

# **LG Electronics Inc. and its subsidiaries**

Interim condensed consolidated financial statements  
for the six-month period ended June 30, 2024  
with the independent auditor's review report

**LG Electronics Inc. and its subsidiaries**

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## Report on review of interim condensed consolidated financial statements

(English translation of a report originally issued in Korean)

### The Stockholders and Board of Directors LG Electronics Inc.

We have reviewed the accompanying interim condensed consolidated financial statements of LG Electronics Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as of June 30, 2024, and the related interim condensed consolidated statements of profit or loss, interim condensed consolidated statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2024, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period ended June 30, 2024, and a summary of material accounting policy information and other explanatory information.

### Management’s responsibility for the interim condensed consolidated financial statements

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

### Auditor’s responsibility

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

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

### Conclusion

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

## Other matters

The interim condensed consolidated statements of profit or loss, interim condensed consolidated statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2023, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, prepared in accordance with KIFRS 1034 and presented for comparative purposes, have been reviewed by Samil PwC whose review report dated August 11, 2023 expressed an unqualified review conclusion thereon.

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

*Ernst & Young Han Young*

August 14, 2024

This review report is effective as of August 14, 2024, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed consolidated financial statements and may result in modification to this review report.

# **LG Electronics Inc. and its subsidiaries**

Interim condensed consolidated financial statements  
for each of the six-month periods ended June 30, 2024 and 2023

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

JOO WAN CHO  
Chief Executive Officer  
LG Electronics Inc.

**LG Electronics Inc. and its subsidiaries**  
**Interim condensed consolidated statements of financial position**  
**as of June 30, 2024 and December 31, 2023**

| <i>(in millions of Korean won)</i>                                      | <b>Notes</b> | <b>June 30, 2024<br/>(unaudited)</b> | <b>December 31, 2023</b> |
|---|--------------|--------------------------------------|--------------------------|
| <b>Assets</b>   |              |                                      |                          |
| <b>Current assets</b>   |              |                                      |                          |
| Cash and cash equivalents   | 5,32         | 8,554,530                            | 8,487,563                |
| Deposits held by financial institutions                                 | 5,32         | 45,527                               | 26,386                   |
| Trade receivables   | 5,6,32       | 10,184,318                           | 9,265,022                |
| Other receivables   | 5,6,32       | 953,958                              | 595,793                  |
| Other financial assets  | 5,7,32       | 128,755                              | 102,054                  |
| Inventories   | 8            | 9,933,765                            | 9,125,404                |
| Current tax assets  |              | 140,553                              | 226,253                  |
| Contract assets   | 9            | 1,342,127                            | 1,129,399                |
| Other current assets  |              | 1,546,077                            | 1,379,180                |
| Assets held for sale  | 33           | 3,732                                | 4,155                    |
|   |              | <u>32,833,342</u>                    | <u>30,341,209</u>        |
| <b>Non-current assets</b>   |              |                                      |                          |
| Deposits held by financial institutions                                 | 5,32         | 193,510                              | 195,189                  |
| Trade receivables   | 5,6,32       | 1,110,092                            | 639,439                  |
| Other receivables   | 5,6,32       | 1,543,398                            | 1,779,637                |
| Other financial assets  | 5,7,32       | 565,578                              | 385,370                  |
| Property, plant and equipment   | 10           | 16,714,844                           | 16,818,629               |
| Intangible assets   | 10           | 3,104,917                            | 2,867,687                |
| Deferred tax assets   |              | 2,772,998                            | 2,821,557                |
| Investments in associates and joint ventures                            | 11           | 3,129,385                            | 3,004,464                |
| Investment properties   |              | 91,902                               | 94,461                   |
| Net defined benefit assets  | 14           | 333,973                              | 557,822                  |
| Contract assets   | 9            | 431,094                              | 426,278                  |
| Other non-current assets  |              | 300,893                              | 309,051                  |
|   |              | <u>30,292,584</u>                    | <u>29,899,584</u>        |
| <b>Total assets</b>   |              | <u>63,125,926</u>                    | <u>60,240,793</u>        |
| <b>Liabilities</b>  |              |                                      |                          |
| <b>Current liabilities</b>  |              |                                      |                          |
| Trade payables  | 5,32         | 9,571,470                            | 9,427,288                |
| Borrowings  | 5,12,32      | 2,450,748                            | 2,601,636                |
| Lease liabilities   | 5,13,32      | 340,001                              | 336,772                  |
| Other payables  | 5,32         | 4,133,860                            | 4,624,046                |
| Other financial liabilities   | 5,7,32       | 4,320                                | 9,292                    |
| Current tax liabilities   |              | 164,664                              | 226,343                  |
| Provisions  | 15           | 1,006,244                            | 1,049,625                |
| Contract liabilities  | 9            | 2,363,413                            | 1,898,005                |
| Other current liabilities   |              | 4,167,908                            | 3,987,373                |
|   |              | <u>24,202,628</u>                    | <u>24,160,380</u>        |
| <b>Non-current liabilities</b>  |              |                                      |                          |
| Borrowings  | 5,12,32      | 11,834,281                           | 10,719,175               |
| Lease liabilities   | 5,13,32      | 837,735                              | 856,251                  |
| Other payables  | 5,32         | 239,323                              | 212,648                  |
| Other financial liabilities   | 5,7,32       | 44,171                               | 52,754                   |
| Deferred tax liabilities  |              | 28,968                               | 35,025                   |
| Net defined benefit liabilities   | 14           | 113,981                              | 105,278                  |
| Provisions  | 15           | 279,015                              | 327,495                  |
| Contract liabilities  | 9            | 90,612                               | 63,497                   |
| Other non-current liabilities   |              | 209,843                              | 209,754                  |
|   |              | <u>13,677,929</u>                    | <u>12,581,877</u>        |
| <b>Total liabilities</b>  |              | <u>37,880,557</u>                    | <u>36,742,257</u>        |
| <b>Equity</b>   |              |                                      |                          |
| Paid-in capital:  | 16           |                                      |                          |
| Share capital   |              | 904,169                              | 904,169                  |
| Share premium   |              | 3,088,179                            | 3,088,179                |
| Retained earnings   | 17           | 16,998,083                           | 16,201,439               |
| Accumulated other comprehensive income (loss)                           | 18           | 334,835                              | (420,818)                |
| Accumulated other comprehensive income (loss) from assets held for sale | 18,33        | (237)                                | (136)                    |
| Other components of equity  | 19           | (108,189)                            | (108,079)                |
| <b>Equity attributable to owners of the Parent Company</b>              |              | <u>21,216,840</u>                    | <u>19,664,754</u>        |
| <b>Non-controlling interests</b>  |              | <u>4,028,529</u>                     | <u>3,833,782</u>         |
| <b>Total equity</b>   |              | <u>25,245,369</u>                    | <u>23,498,536</u>        |
| <b>Total liabilities and equity</b>                                     |              | <u>63,125,926</u>                    | <u>60,240,793</u>        |

**LG Electronics Inc. and its subsidiaries**  
**Interim condensed consolidated statements of profit or loss**  
**for each of the three-month and six-month periods ended June 30, 2024 and 2023 (unaudited)**

