG Innotek Co., Ltd. due to the size and dispersion of holdings of the other shareholders and their voting patterns at previous shareholders' meetings.

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⁵ Although the Company owns less than half of the percentage of ownership of the entities, the investees are classified as subsidiaries because the Company can exercise control over the investees considering the shares held by the subsidiary.

(b) Changes in investments in subsidiaries, associates and 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	8,391,013	9,004,775
Acquisitions	533,371	83,466
Transfer	-	2,000
March 31	8,924,384	9,090,241

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

March 31, 2024					
	Type	Shares held (Unit: shares)	Price per share (in Korean won)	Market value (in millions of Korean won)	Carrying amount
LG Display Co., Ltd.	Associate	183,593,206	10,750	1,973,627	3,247,981
LG Innotek Co., Ltd.	Subsidiary	9,653,181	196,700	1,898,781	541,538
Robostar Co., Ltd.	Associate	3,256,500	34,200	111,372	88,112
ROBOTIS Co., Ltd.	Associate	961,550	26,700	25,673	9,000
December 31, 2023					
	Type	Shares held (Unit: shares)	Price per share (in Korean won)	Market value (in millions of Korean won)	Carrying amount
LG Display Co., Ltd.	Associate	135,625,000	12,740	1,727,863	2,811,950
LG Innotek Co., Ltd.	Subsidiary	9,653,181	239,500	2,311,937	541,538
Robostar Co., Ltd.	Associate	3,256,500	29,800	97,044	88,112
ROBOTIS Co., Ltd.	Associate	961,550	30,600	29,423	9,000

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11. 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	439,535	704,969
Current portion of long-term borrowings	160,282	252,710
Current portion of debentures	549,901	646,690
Subtotal	1,149,718	1,604,369
Non-current		
Long-term borrowings	3,321,625	3,130,153
Debentures	4,432,413	4,490,089
Subtotal	7,754,038	7,620,242
Total	8,903,756	9,224,611

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

<i>(in millions of Korean won)</i>	Maturity date	Annual interest rate(%) as of March 31, 2024	Carrying amount	March 31, 2024	December 31, 2023
Short-term borrowings in foreign currency					
LG Electronics U.S.A., Inc. and others ¹	-	4.35 ~ 11.6		439,535	704,969
Long-term borrowings in local currency					
The Export-Import Bank of Korea and others	2035. 1. 9	2.49 ~ 4.82		2,367,680	2,302,465
Long-term borrowings in foreign currency					
The Export-Import Bank of Korea and others	2031. 7. 28	0.67 ~ 7.21		1,114,227	1,080,398
Local currency debentures					
Public, non-guaranteed bonds	2036. 5. 4	1.62 ~ 4.84		3,260,000	3,430,000
Private, non-guaranteed bonds	2041. 2. 9	2.66 ~ 5.15		1,030,000	1,030,000
Foreign currency debentures					
Private, non-guaranteed bonds	2031. 1. 8	0.76 ~ 7.22		703,903	688,442
Less: discount on debentures				(11,589)	(11,663)
Total				8,903,756	9,224,611

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 Company entered into interest rate swap and cross-currency swap contracts to hedge cash flow risks related to floating interest rates and foreign exchange rates of certain portion of borrowings (see Note 31).

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12. 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	67,268	74,853
Non-current	75,962	80,611
Total	143,230	155,464

(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 to lease liabilities	1,273	861
Short-term lease payments (included in cost of sales, Selling and administrative expenses, and others)	8,650	6,684
Payments for leases of low-value assets that are not short-term leases (included in cost of sales, Selling and administrative expenses, and others)	4,487	3,769
Subtotal	14,410	11,314
Discontinued operations	-	5
Total	14,410	11,319

Depreciation of right-of-use assets is presented in 'Note 9'.

(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 ₩33,101 million (March 31, 2023: ₩29,642 million).

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13. Retirement Benefits

13.1 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	3,430,209	3,419,800
Fair value of plan assets	(3,701,714)	(3,767,107)
Net defined benefit liabilities (assets)	(271,505)	(347,307)

- (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	78,203	68,664
Net interest cost	(3,872)	(6,855)
Operating management cost	694	608
Total	75,025	62,417

- (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	35,643	29,333
Selling expenses	10,406	8,710
Administrative expenses	7,091	5,727
Research and development expenses	15,130	12,024
Service costs	6,727	5,646
Other non-operating expenses	28	958
Subtotal	75,025	62,398
Discontinued operations	-	19
Total	75,025	62,417

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- (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	3,419,800	2,937,364
Current service cost	78,203	68,664
Interest expense	37,196	37,936
Remeasurements for:		
- Actuarial loss (gain) arising from changes in financial assumptions	(2,740)	112,019
Benefits paid	(102,250)	(114,360)
March 31	3,430,209	3,041,623

- (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	3,767,107	3,454,693
Interest income	41,068	44,791
Remeasurements of plan assets	(3,755)	15
Benefits paid	(102,012)	(116,571)
Operating management cost	(694)	(608)
March 31	3,701,714	3,382,320

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

	March 31, 2024	December 31, 2023
Discount rate	4.5%	4.5%
Expected salary growth rate	5.9%	5.9%

- (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	(273,767)	312,886
Expected salary growth rate	326,883	(289,800)

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.

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13.2 Defined Contribution Plan

The expense recognized for the three-month period ended March 31, 2024 in relation to the defined contribution plan is ₩3,609 million (March 31, 2023: ₩2,652 million).

14. Provisions

Changes 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	528,100	8,868	144,360	681,328
Additions ¹	68,317	693	(155)	68,855
Utilizations	(85,780)	(25)	(2,376)	(88,181)
March 31	510,637	9,536	141,829	662,002
Current	471,237	7,093	100,767	579,097
Non-current	39,400	2,443	41,062	82,905

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023			
	Warranty	Restoration	Litigation and others	Total
January 1	1,079,839	9,360	57,771	1,146,970
Additions ¹	50,133	98	1,926	52,157
Utilizations	(116,424)	(139)	(7,575)	(124,138)
March 31	1,013,548	9,319	52,122	1,074,989
Current	972,929	6,386	10,813	990,128
Non-current	40,619	2,933	41,309	84,861

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

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15. Paid-in Capital

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

	Par value per share (in Korean won)	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 Company's capital of ₩783,961 million and less the Company's capital adjustment of ₩155,593 million. In addition, the amount of ₩331,766 million paid in excess of par value due to issuance of ordinary shares (merger with LG IBMPC Co., Ltd.) and the exercise of conversion options in 2005 and 2006 are included. The excess in paid-in capital amounting to ₩880,260 million over the par value was recognized as the share premium due to the issuance of ordinary shares in 2011.

16. Retained Earnings

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

(in millions of Korean won)	March 31, 2024	December 31, 2023
Legal reserve ¹	273,791	259,300
Discretionary reserve	6,147,421	5,504,433
Unappropriated retained earnings ²	820,412	802,490
Total	7,241,624	6,566,223

¹ The Commercial Code of the Republic of Korea requires the Company to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued 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).

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17. Accumulated Other Comprehensive Income (Loss)

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

<i>(in millions of Korean won)</i>	March 31, 2024	December 31, 2023
Cash flow hedge	21,124	(838)
Financial assets at fair value through other comprehensive income (loss)	40,272	(9,367)
Total	61,396	(10,205)

18. Other Components of Equity

Other components of equity 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
Treasury shares ¹	(44,893)	(44,893)
Consideration for conversion rights	9,891	9,891
Gain on disposal of treasury shares	2,183	2,183
Total	(32,819)	(32,819)

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

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19. 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	7,039,608	6,657,277
Rendering of services and others	377,402	336,720
Subtotal	7,417,010	6,993,997
Revenue from other sources:		
Rental income and others	332,999	200,811
Subtotal of continuing operations	7,750,009	7,194,808
Discontinued operations	-	66
Total	7,750,009	7,194,874

(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 type of products:		
Refrigerator/ washing machine/ air conditioner and others	4,189,996	3,977,496
TV/AV and others	768,189	801,995
In-vehicle infotainment and others	1,116,487	936,342
Monitor/PC and others	805,174	747,455
Others ¹	537,164	530,709
Domestic/Export:		
Domestic	2,768,964	2,680,895
Export	4,648,046	4,313,102
Timing of revenue recognition:		
At a point in time	6,552,819	6,164,582
Over time	864,191	829,415
Total	7,417,010	6,993,997

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

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

Due to the factors causing the changes in the costs of other segments during the three-month period ended March 31, 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 succeeding periods
Other segments	88,477	69,514	(4,614)	23,577

20. Expenses by Nature

Expenses that are recorded by nature 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		
Changes in finished goods and work-in-process	(122,715)	(43,216)
Raw materials and merchandise used	4,380,794	4,035,927
Employee benefit expense	1,179,976	1,121,587
Depreciation and amortization	253,063	266,787
Advertising expense	161,847	118,852
Promotion expense	29,799	26,633
Freight expense	187,153	216,607
Commission expense	656,701	546,587
Other expenses	737,875	586,558
Subtotal¹	7,464,493	6,876,322
Discontinued operations	-	275
Total	7,464,493	6,876,597

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

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21. General Operating Expenses (Selling expenses, 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	456,742	403,367
Retirement benefits	53,898	73,930
Employee welfare benefits	82,574	77,461
Freight expense	184,502	213,993
Rental expense	9,419	8,121
Commission expense	520,172	414,279
Depreciation	41,824	40,028
Amortization	24,862	25,164
Advertising expense	161,847	118,852
Promotion expense	29,799	26,633
R&D expense	64,184	50,992
Direct service costs	37,654	20,484
Bad debts expense	596	985
Others	79,936	76,237
Subtotal	1,748,009	1,550,526
Discontinued operations	-	279
Total	1,748,009	1,550,805

22. Financial Income

Financial income 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
Continuing operations		
Interest income	36,833	14,872
Exchange differences	103,124	179,484
Others	919	439
Total	140,876	194,795

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23. 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	76,365	65,759
Exchange differences	76,973	169,383
Loss on disposal of trade receivables	72	169
Others	4,894	7,816
Total	158,304	243,127

24. Other Non-operating Income

Other non-operating income 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
Continuing operations		
Dividend income	688,642	661,232
Exchange differences	257,012	329,652
Gain on valuation of derivatives	-	349
Gain on disposal of property, plant and equipment	568	1,551
Others	14,277	10,316
Subtotal	960,499	1,003,100
Discontinued operations	-	36
Total	960,499	1,003,136

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25. 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	269,525	340,003
Loss on valuation of derivatives	-	2,101
Loss on disposal of property, plant and equipment	385	545
Impairment loss on property, plant and equipment	13,944	5,353
Loss on disposal of intangible assets	7,370	9,664
Impairment loss on intangible assets	7,779	773
Loss on valuation of financial assets at fair value through profit or loss	-	17
Others	4,993	33,531
Subtotal	303,996	391,987
Discontinued operations	-	19
Total	303,996	392,006

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26. Earnings (Losses) per Share

The Company 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>)	742,554	648,093
Continuing operations	742,554	648,220
Discontinued operations	-	(127)
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>)	4,559	3,979
Continuing operations	4,559	3,980
Discontinued operations	-	(1)

- (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>)	78,540	68,577
Continuing operations	78,540	68,591
Discontinued operations	-	(14)
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>)	4,571	3,991
Continuing operations	4,571	3,992
Discontinued operations	-	(1)

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27. 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 (Loss) for the period	821,094	716,670
Adjustments:		
Interest expense, net	39,532	50,887
Exchange differences, net	6,967	55,796
Depreciation	155,672	163,792
Amortization	96,823	103,589
Loss (Gain) on disposal of property, plant and equipment and intangible assets, net	7,187	8,658
Provisions for retirement benefits	75,025	65,050
Additional provisions, net	68,162	52,015
Dividend income	(688,642)	(661,232)
Income tax expense	103,497	164,456
Others	13,272	165
Discontinued operations	-	(17)
	<u>(122,505)</u>	<u>3,159</u>
Changes in operating assets and liabilities		
Decrease (Increase) in trade receivables	(895,920)	(1,308,425)
Decrease (Increase) in other receivables	100,662	52,401
Decrease (Increase) in inventories	(102,073)	(37,260)
Decrease (Increase) in contract assets	(63,662)	(100,065)
Decrease (Increase) in other assets	(81,751)	(51,837)
Increase (Decrease) in trade payables	1,443,604	691,614
Increase (Decrease) in other payables	(193,740)	(355,802)
Increase (Decrease) in provisions	(88,181)	(124,138)
Increase (Decrease) in contract liabilities	193,383	(8,471)
Increase (Decrease) in other liabilities	(265,233)	(14,824)
Payment of defined benefit liability	(238)	(440)
	<u>46,851</u>	<u>(1,257,247)</u>
Cash generated from (used in) operations	<u>745,440</u>	<u>(537,418)</u>

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(b) Changes in liabilities from financing activities