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

| Notes   | Period ended June 30 |            |             |            |            |
|---|----------------------|------------|-------------|------------|------------|
|   | 2024                 |            | 2023        |            |            |
|   | Three-month          | Six-month  | Three-month | Six-month  |            |
| <b>Continuing operations</b>  |                      |            |             |            |            |
| Net sales   | 20                   | 21,694,366 | 42,790,315  | 19,998,457 | 40,414,329 |
| Cost of sales   | 21                   | 16,030,307 | 31,741,305  | 15,112,453 | 30,358,382 |
| <b>Gross profit</b>   |                      | 5,664,059  | 11,049,010  | 4,886,004  | 10,055,947 |
| Selling expenses  | 21,22                | 2,811,441  | 5,328,846   | 2,485,218  | 4,770,876  |
| Administrative expenses   | 21,22                | 569,619    | 1,077,089   | 491,094    | 947,350    |
| Research and development expenses   | 21,22                | 677,874    | 1,308,421   | 632,669    | 1,209,992  |
| Service costs   | 21,22                | 408,979    | 803,097     | 535,106    | 888,424    |
| <b>Operating profit (loss)</b>  |                      | 1,196,146  | 2,531,557   | 741,917    | 2,239,305  |
| Financial income  | 23                   | 273,924    | 622,437     | 346,199    | 704,764    |
| Financial expenses  | 24                   | 307,770    | 608,650     | 336,987    | 722,570    |
| Profit (loss) from equity method valuation  | 11                   | (210,613)  | (520,323)   | (321,564)  | (793,249)  |
| Other non-operating income  | 25                   | 458,617    | 996,646     | 503,695    | 1,192,152  |
| Other non-operating expenses  | 26                   | 513,651    | 1,146,656   | 547,048    | 1,300,529  |
| Profit (loss) before income tax   |                      | 896,653    | 1,875,011   | 386,212    | 1,319,873  |
| Income tax expense (benefit)  |                      | 267,183    | 660,126     | 191,820    | 579,536    |
| <b>Profit (loss) from continuing operations</b>   |                      | 629,470    | 1,214,885   | 194,392    | 740,337    |
| <b>Discontinued operations</b>  |                      |            |             |            |            |
| Profit (loss) from discontinued operations  | 34                   | -          | -           | 862        | 1,446      |
| <b>Profit (loss) for the period</b>   |                      | 629,470    | 1,214,885   | 195,254    | 741,783    |
| <b>Profit (loss) for the period attributable to:</b>  |                      |            |             |            |            |
| Owners of the Parent Company  |                      |            |             |            |            |
| Profit (loss) from continuing operations  |                      | 559,078    | 1,033,832   | 161,234    | 631,910    |
| Profit (loss) from discontinued operations  |                      | -          | -           | 862        | 1,446      |
|   |                      | 559,078    | 1,033,832   | 162,096    | 633,356    |
| Non-controlling interests   |                      |            |             |            |            |
| Profit (loss) from continuing operations  |                      | 70,392     | 181,053     | 33,158     | 108,427    |
| Profit (loss) from discontinued operations  |                      | -          | -           | -          | -          |
|   |                      | 70,392     | 181,053     | 33,158     | 108,427    |
| <b>Earnings (losses) per share attributable to owners of the Parent Company during the period (in Korean won):</b> 27 |                      |            |             |            |            |
| Earnings (losses) per ordinary share  |                      |            |             |            |            |
| From continuing operations  |                      | 3,104      | 5,739       | 894        | 3,507      |
| From discontinued operations  |                      | -          | -           | 5          | 8          |
|   |                      | 3,104      | 5,739       | 899        | 3,515      |
| Earnings (losses) per preferred share   |                      |            |             |            |            |
| From continuing operations  |                      | 3,116      | 5,764       | 907        | 3,532      |
| From discontinued operations  |                      | -          | -           | 5          | 8          |
|   |                      | 3,116      | 5,764       | 912        | 3,540      |

**LG Electronics Inc. and its subsidiaries**  
**Interim condensed consolidated statements of comprehensive income**  
**for each of the three-month and six-month periods ended June 30, 2024 and 2023 (unaudited)**

(in millions of Korean won)

|   | Notes | Period ended June 30 |           |             |           |
|---|-------|----------------------|-----------|-------------|-----------|
|   |       | 2024                 |           | 2023        |           |
|   |       | Three-month          | Six-month | Three-month | Six-month |
| <b>Profit (loss) for the period</b>   |       | 629,470              | 1,214,885 | 195,254     | 741,783   |
| <b>Other comprehensive income (loss), net of tax</b>                                  |       |                      |           |             |           |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>            |       |                      |           |             |           |
| Remeasurements of the net defined benefit liability                                   | 14    | (94,439)             | (90,419)  | 67,618      | (39,828)  |
| Share of remeasurements of associates   | 11    | (584)                | (1,739)   | (91)        | (615)     |
| Financial assets at fair value through other comprehensive income                     | 7     | (28,012)             | 21,866    | 3,794       | 7,458     |
| <i>Items that will be reclassified subsequently to profit or loss:</i>                |       |                      |           |             |           |
| Share of other comprehensive income   |       |                      |           |             |           |
| (excluding remeasurements) of associates and joint ventures                           | 11    | 70,054               | 152,201   | (87,326)    | 29,367    |
| Cash flow hedges  | 32    | (15,766)             | 8,640     | 10,034      | (10,900)  |
| Exchange differences on translation of foreign operations                             |       | 269,577              | 665,979   | 32,557      | 556,490   |
| <b>Other comprehensive income (loss) for the period, net of tax</b>                   |       | 200,830              | 756,528   | 26,586      | 541,972   |
| <b>Total comprehensive income (loss) for the period, net of tax</b>                   |       | 830,300              | 1,971,413 | 221,840     | 1,283,755 |
| <b>Total comprehensive income (loss) for the period, net of tax, attributable to:</b> |       |                      |           |             |           |
| Owners of the Parent Company  |       | 725,022              | 1,697,108 | 194,583     | 1,146,421 |
| Non-controlling interests   |       | 105,278              | 274,305   | 27,257      | 137,334   |
| <b>Total comprehensive income (loss) for the period, net of tax</b>                   |       | 830,300              | 1,971,413 | 221,840     | 1,283,755 |



**LG Electronics Inc. and its subsidiaries**  
**Interim condensed consolidated statements of changes in equity**  
**for each of the six-month periods ended June 30, 2024 and 2023 (unaudited)**

(in millions of Korean won)

|       |   | Attributable to owners of the Parent Company |                      |  |  |                                  |            |                              |                 |
|-------|---|--|----------------------|--|--|----------------------------------|------------|------------------------------|-----------------|
|       |   |  |                      | Accumulated<br>other<br>comprehensive<br>income (loss) | Accumulated<br>other<br>comprehensive<br>income (loss)<br>from assets<br>held for sale | Other<br>components<br>of equity | Total      | Non-controlling<br>interests | Total<br>equity |
| Notes |   | Paid-in<br>capital                           | Retained<br>earnings | comprehensive<br>income (loss)                         |  |                                  |            |                              |                 |
|       | <b>Balance as of January 1, 2023</b>  | 3,992,348                                    | 15,834,021           | (750,372)  | 838  | (84,727)                         | 18,992,108 | 3,499,889                    | 22,491,997      |
|       | <b>Total comprehensive income (loss):</b>   |  |                      |  |  |                                  |            |                              |                 |
|       | Profit (loss) for the period  | -  | 633,356              | -  | -  | -                                | 633,356    | 108,427                      | 741,783         |
|       | Remeasurements of the net defined benefit liability   | 14   | (38,047)             | -  | -  | -                                | (38,047)   | (1,781)                      | (39,828)        |
|       | Share of remeasurements of associates   | 11   | (615)                | -  | -  | -                                | (615)      | -                            | (615)           |
|       | Financial assets at fair value through<br>other comprehensive income                                  | 7  | (208)                | 7,302  | -  | -                                | 7,094      | 364                          | 7,458           |
|       | Share of other comprehensive income<br>(excluding remeasurements) of<br>associates and joint ventures | 11   | -                    | 29,367   | -  | -                                | 29,367     | -                            | 29,367          |
|       | Cash flow hedges  | 32   | -                    | (10,051)   | -  | -                                | (10,051)   | (849)                        | (10,900)        |
|       | Exchange differences<br>on translation of foreign operations  |  | -                    | 526,155  | (838)  | -                                | 525,317    | 31,173                       | 556,490         |
|       | <b>Total comprehensive income (loss):</b>   |  | 594,486              | 552,773  | (838)  | -                                | 1,146,421  | 137,334                      | 1,283,755       |
|       | <b>Transactions with owners:</b>  |  |                      |  |  |                                  |            |                              |                 |
|       | Dividends   | 17   | (126,905)            | -  | -  | -                                | (126,905)  | (101,212)                    | (228,117)       |
|       | Changes in controlling interests in subsidiaries  |  | -                    | -  | -  | 2,340                            | 2,340      | 1,616                        | 3,956           |
|       | <b>Total transactions with owners</b>   |  | (126,905)            | -  | -  | 2,340                            | (124,565)  | (99,596)                     | (224,161)       |
|       | <b>Balance as of June 30, 2023 (unaudited)</b>  | 3,992,348                                    | 16,301,602           | (197,599)  | -  | (82,387)                         | 20,013,964 | 3,537,627                    | 23,551,591      |
|       | <b>Balance as of January 1, 2024</b>  | 3,992,348                                    | 16,201,439           | (420,818)  | (136)  | (108,079)                        | 19,664,754 | 3,833,782                    | 23,498,536      |
|       | <b>Total comprehensive income (loss):</b>   |  |                      |  |  |                                  |            |                              |                 |
|       | Profit (loss) for the period  | -  | 1,033,832            | -  | -  | -                                | 1,033,832  | 181,053                      | 1,214,885       |
|       | Remeasurements of the net defined benefit liability   | 14   | (83,980)             | -  | -  | -                                | (83,980)   | (6,439)                      | (90,419)        |
|       | Share of remeasurements of associates   | 11   | (1,739)              | -  | -  | -                                | (1,739)    | -                            | (1,739)         |
|       | Financial assets at fair value through<br>other comprehensive income                                  | 7  | (6,557)              | 28,188   | -  | -                                | 21,631     | 235                          | 21,866          |
|       | Share of other comprehensive income<br>(excluding remeasurements) of<br>associates and joint ventures | 11   | -                    | 152,201  | -  | -                                | 152,201    | -                            | 152,201         |
|       | Cash flow hedges  | 32   | -                    | 9,015  | -  | -                                | 9,015      | (375)                        | 8,640           |
|       | Exchange differences<br>on translation of foreign operations  |  | -                    | 566,249  | (101)  | -                                | 566,148    | 99,831                       | 665,979         |
|       | <b>Total comprehensive income (loss)</b>  |  | 941,556              | 755,653  | (101)  | -                                | 1,697,108  | 274,305                      | 1,971,413       |
|       | <b>Transactions with owners:</b>  |  |                      |  |  |                                  |            |                              |                 |
|       | Dividends   | 17   | (144,912)            | -  | -  | -                                | (144,912)  | (81,762)                     | (226,674)       |
|       | Changes in controlling interests in subsidiaries  |  | -                    | -  | -  | (110)                            | (110)      | 2,204                        | 2,094           |
|       | <b>Total transactions with owners</b>   |  | (144,912)            | -  | -  | (110)                            | (145,022)  | (79,558)                     | (224,580)       |
|       | <b>Balance as of June 30, 2024 (unaudited)</b>  | 3,992,348                                    | 16,998,083           | 334,835  | (237)  | (108,189)                        | 21,216,840 | 4,028,529                    | 25,245,369      |

**LG Electronics Inc. and its subsidiaries**  
**Interim condensed consolidated statements of cash flows**  
**for each of the six-month periods ended June 30, 2024 and 2023 (unaudited)**

(in millions of Korean won)

|   | Notes | Six-month period ended June 30 |                    |
|---|-------|--------------------------------|--------------------|
|   |       | 2024                           | 2023               |
| <b>Cash flows from operating activities</b>   |       |                                |                    |
| Cash generated from (used in) operations  | 28    | 2,522,499                      | 3,321,464          |
| Interest received   |       | 250,191                        | 188,323            |
| Interest paid   |       | (304,898)                      | (251,326)          |
| Dividend received   |       | 22,346                         | 12,820             |
| Income tax paid   |       | (563,535)                      | (561,734)          |
| <b>Net cash provided by (used in) operating activities</b>                            |       | <b>1,926,603</b>               | <b>2,709,547</b>   |
| <b>Cash flows from investing activities</b>   |       |                                |                    |
| Decrease in deposits held by financial institutions                                   |       | 15,404                         | 8,039              |
| Decrease in other receivables   |       | 42,349                         | 82,527             |
| Proceeds from withdrawal and disposal of other financial assets                       |       | 62,520                         | 12,852             |
| Proceeds from disposal of property, plant and equipment                               |       | 26,254                         | 26,701             |
| Proceeds from disposal of intangible assets   |       | 18,657                         | 3,872              |
| Proceeds from withdrawal and disposal of investments in associates and joint ventures |       | 1,197                          | -                  |
| Proceeds from disposal of assets held for sale  |       | -                              | 13,292             |
| Proceed from disposal of business unit  |       | 6,252                          | -                  |
| Increase in deposits held by financial institutions                                   |       | (52,410)                       | (7,439)            |
| Increase in other receivables   |       | (55,859)                       | (1,105,714)        |
| Acquisition of other financial assets   |       | (85,964)                       | (55,896)           |
| Acquisition of property, plant and equipment  |       | (1,123,953)                    | (1,628,153)        |
| Acquisition of intangible assets  |       | (613,890)                      | (383,541)          |
| Acquisition of investments in associates and joint ventures                           |       | (539,539)                      | (20,066)           |
| Business combinations   |       | (67,149)                       | -                  |
| <b>Net cash provided by (used in) investing activities</b>                            |       | <b>(2,366,131)</b>             | <b>(3,053,526)</b> |
| <b>Cash flows from financing activities</b>   |       |                                |                    |
| Increase in borrowings  |       | 3,140,114                      | 3,730,185          |
| Increase due to transactions with non-controlling interests                           |       | 19                             | -                  |
| Repayments of borrowings  |       | (2,414,555)                    | (2,156,400)        |
| Repayments of lease liabilities   |       | (142,376)                      | (180,062)          |
| Dividend paid and others  |       | (226,670)                      | (228,117)          |
| <b>Net cash provided by (used in) financing activities</b>                            |       | <b>356,532</b>                 | <b>1,165,606</b>   |
| Effects of exchange rate changes on cash and cash equivalents                         |       | 149,963                        | 94,670             |
| <b>Net increase (decrease) in cash and cash equivalents</b>                           |       | <b>66,967</b>                  | <b>916,297</b>     |
| Cash and cash equivalents at the beginning of the period                              |       | 8,487,563                      | 6,322,360          |
| <b>Cash and cash equivalents at the end of the period</b>                             |       | <b>8,554,530</b>               | <b>7,238,657</b>   |

# **LG Electronics Inc. and its subsidiaries**

## **Notes to the interim condensed consolidated financial statements**

**June 30, 2024 and 2023, and December 31, 2023**

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### **1. General Information**

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

As of June 30, 2024, LG Corp. owns 33.7% of the Parent Company’s total shares, excluding preferred shares, while financial institutions, foreign investors and others own the rest.

The Parent Company and its subsidiaries (collectively referred to as the “Group”) operate the following five major business segments: Home Appliance & Air Solution segment manufacturing and selling refrigerators, washing machines, vacuum cleaners, and residential and commercial air conditioners; Home Entertainment segment manufacturing and selling TVs and digital media products; Vehicle component Solutions segment designing and manufacturing automobile parts; Business Solutions segment manufacturing and selling monitors, PCs, information displays and others; and LG Innotek Co., Ltd. operating optics solutions, substrate materials and automotive components businesses. As of June 30, 2024, the Parent Company has 150 subsidiaries (see Note 1 (a)), 23 associates and joint ventures (see Note 11).

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

(a) Consolidated subsidiaries as of June 30, 2024 and December 31, 2023 are as follows:

| Territory             | Location              | Subsidiary   | June 30, 2024           |                          | December 31, 2023       |                          | Closing month                        | Major business  | Basis of control                |
|-----------------------|-----------------------|--|-------------------------|--------------------------|-------------------------|--------------------------|--------------------------------------|---|---------------------------------|
|                       |                       |  | Percentage of ownership |                          | Percentage of ownership |                          |                                      |   |                                 |
|                       |                       |  | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |                                      |   |                                 |
| The Republic of Korea | South Korea           | Hiplaza Co., Ltd.  | 100.0%                  | -                        | 100.0%                  | -                        | December                             | Wholesales and retails of electronic products           | More than half of voting rights |
|                       | South Korea           | ACE R&A Co., Ltd.  | 100.0%                  | -                        | 100.0%                  | -                        | December                             | Production and sales of air conditioning plants         | More than half of voting rights |
|                       | South Korea           | Hi M Solutek Co., Ltd.   | 100.0%                  | -                        | 100.0%                  | -                        | December                             | Other general machinery and equipment repairs           | More than half of voting rights |
|                       | South Korea           | Hi-Caresolution Corp.  | 100.0%                  | -                        | 100.0%                  | -                        | December                             | Services  | More than half of voting rights |
|                       | South Korea           | Hi Teleservice Co., Ltd.   | 100.0%                  | -                        | 100.0%                  | -                        | December                             | Call center and telemarketing services                  | More than half of voting rights |
|                       | South Korea           | LG Innotek Co., Ltd. <sup>1</sup>  | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December                             | Production and sales of electrical/electronic materials | De-facto control                |
|                       | South Korea           | Innowith Co., Ltd. <sup>1</sup>  | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December                             | Services  | De-facto control                |
|                       | South Korea           | Hanuri Co., Ltd.   | 100.0%                  | -                        | 100.0%                  | -                        | December                             | Business facility maintenance                           | More than half of voting rights |
|                       | South Korea           | ZKW Lighting Systems Korea Co., Ltd.                                     | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December                             | R&D   | More than half of voting rights |
|                       | South Korea           | LG Magna e-Powertrain Co., Ltd.  | 51.0%                   | 49.0%                    | 51.0%                   | 49.0%                    | December                             | Production and sales of vehicle components              | More than half of voting rights |
| South Korea           | HIEVCHARGER CO., LTD. | 60.0%  | 40.0%                   | 60.0%                    | 40.0%                   | December                 | Manufacture of electric transformers | More than half of voting rights                         |                                 |
| China                 | China                 | LG Electronics (China) Co., Ltd (LGECH)                                  | 100.0%                  | -                        | 100.0%                  | -                        | December                             | Sales of electronic products                            | More than half of voting rights |
|                       | China                 | LG Electronics (China) Research and Development Center Co., Ltd. (LGERD) | 100.0%                  | -                        | 100.0%                  | -                        | December                             | R&D   | More than half of voting rights |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