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

<i>(in millions of Korean won)</i>	Three-month period ended March 31, 2023					
	January 1	Net cash flows from financing activities	Effects of other changes			March 31
			Additions	Exchange differences (profit/loss)	Amortization and others	
Borrowings	3,090,435	314,535	-	67,139	-	3,472,109
Debentures	4,455,595	540,563	-	20,107	535	5,016,800
Lease liabilities	116,509	(18,406)	2,263	145	91	100,602
Net derivative liabilities (assets)	(123,424)	-	-	(44,019)	9,080	(158,363)
Total	7,539,115	836,692	2,263	43,372	9,706	8,431,148

(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	6,351	69,816
Reclassification of construction-in-progress to intangible assets	228,425	79,988
Reclassification of current portion of borrowings	252,340	529,362
Other payables to acquire property, plant and equipment	40,994	15,935
Other payables to acquire intangible assets	15,608	12,118
Acquisition of right-of-use assets	8,597	6,607

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28. Contingencies

- (a) As of March 31, 2024, the Company is provided with payment guarantees of ₩326,977 million (December 31, 2023: ₩322,915 million) from Seoul Guarantee Insurance and others relating to the performance guarantees.
- (b) As of March 31, 2024, the financial guarantees provided by the Company to related parties amount to ₩3,754,456 million (December 31, 2023: ₩3,695,867 million) on the indebtedness of its subsidiaries. Details are as follows:

<i>(in millions of Korean won)</i>	Beneficiaries	March 31, 2024 ¹	December 31, 2023 ¹
LG Electronics European Shared Service Center B.V.(LGESC)	Citibank and others	879,389	875,568
LG Electronics U.S.A., Inc.(LGEUS)	Citibank and others	680,134	651,147
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Scotiabank and others	303,876	285,933
LG Electronics (China) Co., Ltd(LGECH)	Citibank and others	298,145	287,212
ZKW Holding GmbH	The Export-Import Bank of Korea	290,586	285,318
LG Electronics Peru S.A.(LGEPR)	Scotiabank and others	213,124	205,582
LG Electronics Mlawa Sp. z.O.O.(LGEMA), LG Electronics Polska Sp. z.O.O.(LGEPL), LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	Citibank and others	187,346	183,227
LG Electronics do Brasil Ltda.(LGEBR)	Citibank and others	102,945	98,837
LG Electronics Morocco S.A.R.L.(LGEMC)	Citibank and others	102,502	100,323
LG Electronics Inc Chile Limitada(LGECL)	Scotiabank and others	98,910	103,657
LG Electronics Algeria SARL(LGEAS)	Citibank and others	95,588	91,689
LG Electronics Colombia Limitada(LGECB)	Citibank and others	87,413	82,418
LG Electronics Vehicle Components Europe GmbH(LGEVG)	SMBC and others	79,911	78,462
LG Electronics Almaty Kazakhstan(LGEAK)	Citibank	53,872	51,576
LG Electronics Saudi Arabia LLC	JPM and others	53,865	51,578
LG Electronics M SDN. BHD(LGEML)	Citibank	40,461	38,738
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	ING	36,323	35,665
LG Electronics Ticaret A.S.(LGETK)	Citibank and others	31,093	30,157
LG Electronics Egypt S.A.E(LGEEG)	Credit Agricole and others	30,399	44,608
PT LGE Indonesia Research and Development Center (LGERC)	Citibank and others	25,589	24,499
LG Electronics S.A. (Pty) Ltd.(LGESA)	Citibank and others	25,379	24,780
LG ELECTRONICS HELLAS SINGLE MEMBER SA (LGEHS)	Citibank	14,529	14,266
Others	BBVA and others	23,077	50,627
Total		3,754,456	3,695,867

¹ These are the amount for which payment guarantees at the end of each reporting periods. And the Company made the agreement to pay including incidental costs incurred in performing guaranteed obligations, etc. in some cases.

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- (c) As of March 31, 2024, the Company is providing KEB Hana Bank with a subrogation payment obligation for customers 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 Company cannot reflect a reasonable expectation. Management does not expect the outcome of the litigations will have a material effect on the Company's financial position.

29. Commitments

- (a) At the end of the reporting period, the Company has borrowing agreements, such as overdraft facility agreements, trade financing and others, with various banks, including Shinhan Bank, with a limit of ₩860,786 million (December 31, 2023: ₩852,463 million).
- (b) At the end of the reporting period, the Company has sales agreements for receivables with various banks including KEB Hana Bank amounting to ₩2,798,314 million (December 31, 2023: ₩2,691,837 million).
- (c) At the end of the reporting period, the Company has corporate electronic settlement services contracts and vendor prepayment services contracts with various banks including Shinhan Bank for up to ₩1,247,542 million (December 31, 2023: ₩1,243,811 million) in connection with the payment of trade payables.
- (d) 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	213,761	226,522
Intangible assets	40,575	39,000
Investments in subsidiaries, associates and joint ventures	81,181	96,975
Total	335,517	362,497

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

- (e) Operating lease commitments – the Company as a lessor
- i) The Company 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:

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<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	4 to 5 years	
Home appliance rental	214,507	106,421	38,763	3,984	-	363,675
Real estate rental	4,700	4,700	4,700	3,553	88	17,741
Total	219,207	111,121	43,463	7,537	88	381,416

- ii) The Company recognized ₩94,004 million (March 31, 2023: ₩129,982 million) in lease income for the three-month period ended March 31, 2024.

(f) Financial lease commitments – the Company 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	178,561	126,667	134,141	96,240
Between 1 and 2 years	184,498	141,779	134,610	103,408
Between 2 and 3 years	182,503	149,670	131,139	106,981
Between 3 and 4 years	184,211	162,225	134,926	118,442
Later than 4 years	257,553	243,383	195,713	184,827
Total	987,326	823,724	730,529	609,898

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	987,326	730,529
Net investment in the lease	823,724	609,898
Unrealized interest income	163,602	120,631

- iii) For the three-month period ended March 31, 2024, the Company recognized income amounting to ₩235,685 million (March 31, 2023: ₩67,231 million) in relation to financial lease contract, and financial income of net investment in the lease amounting to ₩11,890 million (March 31, 2023: ₩2,970 million) is included.

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(g) License agreements including patent and trademark

At the end of the reporting period, the Company 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 for license	All products	LG Electronics Inc.	Panasonic Corporation and others
Use of trademarks	All products	LG Corp.	LG Electronics Inc.