| Territory | Location | Subsidiary  | June 30, 2024           |                          | December 31, 2023       |                          | Closing month | Major business   | Basis of control                |
|-----------|----------|---|-------------------------|--------------------------|-------------------------|--------------------------|---------------|--|---------------------------------|
|           |          |   | Percentage of ownership |                          | Percentage of ownership |                          |               |  |                                 |
|           |          |   | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |               |  |                                 |
|           | China    | LG Electronics Air-Conditioning (Shandong) Co., Ltd. (LGEQA)  | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production and sales of electronic products              | More than half of voting rights |
|           | China    | LG ELECTRONICS HK LIMITED(LGEHK)                              | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                             | More than half of voting rights |
|           | China    | LG Electronics (Huizhou) Inc. (LGEHZ)                         | 80.0%                   | 20.0%                    | 80.0%                   | 20.0%                    | December      | Production of electronic products                        | More than half of voting rights |
|           | China    | LG Electronics Nanjing New Technology Co., Ltd (LGENT)        | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Production of electronic products                        | More than half of voting rights |
|           | China    | LG Electronics Nanjing Vehicle Components Co., Ltd. (LGENV)   | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production of electronic products                        | More than half of voting rights |
|           | China    | LG Electronics (Qinhuangdao) Co., Ltd (LGEQH)                 | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production of casting                                    | More than half of voting rights |
|           | China    | LG Electronics (Shenyang) Inc (LGESY)                         | 78.9%                   | 21.1%                    | 78.9%                   | 21.1%                    | December      | Production of electronic products                        | More than half of voting rights |
|           | China    | LG Electronics (Tianjin) Appliances Co., Ltd. (LGETA)         | 80.0%                   | 20.0%                    | 80.0%                   | 20.0%                    | December      | Production of electronic products                        | More than half of voting rights |
|           | China    | Nanjing LG Panda Appliances Co., Ltd (LGEPN)                  | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Production of electronic products                        | More than half of voting rights |
|           | China    | Taizhou LG Electronics Refrigeration Co., Ltd. (LGETR)        | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production of electronic products                        | More than half of voting rights |
|           | China    | QINGGONGLIAN ELECTRICAL INSTALLATION ENGINEERING CO., LTD.    | 80.0%                   | 20.0%                    | 80.0%                   | 20.0%                    | December      | Installation and sales of air conditioners               | More than half of voting rights |
|           | China    | LG Innotek Yantai Co., Ltd. (LGITYT) <sup>1</sup>             | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December      | Production and sales of electrical/electronic components | De-facto control                |
|           | China    | LG Innotek Trading (Shanghai) Co., Ltd. (LGITSH) <sup>1</sup> | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December      | Sales of electrical/electronic components                | De-facto control                |
|           | China    | ZKW Lighting Systems (Dalian) Co. Ltd.                        | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Production and sales of vehicle components               | More than half of voting rights |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

| Territory | Location  | Subsidiary   | June 30, 2024           |                          | December 31, 2023       |                          | Closing month                             | Major business   | Basis of control                |
|-----------|---|--|-------------------------|--------------------------|-------------------------|--------------------------|---|--|---------------------------------|
|           |   |  | Percentage of ownership |                          | Percentage of ownership |                          |   |  |                                 |
|           |   |  | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |   |  |                                 |
| Asia      | China   | LG Magna Nanjing e-Powertrain Vehicle Components Co., Ltd. | 51.0%                   | 49.0%                    | 51.0%                   | 49.0%                    | December                                  | Production and sales of vehicle components               | More than half of voting rights |
|           | Australia   | LG ELECTRONICS AUSTRALIA PTY LIMITED(LGEAP)                | 100.0%                  | -                        | 100.0%                  | -                        | December                                  | Sales of electronic products                             | More than half of voting rights |
|           | India   | LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL) <sup>4</sup>   | 100.0%                  | -                        | 100.0%                  | -                        | March                                     | Production and sales of electronic products              | More than half of voting rights |
|           | Japan   | LG Japan Lab. Inc. (LGJL)                                  | 100.0%                  | -                        | 100.0%                  | -                        | December                                  | R&D  | More than half of voting rights |
|           | Japan   | LG Electronics Japan, Inc. (LGEJP)                         | 100.0%                  | -                        | 100.0%                  | -                        | December                                  | Sales of electronic products                             | More than half of voting rights |
|           | Malaysia  | LG Electronics (M) Sdn. Bhd (LGEML)                        | 100.0%                  | -                        | 100.0%                  | -                        | December                                  | Sales of electronic products                             | More than half of voting rights |
|           | Philippines   | LG Electronics Philippines Inc. (LGEPPH)                   | 100.0%                  | -                        | 100.0%                  | -                        | December                                  | Sales of electronic products                             | More than half of voting rights |
|           | Singapore   | LG Electronics Singapore Pte.Ltd.(LGESL)                   | 100.0%                  | -                        | 100.0%                  | -                        | December                                  | Sales of electronic products                             | More than half of voting rights |
|           | Taiwan  | LG Electronics Taiwan Taipei Co., Ltd. (LGETT)             | 100.0%                  | -                        | 100.0%                  | -                        | December                                  | Sales of electronic products                             | More than half of voting rights |
|           | Thailand  | LG Electronics (Thailand) Company Limited (LGETH)          | 100.0%                  | -                        | 100.0%                  | -                        | December                                  | Production and sales of electronic products              | More than half of voting rights |
|           | India   | LG Soft India Private Limited. (LGSIL) <sup>4</sup>        | 100.0%                  | -                        | 100.0%                  | -                        | March                                     | R&D  | More than half of voting rights |
|           | Indonesia   | P.T. LG Electronics Indonesia (LGEIN)                      | 100.0%                  | -                        | 100.0%                  | -                        | December                                  | Production and sales of electronic products              | More than half of voting rights |
|           | Philippines   | LG Electronics Pasig Inc. <sup>3</sup>                     | 38.0%                   | 62.0%                    | 38.0%                   | 62.0%                    | December                                  | Real estates   | De-facto control                |
|           | Indonesia   | PT. LG Innotek Indonesia (LGITIN) <sup>1</sup>             | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December                                  | Production and sales of electrical/electronic components | De-facto control                |
| Taiwan    | LG Innotek (Taiwan) Co., Ltd. (LGITTW) <sup>1</sup> | 40.8%  | 59.2%                   | 40.8%                    | 59.2%                   | December                 | Sales of electrical/electronic components | De-facto control   |                                 |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

| Territory | Location    | Subsidiary   | June 30, 2024           |                          | December 31, 2023       |                          | Closing month | Major business   | Basis of control                |
|-----------|-------------|--|-------------------------|--------------------------|-------------------------|--------------------------|---------------|--|---------------------------------|
|           |             |  | Percentage of ownership |                          | Percentage of ownership |                          |               |  |                                 |
|           |             |  | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |               |  |                                 |
|           | Vietnam     | LG Innotek Vietnam Hai Phong Co., Ltd. (LGITVH) <sup>1</sup> | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December      | Production and sales of electrical/electronic components | De-facto control                |
|           | Vietnam     | LG Electronics Vietnam Hai Phong Co., Ltd. (LGEVH)           | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production and sales of electronic products              | More than half of voting rights |
|           | Indonesia   | PT. LG Electronics Service Indonesia (LGEID)                 | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services   | More than half of voting rights |
|           | Philippines | HI-M SOLUTEK PHILIPPINES INC.                                | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services   | More than half of voting rights |
|           | Vietnam     | HI-M SOLUTEK VIETNAM CO., LTD.                               | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services   | More than half of voting rights |
|           | India       | Alphonso Labs Private Limited <sup>4</sup>                   | 55.4%                   | 44.6%                    | 55.5%                   | 44.5%                    | March         | R&D  | More than half of voting rights |
|           | Indonesia   | PT LGE INDONESIA RESEARCH AND DEVELOPMENT CENTER (LGERC)     | 100.0%                  | -                        | 100.0%                  | -                        | December      | R&D  | More than half of voting rights |
|           | Japan       | Cybellum Technologies Ltd.                                   | 72.9%                   | 27.1%                    | 69.1%                   | 30.9%                    | December      | Development and sales of automotive security solutions   | More than half of voting rights |
|           | Vietnam     | LG Electronics Development Vietnam Company Limited (LGEDV)   | 100.0%                  | -                        | 100.0%                  | -                        | December      | R&D  | More than half of voting rights |
|           | Indonesia   | PT HI-M SOLUTEK INDONESIA                                    | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services   | More than half of voting rights |
|           | India       | Hi-M.Solutek India Private Limited <sup>4</sup>              | 100.0%                  | -                        | 100.0%                  | -                        | March         | Services   | More than half of voting rights |
| Europe    | Netherlands | LG Electronics Benelux Sales B.V.(LGEBN)                     | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                             | More than half of voting rights |
|           | Germany     | LG Electronics Deutschland GmbH (LGEDG)                      | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                             | More than half of voting rights |
|           | Spain       | LG Electronics Espana S.A.(LGEES)                            | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                             | More than half of voting rights |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