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30. 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 ⁴	Total
Significantly influencing the Company	LG Corp.	167	-	167	-	34,689	34,689
Subsidiaries	LG Innotek Co., Ltd.	19,979	9,531	29,510	22,665	337	23,002
	Hiplaza Co., Ltd.	370,640	2,653	373,293	21,027	4,216	25,243
	LG Electronics U.S.A., Inc.	1,186,117	4,806	1,190,923	4,598	31,503	36,101
	LG Electronics Vietnam Hai Phong Co., Ltd	611,811	1,503	613,314	31,855	6,566	38,421
	LG Electronics Mlawa Sp. Z.O.O.	252,260	14	252,274	710	1,373	2,083
	LG Electronics Canada, Inc.	147,104	-	147,104	20	3,527	3,547
	LG Electronics European Shared Service Center B.V.	136,271	-	136,271	30	7,169	7,199
	LG Electronics Nanjing New Technology co.,LTD	106,128	25	106,153	208,678	125	208,803
	LG Electronics Vehicle Components Europe GmbH	20,577	7,136	27,713	1,197	31,200	32,397
	LG ELECTRONICS INDIA PRIVATE LIMITED	85,154	9,938	95,092	1,601	1,315	2,916
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	48,286	-	48,286	1,673	33	1,706
	LG Electronics do Brasil Ltda.	51,454	69	51,523	-	507	507
	P.T. LG Electronics Indonesia	54,576	1,468	56,044	121,093	24	121,117
	LG Electronics Vehicle Components U.S.A., LLC.	13,964	65	14,029	4,116	11,583	15,699
	LG Electronics Mexico S.A. DE C.V.	93,390	146	93,536	-	612	612
	LG Electronics RUS, LLC	14,956	190	15,146	36	984	1,020
	LG Electronics (Tianjin) Appliances Co., Ltd.	41,118	75	41,193	157,401	2,648	160,049
	LG Electronics U.K. Ltd	79,556	15	79,571	255	3,665	3,920
	Taizhou LG Electronics Refrigeration Co., Ltd.	30,321	829	31,150	93,793	218	94,011
	LG Electronics Almaty Kazakhstan	14,374	-	14,374	-	205	205
	LG Electronics Colombia Ltda.	25,597	4	25,601	-	86	86
	Hi-Caresolution Corp	12,908	-	12,908	79,582	83	79,665
	LG Electronics Deutschland GmbH	23,744	60	23,804	82	4,314	4,396
	LG Electronics Egypt S.A.E	19,297	350	19,647	-	219	219
	LG Electronics Africa Logistics FZE	63,556	35,684	99,240	-	192	192
	Zenith Electronics Corporation	13,569	-	13,569	-	74,950	74,950

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	LG Electronics Panama, S.A.	41,949	101	42,050	1	427	428
	Others	811,949	1,435	813,384	87,093	117,471	204,564
	Subtotal	4,390,605	76,097	4,466,702	837,506	305,552	1,143,058
Associates	LG Display Co., Ltd. and its subsidiaries	69,252	27,722	96,974	52,459	42	52,501
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	97	-	97	99	-	99
	Robostar Co., Ltd.	2	-	2	360	70	430
	ROBOTIS Co., Ltd.	-	-	-	-	20	20
	Acryl Inc.	-	-	-	-	676	676
	Subtotal	69,351	27,722	97,073	52,918	808	53,726
Other related parties	LG CNS Co., Ltd. and its subsidiaries	18,143	796	18,939	23,012	101,155	124,167
	D&O Corp. and its subsidiaries	3	-	3	-	6,834	6,834
	LG Management Development Institute	14	-	14	3	18,368	18,371
	LG SPORTS Ltd.	1	-	1	280	2,739	3,019
	Subtotal	18,161	796	18,957	23,295	129,096	152,391
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	381,649	3,406	385,055	64,886	211	65,097
	LG Uplus Corp and its subsidiaries	372	592	964	1,776	-	1,776
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	24	609	633	-	3	3
	HS Ad Inc. and its subsidiaries ²	33	-	33	22	55,010	55,032
	XI C&A Co., Ltd. and its subsidiaries ³	1,100	-	1,100	-	14,343	14,343
	S&I Corp. and its subsidiaries ³	677	-	677	111	24,402	24,513
	Subtotal	383,855	4,607	388,462	66,795	93,969	160,764
	Total	4,862,139	109,222	4,971,361	980,514	564,114	1,544,628

(in millions of Korean won)

		Three-month period ended March 31, 2023					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others ⁴	Total
Significantly influencing the Company	LG Corp.	753	-	753	-	33,167	33,167
Subsidiaries	LG Innotek Co., Ltd.	42,442	5,041	47,483	21,416	436	21,852
	Hiplaza Co., Ltd.	458,222	2,460	460,682	2,488	3,979	6,467
	LG Electronics U.S.A., Inc.	1,305,983	3,773	1,309,756	2,250	21,186	23,436
	LG Electronics Vietnam Hai Phong Co., Ltd	513,222	-	513,222	38,964	6,498	45,462
	LG Electronics Mlawa Sp. Z.O.O.	202,013	5	202,018	795	1,553	2,348
	LG Electronics Canada, Inc.	150,818	-	150,818	-	4,501	4,501
	LG Electronics European Shared Service Center B.V.	149,638	-	149,638	-	2,499	2,499
	LG Electronics Nanjing New Technology co.,LTD	115,063	93	115,156	225,276	78	225,354
	LG Electronics Vehicle Components Europe GmbH	2,009	32,046	34,055	48,519	22,070	70,589

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(in millions of Korean won)

		Three-month period ended March 31, 2023					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others ⁴	Total
	LG ELECTRONICS INDIA PRIVATE LIMITED	70,026	11,206	81,232	2,983	1,354	4,337
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	52,619	-	52,619	2,937	1,102	4,039
	LG Electronics do Brasil Ltda.	44,286	-	44,286	100	850	950
	P.T. LG Electronics Indonesia	65,262	3	65,265	130,275	89	130,364
	LG Electronics Vehicle Components U.S.A., LLC.	61,514	11,606	73,120	3,163	10,650	13,813
	LG Electronics Mexico S.A. DE C.V.	51,943	38	51,981	-	546	546
	LG Electronics RUS, LLC	16,132	400	16,532	469	961	1,430
	LG Electronics (Tianjin) Appliances Co., Ltd.	40,624	-	40,624	131,923	44	131,967
	LG Electronics U.K. Ltd	30,548	-	30,548	3,573	3,060	6,633
	Taizhou LG Electronics Refrigeration Co., Ltd.	21,428	821	22,249	66,940	48	66,988
	LG Electronics Almaty Kazakhstan	50,118	2	50,120	-	105	105
	LG Electronics Colombia Ltda.	17,878	8	17,886	-	187	187
	Hi-Caresolution Corp	12,968	-	12,968	65,823	13,163	78,986
	LG Electronics Deutschland GmbH	29,711	-	29,711	95	5,278	5,373
	LG Electronics Egypt S.A.E	16,857	-	16,857	-	202	202
	LG Electronics Africa Logistics FZE	55,474	11,908	67,382	-	166	166
	Zenith Electronics Corporation	18,457	-	18,457	-	64,332	64,332
	LG Electronics Panama, S.A.	41,488	-	41,488	-	342	342
	Others	792,532	325	792,857	91,772	95,458	187,230
	Subtotal	4,429,275	79,735	4,509,010	839,761	260,737	1,100,498
Associates	LG Display Co., Ltd. and its subsidiaries	126,274	23,273	149,547	56,355	150	56,505
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	85	-	85	11,708	7	11,715
	Robostar Co., Ltd.	3	-	3	2,514	255	2,769
	ROBOTIS Co., Ltd.	-	-	-	-	1	1
	Acryl Inc.	-	-	-	-	590	590
	Subtotal	126,362	23,273	149,635	70,577	1,003	71,580
Joint ventures	LG-LHT Passenger Solution GmbH	442	-	442	-	-	-
	Subtotal	442	-	442	-	-	-
Other related parties	LG CNS Co., Ltd. and its subsidiaries	31,177	754	31,931	21,971	77,903	99,874
	D&O Corp. and its subsidiaries	15	-	15	-	5,476	5,476
	LG Management Development Institute	11	-	11	8	14,972	14,980

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		Three-month period ended March 31, 2023					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others ⁴	Total
	LG SPORTS Ltd.	2	-	2	-	2,633	2,633
	Subtotal	31,205	754	31,959	21,979	100,984	122,963
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	263,824	3,209	267,033	98,333	9	98,342
	LG Uplus Corp and its subsidiaries	108	613	721	620	1,730	2,350
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	105	531	636	-	10	10
	GIIR Inc. and its subsidiaries ²	35	-	35	-	38,039	38,039
	XI C&A Co., Ltd. and its subsidiaries ³	5,029	-	5,029	-	649	649
	S&I Corp. ³	415	-	415	193	24,864	25,057
	Subtotal	269,516	4,353	273,869	99,146	65,301	164,447
	Total	4,857,553	108,115	4,965,668	1,031,463	461,192	1,492,655

¹ Although the entities are not the related parties of the Company in accordance with KIFRS 1024, the entities belong to the Large Scale Business Group to which the Company also belongs in accordance with the Monopoly Regulation and Fair Trade Act.

² 'GIIR Inc.' merged with its subsidiaries 'HS Ad Inc.' and 'LBEST Inc.' and changed its name to 'HS Ad Inc.' on July 1, 2023.

³ Excluded from Large Scale Business Group under the Monopoly Regulation and Fair Trade Act as of March 19, 2024.

⁴ Others include acquisition amount of right-of-use assets and interest expense of lease liabilities.

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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 Company	LG Corp.	505	-	30,807	31,312	-	-	71,820	71,820
Subsidiaries	LG Innotek Co., Ltd.	22,685	-	29,299	51,984	26,726	-	32,093	58,819
	Hiplaza Co., Ltd.	166,658	-	32,327	198,985	-	-	539	539
	LG Electronics U.S.A., Inc.	593,499	-	-	593,499	58	404,040	15,375	419,473
	LG Electronics Vietnam Hai Phong Co., Ltd	424,537	-	1,417	425,954	856,258	-	2,177	858,435
	LG Electronics Mlawá Sp. Z.O.O.	130,616	-	12	130,628	871,012	-	141	871,153
	LG Electronics Canada, Inc.	61,953	-	-	61,953	-	-	1,313	1,313
	LG Electronics European Shared Service Center B.V.	73,756	-	-	73,756	-	-	1,668	1,668
	LG Electronics Nanjing New Technology co.,LTD	108,309	-	25	108,334	511,596	-	79	511,675
	LG Electronics Vehicle Components Europe GmbH	655,771	-	26,379	682,150	-	-	19,608	19,608
	LG ELECTRONICS INDIA PRIVATE LIMITED	55,199	-	923	56,122	5,117	-	664	5,781
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	49,789	-	4,495	54,284	18,803	-	3,330	22,133
	LG Electronics do Brasil Ltda.	67,077	-	17	67,094	-	-	230	230
	P.T. LG Electronics Indonesia	12,032	-	144	12,176	630,031	-	19	630,050
	LG Electronics Vehicle Components U.S.A., LLC.	192,419	-	1,825	194,244	-	-	12,888	12,888
	LG Electronics Mexico S.A. DE C.V.	232,854	-	-	232,854	-	-	194	194
	LG Electronics RUS, LLC	67,797	-	109,900	177,697	-	-	387	387
	LG Electronics (Tianjin) Appliances Co., Ltd.	40,837	-	119	40,956	389,296	-	2,497	391,793
	LG Electronics U.K. Ltd	86,375	-	7,624	93,999	-	-	1,618	1,618
	Taizhou LG Electronics Refrigeration Co., Ltd.	30,537	-	834	31,371	311,228	-	107	311,335
	LG Electronics Almaty Kazakhstan	73,749	-	-	73,749	-	-	161	161
	LG Electronics Colombia Ltda.	93,788	-	28	93,816	-	-	129	129
	Hi-Caresolution Corp	9,328	-	-	9,328	-	-	30,381	30,381

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		March 31, 2024							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
	LG Electronics Deutschland GmbH	87,304	-	61	87,365	-	-	1,489	1,489
	LG Electronics Egypt S.A.E	31,356	-	2,997	34,353	22,152	-	69	22,221
	LG Electronics Africa Logistics FZE	66,360	-	-	66,360	-	-	87	87
	Zenith Electronics Corporation	-	-	4,611	4,611	-	-	75,591	75,591
	LG Electronics Panama, S.A.	67,116	-	-	67,116	-	-	86	86
	Others	1,044,253	-	46,181	1,090,434	1,165,277	-	88,268	1,253,545
	Subtotal	4,545,954	-	269,218	4,815,172	4,807,554	404,040	291,188	5,502,782
Associates	LG Display Co., Ltd. and its subsidiaries	66,340	1,000,000	92,651	1,158,991	57,905	-	59,868	117,773
	Ericsson-LG Co., Ltd.	-	-	17,500	17,500	-	-	-	-
	Hitachi-LG Data Storage Inc. and its subsidiaries	-	-	-	-	1,284	-	3	1,287
	Robostar Co., Ltd.	-	-	-	-	-	-	3,641	3,641
	Subtotal	66,340	1,000,000	110,151	1,176,491	59,189	-	63,512	122,701
Other related parties	LG CNS Co., Ltd. and its subsidiaries	37,584	-	237	37,821	4,085	-	101,756	105,841
	D&O Corp. and its subsidiaries	1	-	-	1	-	-	4,477	4,477
	LG Management Development Institute	7	-	-	7	-	-	1,874	1,874
	LG SPORTS Ltd.	-	-	-	-	-	-	1,528	1,528
	Subtotal	37,592	-	237	37,829	4,085	-	109,635	113,720
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	240,447	-	365,051	605,498	93,243	-	212,513	305,756
	LG Uplus Corp and its subsidiaries	309	-	240	549	222	-	596	818
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	5	-	19	24	-	-	54	54
	HS Ad Inc. and its subsidiaries	29	-	-	29	-	-	144,436	144,436
	Subtotal	240,790	-	365,310	606,100	93,465	-	357,599	451,064
	Total	4,891,181	1,000,000	775,723	6,666,904	4,964,293	404,040	893,754	6,262,087