| Territory | Location    | Subsidiary  | June 30, 2024           |                          | December 31, 2023       |                          | Closing month | Major business                    | Basis of control                |
|-----------|-------------|---|-------------------------|--------------------------|-------------------------|--------------------------|---------------|-----------------------------------|---------------------------------|
|           |             |   | Percentage of ownership |                          | Percentage of ownership |                          |               |                                   |                                 |
|           |             |   | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |               |                                   |                                 |
|           | Netherlands | LG Electronics European Holding B.V.(LGEEH)               | 100.0%                  | -                        | 100.0%                  | -                        | December      | European holding company          | More than half of voting rights |
|           | Netherlands | LG Electronics European Shared Service Center B.V.(LGESC) | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services                          | More than half of voting rights |
|           | France      | LG Electronics France S.A.S(LGEFS)                        | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products      | More than half of voting rights |
|           | Greece      | LG ELECTRONICS HELLAS SINGLE MEMBER SA (LGEHS)            | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products      | More than half of voting rights |
|           | Italy       | LG Electronics Italia S.P.A.(LGEIS)                       | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products      | More than half of voting rights |
|           | Latvia      | LG Electronics Latvia LTD(LGELA)                          | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products      | More than half of voting rights |
|           | Hungary     | LG Electronics Magyar K.F.T.(LGEMK)                       | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products      | More than half of voting rights |
|           | Poland      | LG Electronics Mlawa Sp. z.O.O. (LGEMA)                   | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production of electronic products | More than half of voting rights |
|           | Sweden      | LG Electronics Nordic AB(LGESW)                           | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products      | More than half of voting rights |
|           | Poland      | LG Electronics Polska Sp. Z.O.O.(LGEPL)                   | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products      | More than half of voting rights |
|           | Portugal    | LG Electronics Portugal S.A.(LGEPT)                       | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products      | More than half of voting rights |
|           | UK          | LG Electronics U.K. LTD(LGEUK)                            | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products      | More than half of voting rights |
|           | Poland      | LG Electronics Wroclaw Sp. z.O.O. (LGEWR)                 | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production of electronic products | More than half of voting rights |
|           | Finland     | LG Electronics Finland Lab Oy (LGEFL)                     | 100.0%                  | -                        | 100.0%                  | -                        | December      | R&D                               | More than half of voting rights |



# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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| Territory | Location | Subsidiary  | June 30, 2024           |                          | December 31, 2023       |                          | Closing month | Major business  | Basis of control                |
|-----------|----------|---|-------------------------|--------------------------|-------------------------|--------------------------|---------------|---|---------------------------------|
|           |          |   | Percentage of ownership |                          | Percentage of ownership |                          |               |   |                                 |
|           |          |   | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |               |   |                                 |
|           | Poland   | LG Innotek Poland Sp. z.o. o. (LGITPO) <sup>1</sup>   | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December      | Production and sales of electrical/electronic materials | De-facto control                |
|           | Germany  | LG Electronics Vehicle Components Europe GmbH (LGEVG) | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of vehicle components                             | More than half of voting rights |
|           | Austria  | ZKW Holding GmbH                                      | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Holding company   | More than half of voting rights |
|           | Austria  | ZKW Group GmbH  | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Services  | More than half of voting rights |
|           | Austria  | ZKW Lichtsysteme GmbH                                 | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Production and sales of vehicle components              | More than half of voting rights |
|           | Austria  | ZKW Austria Immobilien Holding GmbH                   | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Holding company   | More than half of voting rights |
|           | Austria  | ZKW Austria Immobilien GmbH                           | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Real estates  | More than half of voting rights |
|           | Slovakia | ZKW Slovakia s.r.o.                                   | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Production and sales of vehicle components              | More than half of voting rights |
|           | Czech    | KES - kabelove a elektricke systemy spol. s.r.o.      | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Production and sales of vehicle components              | More than half of voting rights |
|           | Czech    | ZKW Automotive Engineering CZ s.r.o.                  | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | R&D   | More than half of voting rights |
|           | Poland   | KES Poland Sp.z o.o.                                  | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Production and sales of vehicle components              | More than half of voting rights |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

| Territory     | Location    | Subsidiary                                  | June 30, 2024           |                          | December 31, 2023       |                          | Closing month | Major business                                  | Basis of control                |
|---------------|-------------|---|-------------------------|--------------------------|-------------------------|--------------------------|---------------|---|---------------------------------|
|               |             |   | Percentage of ownership |                          | Percentage of ownership |                          |               |   |                                 |
|               |             |   | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |               |   |                                 |
|               | Poland      | HI-M SOLUTEK POLAND Sp. z o.o.              | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services  | More than half of voting rights |
|               | Hungary     | ACE R&A Hungary Limited Liability Company   | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production and sales of air conditioning plants | More than half of voting rights |
|               | UK          | Alphonso UK Limited                         | 55.4%                   | 44.6%                    | 55.5%                   | 44.5%                    | December      | Advertisement                                   | More than half of voting rights |
|               | Greece      | Alphonso Hellas S.A.                        | 55.4%                   | 44.6%                    | 55.5%                   | 44.5%                    | December      | Advertisement                                   | More than half of voting rights |
|               | Hungary     | LG Magna e-Powertrain Hungary Ltd.          | 51.0%                   | 49.0%                    | 51.0%                   | 49.0%                    | December      | Production and sales of vehicle components      | More than half of voting rights |
|               | Germany     | HI-M SOLUTEK Germany GmbH                   | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services  | More than half of voting rights |
|               | Netherlands | Athom Holding B.V.                          | 80.0%                   | 20.0%                    | -                       | -                        | December      | Development and sales of smart home solutions   | More than half of voting rights |
|               | Netherlands | Athom B.V.                                  | 80.0%                   | 20.0%                    | -                       | -                        | December      | Development and sales of smart home solutions   | More than half of voting rights |
| North America | USA         | LG Electronics Alabama Inc. (LGEAI)         | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services  | More than half of voting rights |
|               | Canada      | LG Electronics Canada, Inc. (LGECI)         | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                    | More than half of voting rights |
|               | Mexico      | LG Electronics Mexico S.A. DE C.V.(LGEMS)   | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                    | More than half of voting rights |
|               | Mexico      | LG Electronics Reynosa, S.A. De C.V.(LGERS) | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production of electronic products               | More than half of voting rights |
|               | USA         | LG Electronics U.S.A., Inc. (LGEUS)         | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production and sales of electronic products     | More than half of voting rights |
|               | USA         | Zenith Electronics LLC(Zenith)              | 100.0%                  | -                        | 100.0%                  | -                        | December      | R&D   | More than half of voting rights |
|               | USA         | LG Innotek USA, Inc. (LGITUS) <sup>1</sup>  | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December      | Sales of electrical/electronic components       | De-facto control                |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