(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 Company	LG Corp.	480	-	29,911	30,391	-	-	33,391	33,391

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		December 31, 2023							
		Receivables				Payables			
Classification	Name	Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
Subsidiaries	LG Innotek Co., Ltd.	125,845	-	3,345	129,190	23,295	-	41,578	64,873
	Hiplaza Co., Ltd.	164,730	-	31,168	195,898	-	-	732	732
	LG Electronics U.S.A., Inc.	403,836	-	474	404,310	-	644,700	23,372	668,072
	LG Electronics Vietnam Hai Phong Co., Ltd	427,290	-	229	427,519	722,885	-	2,870	725,755
	LG Electronics Mlawa Sp. Z.O.O.	87,074	-	133	87,207	713,516	-	76	713,592
	LG Electronics Canada, Inc.	72,340	-	-	72,340	-	-	1,018	1,018
	LG Electronics European Shared Service Center B.V.	36,197	-	-	36,197	-	-	7	7
	LG Electronics Nanjing New Technology co.,LTD	111,580	-	21	111,601	444,960	-	272	445,232
	LG Electronics Vehicle Components Europe GmbH	549,598	-	66,032	615,630	-	-	12,696	12,696
	LG ELECTRONICS INDIA PRIVATE LIMITED	49,642	-	1,307	50,949	3,958	-	721	4,679
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	55,289	-	20,705	75,994	32,723	-	3,251	35,974
	LG Electronics do Brasil Ltda.	55,355	-	21,414	76,769	-	-	243	243
	P.T. LG Electronics Indonesia	13,882	-	42	13,924	559,778	-	45	559,823
	LG Electronics Vehicle Components U.S.A., LLC.	192,914	-	197	193,111	-	-	6,162	6,162
	LG Electronics Mexico S.A. DE C.V.	169,363	-	75	169,438	-	-	198	198
	LG Electronics RUS, LLC	70,801	-	94,214	165,015	-	-	207	207
	LG Electronics (Tianjin) Appliances Co., Ltd.	36,107	-	112	36,219	242,125	-	19	242,144
	LG Electronics U.K. Ltd	82,193	-	7,308	89,501	-	-	801	801
	Taizhou LG Electronics Refrigeration Co., Ltd.	24,076	-	758	24,834	255,390	-	37	255,427
	LG Electronics Almaty Kazakhstan	96,594	-	93	96,687	-	-	41	41
	LG Electronics Colombia Ltda.	73,203	-	68	73,271	-	-	3	3
	Hi-Caresolution Corp	8,067	-	-	8,067	3,830	-	23,429	27,259
	LG Electronics Deutschland GmbH	95,287	-	85	95,372	-	-	4,484	4,484

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		December 31, 2023							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
	LG Electronics Egypt S.A.E	84,324	-	2,635	86,959	21,110	-	63	21,173
	LG Electronics Africa Logistics FZE	17,891	-	-	17,891	-	-	111	111
	Zenith Electronics Corporation	-	-	4,448	4,448	-	-	65,317	65,317
	LG Electronics Panama, S.A.	76,515	-	-	76,515	-	-	95	95
	Others	772,591	-	42,888	815,479	792,014	-	88,175	880,189
	Subtotal	3,952,584	-	297,751	4,250,335	3,815,584	644,700	276,023	4,736,307
Associates	LG Display Co., Ltd. and its subsidiaries	133,262	1,000,000	83,602	1,216,864	47,642	-	68,635	116,277
	Hitachi-LG Data Storage Inc. and its subsidiaries	-	-	-	-	10,201	-	519	10,720
	Robostar Co., Ltd.	-	-	-	-	-	-	8,699	8,699
	Subtotal	133,262	1,000,000	83,602	1,216,864	57,843	-	77,853	135,696
Other related parties	LG CNS Co., Ltd. and its subsidiaries	27,932	-	146	28,078	3,442	-	318,479	321,921
	D&O Corp. and its subsidiaries	1	-	-	1	-	-	4,129	4,129
	LG Management Development Institute	6	-	-	6	-	-	849	849
	LG SPORTS Ltd.	-	-	-	-	-	-	1,025	1,025
	LG-MRI LLC ²	6,884	-	-	6,884	-	-	-	-
	Subtotal	34,823	-	146	34,969	3,442	-	324,482	327,924
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	292,088	-	251,267	543,355	85,558	-	82,462	168,020
	LG Uplus Corp and its subsidiaries	8,028	-	549	8,577	428	-	529	957
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	112	-	594	706	-	-	199	199
	HS Ad Inc. and its subsidiaries	29	-	-	29	-	-	156,099	156,099
	XI C&A Co., Ltd. ³	4,372	-	-	4,372	-	-	23,399	23,399
	S&I Corp. and its subsidiaries ³	3,941	-	389	4,330	5	-	18,237	18,242
	Subtotal	308,570	-	252,799	561,369	85,991	-	280,925	366,916
	Total	4,429,719	1,000,000	664,209	6,093,928	3,962,860	644,700	992,674	5,600,234

¹ Although the entities are not the related parties of the Company in accordance with KIFRS 1024, the entities belong to the Large Scale Business Group to which the Company also belongs in accordance with the Monopoly Regulation and Fair Trade Act.

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

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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.

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)

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

(in millions of Korean won)

		Three-month period ended March 31, 2023						
Classification	Name	Dividend income	Dividend paid ²	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ³	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp.	-	38,566	-	-	-	-	6,870
Subsidiaries	LG Innotek Co., Ltd.	40,061	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	391	-	-	-	-

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(in millions of Korean won)

		Three-month period ended March 31, 2023						
Classification	Name	Dividend income	Dividend paid ²	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ³	
					Loans	Collections	Borrowings	Repayments
	LG Electronics Fund II LLC	-	-	190	-	-	-	-
	NOVA Prime Fund I, LP	-	-	8,502	-	-	-	-
	LG Magna e-Powertrain Co., Ltd.	-	-	-	-	-	-	1,203
	PT.LGE Indonesia Research and Development Center	-	-	58,230	-	-	-	-
	LG Electronics U.S.A., Inc.	-	-	-	-	-	311,150	-
	NanJing LG-Panda Appliances Co., Ltd.	18,868	-	-	-	-	-	-
	LG Electronics Thailand Co., Ltd.	160,680	-	-	-	-	-	-
	LG Electronics Middle East Co., Ltd.	12,996	-	-	-	-	-	-
	LG Electronics Singapore PTE LTD.	25,359	-	-	-	-	-	-
	LG Soft India Private Limited.	13,014	-	-	-	-	-	-
	LG ELECTRONICS INDIA PRIVATE LIMITED	378,551	-	-	-	-	-	-
	Subtotal	649,529	-	67,313	-	-	311,150	1,203
Associates	LG Display Co., Ltd. ¹	-	-	-	650,000	-	-	-
	Ericsson-LG Co., Ltd.	11,250	-	-	-	-	-	-
	Subtotal	11,250	-	-	650,000	-	-	-
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	3,131	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	3,131	-	-	-	-
	GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	-	-	321	-	-	-	-
	Subtotal	-	-	6,583	-	-	-	-
Other related parties	LG CNS Co., Ltd.	-	-	-	-	-	-	30
	D&O Corp. and its subsidiaries	-	-	-	-	-	409	258
	Subtotal	-	-	-	-	-	409	288
	Total	660,779	38,566	73,896	650,000	-	311,559	8,361

¹ At the end of the reporting period, the Company has entered into a loan agreement with LG Display Co., Ltd. for ₩1,000,000 million, and in relation to this loan, the Company has been provided with collateral. At the end of the reporting period, ₩1,000,000 million has been executed and recorded as long-term loans.

² Presents dividend resolved, and is recognized as "other payables" as of March 31, 2024.

³ Financing borrowing transactions include borrowing and repayment of principal elements of lease liabilities.

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- (b) The compensation paid or payable to key management personnel 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
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 Company's business plans, operations and control.

- (c) The payment guarantees for the financial support of related parties at the end of the reporting period are presented in Note 28.
- (d) There is no collateral provided by the Company for the financial support of related parties at the end of the reporting period.
- (e) The Company has not recognized any bad debt expense or allowance for receivables from related parties at the end of the reporting period.

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31. Risk Management

31.1 Financial Risk Management

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

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

The Company mitigates 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 4 and Note 11, respectively.

(a) Market risk

i) Foreign exchange risk

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

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	6,262	(6,262)	10,147	(10,147)
EUR/KRW	24,184	(24,184)	24,171	(24,171)

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ii) Interest rate risk

The Company is exposed to interest rate risk through changes in interest-bearing liabilities or assets. The risk mainly arises from borrowings and deposits held by financial institutions with variable interest rates linked to market interest rate changes in the future. The 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 Company minimizes its borrowings from others and optimizes its deposits. The Company periodically monitors both domestic and foreign interest rate trends to establish countermeasures against changes in interest rates.

If interest rates fluctuate by 1%p with all other variables held constant, the effects on income and expenses related to borrowings and deposits held by financial institutions with variable interest rates for 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	5,472	(5,472)	4,321	(4,321)
Interest expenses	89	(89)	1,646	(1,646)

iii) Details of derivative contracts are as follows:

Derivatives for hedging purposes

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

Details of hedging instruments are as follows:

	Contractor	Contracted amount <i>(in millions)</i>	Contracted currency rate	Interest rate (paid) (%)	Starting date	Expiration date	Carrying amount <i>(in millions of Korean won)</i>	
							Assets	Liabilities
Cross-currency swap	KEB Hana Bank and others	USD 1,294	1,067.9 ~ 1,309	1.88 ~ 4.47	2017. 10. 23 ~ 2024. 1. 8	2025. 4. 23 ~ 2031. 7. 28	183,971	-
	Citi Bank	EUR 95	1,312	3.84	2022. 7. 15	2028. 1. 14	9,374	-
	Citi Bank and others	JPY 22,000	8.7 ~ 10.0	4.06 ~ 4.38	2023. 4. 4 ~ 2023. 11. 24	2029. 4. 4 ~ 2029. 5. 24	733	15,324
Interest rate swap	Woori Bank and others	KRW 1,166,821	-	2.75 ~ 4.87	2014. 4. 30 ~ 2024. 3. 29	2027. 1. 15 ~ 2032. 11. 16	14,656	5,909

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

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Details of hedged items are as follows:

<i>(in millions of Korean won)</i>	Hedged items	Carrying amount	Changes in fair value (net of tax)
Cross-currency swap	Borrowings	2,073,367	(68,102)
Interest rate swap	Borrowings	1,047,679	(6,335)

The results of hedge accounting are as follows:

<i>(in millions of Korean won)</i>	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 income (net of tax)	Accumulated other comprehensive income
Cross-currency swap	68,102	Interest expense and exchange differences	(50,637)	17,465	15,730
Interest rate swap	6,335	Interest expense	(1,837)	4,498	5,394

Trading purposes

Stock purchase contracts

According to the put options granted to employees to whom stock options of Cybellum Technologies Ltd. were granted, the Company recognized ₩18,304 million of derivative liabilities and no gain or loss on derivatives transaction was recognized during the three-month period ended March 31, 2024.

iv) Price risk

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

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

The effect of price index's fluctuation related to the listed securities on the equity (before applying the tax effect) is set out in the below table. The analysis is performed in respect of 30% increase/decrease in the price index under the assumption that other variations are consistent and the listed securities owned by the Company 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	2,630	(2,630)	2,252	(2,252)

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

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(b) Credit risk

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

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

At the end of the reporting period, trade receivable balance of the Company, excluding the trade receivables from the subsidiaries, is ₩2,468,848 million (December 31, 2023: ₩2,101,072 million) and its risk is managed appropriately within insurer's credit limit of ₩2,980,427 million (December 31, 2023: ₩2,842,702 million). Therefore, the Company determined that credit risk exposed to the Company is limited.

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

(c) Liquidity risk

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

The Company 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 Company 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, is as follows:

<i>(in millions of Korean Won)</i>	March 31, 2024				
	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade payables	7,328,372	7,328,372	-	-	-
Borrowings	10,542,393	1,485,105	1,335,530	4,032,819	3,688,939
Lease liabilities	151,181	69,435	34,722	41,358	5,666
Other payables	1,853,710	1,841,880	-	11,630	200
Other financial liabilities	18,304	5,858	-	12,446	-
Total	19,893,960	10,730,650	1,370,252	4,098,253	3,694,805

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

- ii) As of March 31, 2024, the maturity analysis of financial guarantee contracts provided by the Company to subsidiaries and 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	3,800,456	3,800,456	-	-	-

Financial guarantee contracts provided to subsidiaries were classified by maturity according to the remaining period. And in financial guarantee contracts provided to third-party companies, the maximum amount of the guarantee was allocated to the earliest period in which the guarantee could be requested.