| Territory | Location | Subsidiary   | June 30, 2024           |                          | December 31, 2023       |                          | Closing month | Major business   | Basis of control                |
|-----------|----------|--|-------------------------|--------------------------|-------------------------|--------------------------|---------------|--|---------------------------------|
|           |          |  | Percentage of ownership |                          | Percentage of ownership |                          |               |  |                                 |
|           |          |  | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |               |  |                                 |
|           | Mexico   | LG Innotek Mexico SA DE CV(LGITMX) <sup>1</sup>        | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December      | Production and sales of electrical/electronic components | De-facto control                |
|           | USA      | LG Electronics Vehicle Components U.S.A., LLC. (LGEVU) | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of vehicle components                              | More than half of voting rights |
|           | USA      | LGEUS Power, LLC                                       | 100.0%                  | -                        | 100.0%                  | -                        | December      | Investment of solar power plant                          | More than half of voting rights |
|           | USA      | LG Electronics Fund I LLC                              | 100.0%                  | -                        | 100.0%                  | -                        | December      | Investment in technology start-ups                       | More than half of voting rights |
|           | USA      | LG Technology Ventures LLC                             | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services   | More than half of voting rights |
|           | USA      | LG Electronics New Jersey, LLC                         | 100.0%                  | -                        | 100.0%                  | -                        | December      | Real estates   | More than half of voting rights |
|           | USA      | ZKW Lighting Systems USA, Inc.                         | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Sales of vehicle components                              | More than half of voting rights |
|           | Mexico   | ZKW Mexico Inmobiliaria, S.A. de C.V.                  | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Real estates   | More than half of voting rights |
|           | Mexico   | ZKW Mexico, S.A. de C.V.                               | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December      | Production and sales of vehicle components               | More than half of voting rights |
|           | USA      | LG Magna e-Powertrain USA Inc.                         | 51.0%                   | 49.0%                    | 51.0%                   | 49.0%                    | December      | Sales of vehicle components                              | More than half of voting rights |
|           | USA      | Alphonso Inc.  | 55.4%                   | 44.6%                    | 55.5%                   | 44.5%                    | December      | Advertisement  | More than half of voting rights |
|           | USA      | LG Innotek Fund I LLC <sup>1</sup>                     | 40.8%                   | 59.2%                    | 40.8%                   | 59.2%                    | December      | Investment in technology start-ups                       | De-facto control                |
|           | USA      | Cybellum Technologies USA, Inc                         | 72.9%                   | 27.1%                    | 69.1%                   | 30.9%                    | December      | Development and sales of automotive security solutions   | More than half of voting rights |
|           | USA      | LG Electronics Fund II LLC                             | 100.0%                  | -                        | 100.0%                  | -                        | December      | Investment in technology start-ups                       | More than half of voting rights |
|           | Mexico   | HI-M SOLUTEK MEXICO S DE RL DE CV.                     | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services   | More than half of voting rights |

# LG Electronics Inc. and its subsidiaries

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June 30, 2024 and 2023, and December 31, 2023

| Territory     | Location  | Subsidiary                                     | June 30, 2024           |                          | December 31, 2023       |                          | Closing month | Major business                                  | Basis of control                |
|---------------|-----------|--|-------------------------|--------------------------|-------------------------|--------------------------|---------------|---|---------------------------------|
|               |           |  | Percentage of ownership |                          | Percentage of ownership |                          |               |   |                                 |
|               |           |  | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |               |   |                                 |
|               | Mexico    | LG Magna e-Powertrain Mexico S.A. DE C.V.      | 51.0%                   | 49.0%                    | 51.0%                   | 49.0%                    | December      | Production and sales of vehicle components      | More than half of voting rights |
|               | USA       | ACE R&A US INC                                 | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production and sales of air conditioning plants | More than half of voting rights |
|               | USA       | Overdrive Energy, Inc                          | 75.0%                   | 25.0%                    | 75.0%                   | 25.0%                    | December      | Investment in technology start-ups              | More than half of voting rights |
|               | USA       | Primefocus Health, Inc                         | 54.0%                   | 46.0%                    | 75.0%                   | 25.0%                    | December      | Investment in technology start-ups              | More than half of voting rights |
|               | USA       | Hi-M.SOLUTEK US INC                            | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services  | More than half of voting rights |
|               | USA       | Athom Inc.                                     | 80.0%                   | 20.0%                    | -                       | -                        | December      | Development and sales of smart home solutions   | More than half of voting rights |
| South America | Argentina | LG Electronics Argentina S.A.(LGEAR)           | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                    | More than half of voting rights |
|               | Colombia  | LG Electronics Colombia Limitada (LGECL)       | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                    | More than half of voting rights |
|               | Brazil    | LG Electronics do Brasil Ltda.(LGEBR)          | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production and sales of electronic products     | More than half of voting rights |
|               | Honduras  | LG Electronics Honduras S.de R.L. <sup>2</sup> | 20.0%                   | 80.0%                    | 20.0%                   | 80.0%                    | December      | Sales of electronic products                    | De-facto control                |
|               | Chile     | LG Electronics Inc Chile Limitada (LGECL)      | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                    | More than half of voting rights |
|               | Panama    | LG Electronics Panama, S.A.(LGEPS)             | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                    | More than half of voting rights |
|               | Peru      | LG Electronics Peru S.A.(LGEPR)                | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                    | More than half of voting rights |
|               | Venezuela | LG Electronics Venezuela, S.A.(LGEVZ)          | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                    | More than half of voting rights |
|               | Panama    | LG Consulting Corp.                            | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services  | More than half of voting rights |

# LG Electronics Inc. and its subsidiaries

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| Territory              | Location                           | Subsidiary                                      | June 30, 2024           |                          | December 31, 2023       |                          | Closing month                | Major business                              | Basis of control                |
|------------------------|------------------------------------|---|-------------------------|--------------------------|-------------------------|--------------------------|------------------------------|---|---------------------------------|
|                        |                                    |   | Percentage of ownership |                          | Percentage of ownership |                          |                              |   |                                 |
|                        |                                    |   | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |                              |   |                                 |
| Middle East and Africa | Guatemala                          | LG Electronics Guatemala, S.A.                  | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales of electronic products                | More than half of voting rights |
|                        | Angola                             | LG Electronics Angola Limitada (LGEAO)          | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales and services of electronic products   | More than half of voting rights |
|                        | Jordan                             | LG Electronics Levant – Jordan (LGELF)          | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales of electronic products                | More than half of voting rights |
|                        | UAE                                | LG Electronics Africa Logistics FZE(LGEAF)      | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales of electronic products                | More than half of voting rights |
|                        | Algeria                            | LG Electronics Algeria SARL(LGEAS)              | 70.0%                   | 30.0%                    | 70.0%                   | 30.0%                    | December                     | Sales of electronic products                | More than half of voting rights |
|                        | UAE                                | LG Electronics Dubai FZE(LGEDF)                 | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales of electronic products                | More than half of voting rights |
|                        | Egypt                              | LG Electronics Egypt S.A.E(LGEEG)               | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Production and sales of electronic products | More than half of voting rights |
|                        | UAE                                | LG Electronics Gulf FZE(LGEGF)                  | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales of electronic products                | More than half of voting rights |
|                        | UAE                                | LG Electronics Middle East Company FZCO (LGEME) | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Services                                    | More than half of voting rights |
|                        | Morocco                            | LG Electronics Morocco S.A.R.L.(LGEMC)          | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales of electronic products                | More than half of voting rights |
|                        | Nigeria                            | LG Electronics Nigeria Limited (LGENI)          | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales of electronic products                | More than half of voting rights |
|                        | Tunisia                            | LGENAF Service Company SARL                     | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales of electronic products                | More than half of voting rights |
|                        | UAE                                | LG Electronics Overseas Trading FZE(LGEOT)      | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Sales of electronic products                | More than half of voting rights |
|                        | South Africa                       | LG Electronics S.A. (Pty) Ltd. (LGESA)          | 100.0%                  | -                        | 100.0%                  | -                        | December                     | Production and sales of electronic products | More than half of voting rights |
| Türkiye                | LG Electronics Ticaret A.S.(LGETK) | 100.0%  | -                       | 100.0%                   | -                       | December                 | Sales of electronic products | More than half of voting rights             |                                 |

# LG Electronics Inc. and its subsidiaries

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June 30, 2024 and 2023, and December 31, 2023

| Territory | Location     | Subsidiary   | June 30, 2024           |                          | December 31, 2023       |                          | Closing month | Major business   | Basis of control                |
|-----------|--------------|--|-------------------------|--------------------------|-------------------------|--------------------------|---------------|--|---------------------------------|
|           |              |  | Percentage of ownership |                          | Percentage of ownership |                          |               |  |                                 |
|           |              |  | Controlling interest    | Non-controlling interest | Controlling interest    | Non-controlling interest |               |  |                                 |
|           | Saudi Arabia | LG-Shaker Co.Ltd.(LGESR)   | 51.0%                   | 49.0%                    | 51.0%                   | 49.0%                    | December      | Production of electronic products                      | More than half of voting rights |
|           | Saudi Arabia | LG Electronics Saudi Arabia LLC  | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                           | More than half of voting rights |
|           | UAE          | HI M SOLUTEK HVAC SERVICE AND MAINTENANCE LLC                          | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services   | More than half of voting rights |
|           | Egypt        | HI-M.SOLUTEK LLC   | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services   | More than half of voting rights |
|           | Israel       | Cybellum Technologies Ltd.   | 72.9%                   | 27.1%                    | 69.1%                   | 30.9%                    | December      | Development and sales of automotive security solutions | More than half of voting rights |
|           | Saudi Arabia | LG Electronics Middle East & Africa Regional Headquarter (LGESQ)       | 100.0%                  | -                        | 100.0%                  | -                        | December      | Services   | More than half of voting rights |
| Other     | Kazakhstan   | LG Electronics Almaty Kazakhstan Limited Liability Partnership (LGEAK) | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                           | More than half of voting rights |
|           | Russia       | LG Electronics RUS, LLC(LGERA)   | 100.0%                  | -                        | 100.0%                  | -                        | December      | Production and sales of electronic products            | More than half of voting rights |
|           | Ukraine      | LG Electronics Ukraine (LGEUR)   | 100.0%                  | -                        | 100.0%                  | -                        | December      | Sales of electronic products                           | More than half of voting rights |

<sup>1</sup> Although the Group owns less than half of the voting rights of LG Innotek Co., Ltd., which is an intermediate parent company of its subsidiaries, the Group is deemed to have control over LG Innotek Co., Ltd. due to the size and dispersion of holdings of the other shareholders and their voting patterns at previous shareholders' meetings (See. Note 3.2).

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

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

<sup>4</sup> In the preparation of the consolidated financial statements, the financial statements for the six-month period ended June 30, 2024 were used for those subsidiaries with different fiscal year ends.

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

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(b) Financial information of major subsidiaries as of June 30, 2024 and December 31, 2023 and for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows (before elimination of intercompany transactions):

(in millions of Korean won)

| Subsidiary  | June 30, 2024 |             |           | 2024        |                                 |           |                                 |
|---|---------------|-------------|-----------|-------------|---------------------------------|-----------|---------------------------------|
|   | Assets        | Liabilities | Equity    | Three-month |                                 | Six-month |                                 |
|   |               |             |           | Sales       | Profit (loss)<br>for the period | Sales     | Profit (loss)<br>for the period |
| LG Innotek Co., Ltd.                                      | 9,033,737     | 5,277,989   | 3,755,748 | 4,430,864   | (6,511)                         | 8,695,983 | 27,832                          |
| LG Electronics U.S.A., Inc. (LGEUS)                       | 5,970,008     | 4,083,191   | 1,886,817 | 3,766,420   | 43,805                          | 7,017,095 | 329,810                         |
| LG Electronics European Shared Service Center B.V.(LGESC) | 1,347,320     | 1,293,030   | 54,290    | 177,514     | (6,344)                         | 354,712   | 8,038                           |
| LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)               | 1,544,305     | 809,056     | 735,249   | 1,042,395   | 104,847                         | 2,086,962 | 198,282                         |
| LG Electronics Vietnam Hai Phong Co., Ltd (LGEVH)         | 2,166,382     | 1,085,747   | 1,080,635 | 1,427,546   | 59,493                          | 2,873,894 | 131,016                         |
| LG Electronics Mlawá Sp. z.O.O. (LGEMA)                   | 1,391,558     | 639,464     | 752,094   | 1,027,765   | 36,460                          | 2,111,904 | 85,348                          |
| Zenith Electronics LLC(Zenith)                            | 1,715,123     | 386,162     | 1,328,961 | 70,915      | 40,668                          | 146,158   | 86,251                          |
| LG Electronics do Brasil Ltda. (LGEBR)                    | 1,757,125     | 513,645     | 1,243,480 | 447,678     | 15,046                          | 914,132   | 56,724                          |
| Hiplaza Co., Ltd.   | 1,105,738     | 912,413     | 193,325   | 561,988     | 7,480                           | 1,111,511 | (4,573)                         |
| LG Innotek Vietnam Hai Phong Co., Ltd.(LGITVH)            | 1,790,400     | 668,570     | 1,121,830 | 1,321,095   | 59,172                          | 3,115,832 | 155,773                         |
| ZKW Lichtsysteme GmbH                                     | 1,079,668     | 556,303     | 523,365   | 187,817     | 14,561                          | 400,071   | 18,787                          |
| LG Electronics (China) Co., Ltd (LGECH)                   | 879,762       | 783,589     | 96,173    | 70,444      | 26,616                          | 131,382   | 27,521                          |
| LG Electronics (Tianjin) Appliances Co., Ltd. (LGETA)     | 1,283,158     | 788,077     | 495,081   | 669,507     | 29,860                          | 1,313,069 | 80,795                          |
| ZKW Group GmbH  | 1,579,538     | 1,174,498   | 405,040   | 46,453      | 998                             | 92,322    | 8,245                           |
| Taizhou LG Electronics Refrigeration Co., Ltd. (LGETR)    | 816,372       | 616,334     | 200,038   | 418,502     | (9,128)                         | 797,996   | 3,951                           |
| LG Electronics Mexico S.A.DE C.V.(LGEMS)                  | 577,596       | 381,204     | 196,392   | 457,024     | (4,093)                         | 847,068   | 24,938                          |
| LG Electronics (Thailand) Company Limited (LGETH)         | 671,508       | 421,623     | 249,885   | 426,774     | 5,087                           | 1,000,963 | 43,799                          |
| P.T. LG Electronics Indonesia (LGEIN)                     | 1,244,704     | 621,858     | 622,846   | 804,908     | 8,053                           | 1,585,166 | 39,367                          |
| LG Electronics Nanjing New Technology co.,LTD(LGENT)      | 683,951       | 431,990     | 251,961   | 507,035     | 11,044                          | 1,045,335 | 35,348                          |
| Nanjing LG Panda Appliances Co., Ltd (LGEPN)              | 637,241       | 445,990     | 191,251   | 308,475     | 8,421                           | 649,855   | 35,637                          |
| LG Magna e-Powertrain Co., Ltd.                           | 1,356,857     | 604,928     | 751,929   | 72,701      | (34,087)                        | 227,368   | (49,971)                        |
| LG Electronics Vehicle Components Europe GmbH (LGEVG)     | 1,135,903     | 1,032,006   | 103,897   | 987,345     | (12,255)                        | 1,872,919 | (25,377)                        |

# LG Electronics Inc. and its subsidiaries

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(in millions of Korean won)

| Subsidiary                              | June 30, 2024 |             |         | 2024        |                              |           |                              |
|---|---------------|-------------|---------|-------------|------------------------------|-----------|------------------------------|
|   | Assets        | Liabilities | Equity  | Three-month |                              | Six-month |                              |
|   |               |             |         | Sales       | Profit (loss) for the period | Sales     | Profit (loss) for the period |
| LG Electronics Deutschland GmbH (LGEDG) | 559,450       | 318,235     | 241,215 | 339,666     | 24                           | 653,889   | 10,720                       |

(in millions of Korean won)

| Subsidiary  | December 31, 2023 |             |           | 2023               |                              |           |                              |
|---|-------------------|-------------|-----------|--------------------|------------------------------|-----------|------------------------------|
|   | Assets            | Liabilities | Equity    | Three-month        |                              | Six-month |                              |
|   |                   |             |           | Sales <sup>1</sup> | Profit (loss) for the period | Sales     | Profit (loss) for the period |
| LG Innotek Co., Ltd.                                      | 9,964,207         | 6,162,549   | 3,801,658 | 3,818,219          | (18,938)                     | 8,075,470 | 41,392                       |
| LG Electronics U.S.A., Inc. (LGEUS)                       | 5,754,119         | 3,803,939   | 1,950,180 | 3,514,549          | 90,575                       | 6,923,445 | 323,317                      |
| LG Electronics European Shared Service Center B.V.(LGESC) | 1,440,444         | 1,396,400   | 44,044    | 187,896            | (8,828)                      | 409,082   | 8,014                        |
| LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)               | 1,146,627         | 651,697     | 494,930   | 875,072            | 70,772                       | 1,815,177 | 155,344                      |
| LG Electronics Vietnam Hai Phong Co., Ltd (LGEVH)         | 1,996,002         | 993,153     | 1,002,849 | 1,318,915          | 35,930                       | 2,599,955 | 84,771                       |
| LG Electronics Mlawo Sp. z.O.O. (LGEMA)                   | 1,358,792         | 658,445     | 700,347   | 851,045            | 43,383                       | 1,806,008 | 91,260                       |
| Zenith Electronics LLC(Zenith)                            | 1,734,558         | 324,269     | 1,410,289 | 70,884             | 35,053                       | 135,542   | 69,215                       |
| LG Electronics do Brasil Ltda. (LGEBR)                    | 1,665,466         | 413,251     | 1,252,215 | 372,594            | 40,661                       | 768,209   | 83,132                       |
| Hiplaza Co., Ltd.   | 1,126,143         | 923,833     | 202,310   | 630,578            | 882                          | 1,207,612 | (8,947)                      |
| LG Innotek Vietnam Hai Phong Co.,Ltd.(LGITVH)             | 2,175,605         | 1,283,941   | 891,664   | 826,838            | (1,404)                      | 1,516,390 | 13,067                       |
| ZKW Lichtsysteme GmbH                                     | 934,433           | 450,478     | 483,955   | 231,228            | 12,794                       | 434,936   | 10,292                       |
| LG Electronics (China) Co., Ltd (LGECH)                   | 865,584           | 800,698     | 64,886    | 88,116             | 25,605                       | 153,628   | 41,770                       |
| LG Electronics (Tianjin) Appliances Co., Ltd. (LGETA)     | 1,061,827         | 597,903     | 463,924   | 579,808            | 35,462                       | 1,166,076 | 84,680                       |
| ZKW Group GmbH  | 1,520,505         | 1,140,886   | 379,619   | 40,784             | 6,179                        | 76,946    | 5,694                        |
| Taizhou LG Electronics Refrigeration Co., Ltd. (LGETR)    | 707,039           | 521,057     | 185,982   | 315,421            | 11,326                       | 640,578   | 26,427                       |
| LG Electronics Mexico S.A.DE C.V.(LGEMS)                  | 597,534           | 422,982     | 174,552   | 387,244            | 10,065                       | 708,724   | 42,634                       |
| LG Electronics (Thailand) Company Limited (LGETH)         | 576,365           | 329,419     | 246,946   | 401,999            | (713)                        | 899,551   | 25,444                       |
| P.T. LG Electronics Indonesia (LGEIN)                     | 988,050           | 412,359     | 575,691   | 680,185            | 3,961                        | 1,416,637 | 52,843                       |
| LG Electronics Nanjing New Technology co., LTD(LGENT)     | 716,079           | 461,106     | 254,973   | 473,385            | 13,314                       | 1,037,529 | 49,019                       |