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31.2 Capital Risk Management

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

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)	21,996,950	21,232,006
Equity (B)	11,262,549	10,515,547
Cash and cash equivalents (C)	2,188,903	2,349,705
Borrowings and lease liabilities (D)	9,046,986	9,380,075
Liability to equity ratio (A/B)	195.3%	201.9%
Net borrowings ratio ((D-C)/B)	60.9%	66.9%

31.3 Fair Value Estimation

(a) The carrying amount and fair value of the Company'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	-	-	81,209	81,209
Financial assets at fair value through other comprehensive income				
Trade receivables	268,445	1	-	-
Other financial assets	-	-	131,732	131,732
Derivatives for hedging purposes				
Other financial assets	10,848	10,848	197,886	197,886
Assets at amortized cost				
Financial assets at amortized cost				
Cash and cash equivalents	2,188,903	1	-	-
Deposits held by financial institutions	20,863	1	120,670	1
Trade receivables	5,814,357	1	71,373	71,373
Other receivables	386,816	1	1,181,325	1,179,320
Other assets				
Trade receivables	118,642	1	698,803	698,803
Total	8,808,874		2,482,998	

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<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	5,858	5,858	12,446	12,446
Derivatives for hedging purposes				
Other financial liabilities	-	-	21,233	21,233
Liabilities at amortized cost				
Financial liabilities at amortized cost				
Trade payables	7,328,372	1	-	-
Borrowings	1,149,718	1	7,754,038	7,264,325
Other payables	1,841,880	1	11,830	10,127
Other liabilities				
Lease liabilities	67,268	2	75,962	2
Other financial liabilities	6,161	3	3,988	3
Total	10,399,257		7,879,497	

<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	-	-	80,702	80,702
Financial assets at fair value through other comprehensive income				
Trade receivables	212,773	1	-	-
Other financial assets	-	-	66,926	66,926
Derivatives for hedging purposes				
Other financial assets	19,106	19,106	135,980	135,980
Assets at amortized cost				
Financial assets at amortized cost				
Cash and cash equivalents	2,349,705	1	-	-
Deposits held by financial institutions	20,863	1	120,652	1
Trade receivables	5,084,191	1	105,720	105,720
Other receivables	458,642	1	1,169,185	1,163,774
Other assets				
Trade receivables	96,240	1	512,172	512,172
Total	8,241,520		2,191,337	

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<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	-	-	18,304	18,304
Derivatives for hedging purposes				
Other financial liabilities	6,610	6,610	40,848	40,848
Liabilities at amortized cost				
Financial liabilities at amortized cost				
Trade payables	5,808,472	¹	-	-
Borrowings	1,604,369	¹	7,620,242	7,288,520
Other payables	2,156,944	¹	11,960	10,158
Other liabilities				
Lease liabilities	74,853	²	80,611	²
Other financial liabilities	6,856	³	4,285	³
Total	9,658,104		7,776,250	

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.

(b) Fair value measurements of assets and liabilities

i) Fair value hierarchy and measurement method

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

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

- Level 1: Financial instruments measured at the quoted 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 marketable equity securities traded.

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- Level 2: When financial instruments are measured by using a discounted cash flow, if all significant inputs required to measure the fair value of an instrument are observable, the

instrument is included in 'level 2'. Assets or liabilities categorized within 'level 2' are financial instruments such as derivative financial instruments.

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

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 Company 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 listed equity securities classified as financial assets at fair value through other comprehensive income.

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

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

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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:

<i>(in millions of Korean won)</i>	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets and others				
Financial assets at fair value through other comprehensive income	82,747	-	48,985	131,732
Financial assets at fair value through profit or loss	-	-	81,209	81,209
Derivatives for hedging purposes	-	208,734	-	208,734
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	18,304	-	18,304
Derivatives for hedging purposes	-	21,233	-	21,233
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	18,311	-	48,615	66,926
Financial assets at fair value through profit or loss	-	-	80,702	80,702
Derivatives for hedging purposes	-	155,086	-	155,086
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	18,304	-	18,304
Derivatives for hedging purposes	-	47,458	-	47,458

The above fair value amounts are recurring fair value measurements.

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

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				
Financial assets at fair value through profit or loss	-	-	Discounted cash flow	Discount rate and exchange rate
Derivatives for hedging purposes	208,734	155,086	Discounted cash flow	Discount rate and exchange rate
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	-	Discounted cash flow	Discount rate and exchange rate
Financial liabilities at fair value through profit or loss	18,304	18,304	Binomial model	Share price and volatility
Derivatives for hedging purposes	21,233	47,458	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 and debt securities and are measured using discounted cash flow 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	-	-	770,176	770,176
Non-current other receivables	-	-	1,179,320	1,179,320
Liabilities				
Non-current borrowings	-	-	7,264,325	7,264,325
Non-current other payables	-	-	10,127	10,127

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<i>(in millions of Korean won)</i>	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Non-current trade receivables	-	-	617,892	617,892
Non-current other receivables	-	-	1,163,774	1,163,774
Liabilities				
Non-current borrowings	-	-	7,288,520	7,288,520
Non-current other payables	-	-	10,158	10,158

- 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	770,176	770,176	617,892	617,892	Discounted cash flow	Discount rate	Discount rate	5.3%~6.1%
Non-current other receivables	1,181,325	1,179,320	1,169,185	1,163,774	Discounted cash flow	Discount rate and exchange rate	Discount rate	4.0%~5.3%
Liabilities								
Non-current borrowings	7,754,038	7,264,325	7,620,242	7,288,520	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.8%~5.4%
Non-current other payables	11,830	10,127	11,960	10,158	Discounted cash flow	Discount rate	Discount rate	3.8%~4.9%

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32. Discontinued Operation

In 2022, the Company discontinued the operations of energy business in order to focus on the Company's core business through firmwide resource efficiency and to secure financial resources for preparing new business for future growth by improving its financial structure.

- (a) 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
Revenue	-	66
Operating profit (loss)	-	(209)
Profit (Loss) before income tax	-	(192)
Income tax expense (benefit)	-	(51)
Profit (Loss) for the period, net of tax	-	(141)

- (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 (outflow) from operating activities	-	(2,269)
Net cash inflow (outflow) from investing activities	-	182
Net cash inflow (outflow) from financing activities	-	2,087