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(in millions of Korean won)

| <i>Subsidiary</i>                                     | December 31, 2023 |             |         | 2023               |                                 |           |                                 |
|---|-------------------|-------------|---------|--------------------|---------------------------------|-----------|---------------------------------|
|   | Assets            | Liabilities | Equity  | Three-month        |                                 | Six-month |                                 |
|   |                   |             |         | Sales <sup>1</sup> | Profit (loss)<br>for the period | Sales     | Profit (loss) for<br>the period |
| Nanjing LG Panda Appliances Co., Ltd (LGEPN)          | 589,208           | 406,157     | 183,051 | 261,980            | 7,708                           | 562,973   | 26,316                          |
| LG Magna e-Powertrain Co., Ltd.                       | 1,405,309         | 603,239     | 802,070 | 245,428            | (3,296)                         | 499,470   | 7,052                           |
| LG Electronics Vehicle Components Europe GmbH (LGEVG) | 945,480           | 821,031     | 124,449 | 868,975            | 19,185                          | 1,679,699 | 41,371                          |
| LG Electronics Deutschland GmbH (LGEDG)               | 573,321           | 352,506     | 220,815 | 297,549            | (8,235)                         | 630,515   | 5,591                           |

<sup>1</sup>The sales related to the discontinued operations were excluded.

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

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

- LG Innotek Co., Ltd. and its subsidiaries

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

| <i>(in millions of Korean won)</i>                   | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|--|----------------------|--------------------------|
| Percentage of ownership in non-controlling interests | 59.2%                | 59.2%                    |
| Accumulated non-controlling interests                | 3,042,217            | 2,877,933                |

ii) Profit (loss) and dividends attributable to non-controlling interests for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>                                     | <b>2024</b>        |                  | <b>2023</b>        |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | <b>Three-month</b> | <b>Six-month</b> | <b>Three-month</b> | <b>Six-month</b> |
| Profit (loss) for the period attributable to non-controlling interests | 63,607             | 150,838          | 6,613              | 59,981           |
| Dividends attributable to non-controlling interests                    | -                  | 36,570           | -                  | 58,147           |

# LG Electronics Inc. and its subsidiaries

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

| <i>(in millions of Korean won)</i>                        | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---|----------------------|--------------------------|
| Current assets  | 4,833,363            | 5,349,009                |
| Non-current assets  | 5,656,929            | 5,855,297                |
| <b>Total assets</b>                                       | <b>10,490,292</b>    | <b>11,204,306</b>        |
| Current liabilities                                       | 3,049,485            | 4,219,145                |
| Non-current liabilities                                   | 2,466,171            | 2,270,586                |
| <b>Total liabilities</b>                                  | <b>5,515,656</b>     | <b>6,489,731</b>         |
| Equity attributable to the owners of LG Innotek Co., Ltd. | 4,974,636            | 4,714,575                |
| Non-controlling interests                                 | -                    | -                        |
| <b>Total equity</b>                                       | <b>4,974,636</b>     | <b>4,714,575</b>         |

iv) Summarized consolidated statements of comprehensive income of subsidiaries with material non-controlling interests for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows (before elimination of intercompany transactions):

| <i>(in millions of Korean won)</i>            | <b>2024</b>        |                  | <b>2023</b>        |                  |
|---|--------------------|------------------|--------------------|------------------|
|   | <b>Three-month</b> | <b>Six-month</b> | <b>Three-month</b> | <b>Six-month</b> |
| Net sales                                     | 4,555,269          | 8,888,847        | 3,907,209          | 8,283,071        |
| Profit (loss) for the period                  | 98,887             | 237,353          | 2,067              | 85,349           |
| Other comprehensive income, net of tax        | 27,664             | 84,473           | 11,756             | 24,468           |
| Total comprehensive income (loss), net of tax | 126,551            | 321,826          | 13,823             | 109,817          |

v) Summarized consolidated statements of cash flows of subsidiaries with material non-controlling interests for each of the six-month periods ended June 30, 2024 and 2023 are as follows (before elimination of intercompany transactions):

| <i>(in millions of Korean won)</i>                            | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|---|---|---|
| Cash flows from operating activities                          | 212,858   | 575,367   |
| Cash flows from investing activities                          | (616,435)                                       | (871,725)                                       |
| Cash flows from financing activities                          | 170,506   | 614,915   |
| Effects of exchange rate changes on cash and cash equivalents | 10,825  | 5,030   |
| Net increase (decrease) in cash and cash equivalents          | (222,246)                                       | 323,587   |
| Cash and cash equivalents at the beginning of the period      | 1,389,646                                       | 577,908   |
| Cash and cash equivalents at the end of the period            | 1,167,400                                       | 901,495   |

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

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#### (d) Significant restrictions on subsidiaries

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

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

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

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

i) During the six-month period ended June 30, 2024, non-controlling interests increased by ₩129 million due to the effect of changes in the percentage of ownership resulting from the stock options exercised and the tender offer agreement for non-controlling interests in relation to Cybellum Technologies USA, Inc.

ii) During the six-month period ended June 30, 2024, non-controlling interests increased by ₩14 million due to the effect of changes in the percentage of ownership resulting from the stock options exercised and the tender offer agreement for non-controlling interests in relation to Alphonso Inc.

(f) Subsidiaries newly included in the scope of preparation of the interim condensed consolidated financial statements for the six-month period ended June 30, 2024 are as follows:

| Subsidiary         | Reason                | Location    | Controlling interest | Closing month | Major business                                |
|--------------------|-----------------------|-------------|----------------------|---------------|---|
| Athom Holding B.V. | Acquisition of shares | Netherlands | 80.0%                | December      | Development and sales of smart home solutions |
| Athom B.V.         | Acquisition of shares | Netherlands | 80.0%                | December      | Development and sales of smart home solutions |
| Athom Inc.         | Acquisition of shares | USA         | 80.0%                | December      | Development and sales of smart home solutions |

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

The Group did not recognize any gain or loss from the loss of control for the six-month period ended June 30, 2024.

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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### 2. Material Accounting Policies

#### 2.1 Basis of Preparation

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

The Group's interim condensed consolidated financial statements for the six-month period ended June 30, 2024 have been prepared in accordance with KIFRS 1034 *Interim Financial Reporting*. These interim condensed consolidated financial statements have been prepared in accordance with KIFRS which is effective or early adopted as of June 30, 2024.

#### 2.1.1 Changes in Accounting Policies and Disclosures

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

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

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

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

The amendments to KIFRS 1007 and KIFRS 1107 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. 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 material impact on the Group's interim condensed consolidated financial statements. - *Lease Liability in a Sale and Leaseback*

# LG Electronics Inc. and its subsidiaries

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### *- Amendments to KIFRS 1116 Leases*

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

(b) New, enacted and amended standards issued, but not effective as of June 30, 2024, and not early adopted by the Group.

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

The amendments require disclosure of information that enables users of financial statements to understand the risk and impact of a currency not being exchangeable. The amendments apply to annual reporting periods beginning on or after January 1, 2025. The Group does not expect that these amendments have a material impact on the Group's interim condensed consolidated financial statements.

## **2.2 Application of Accounting Policies**

The material accounting policies and method of computation used in the preparation of the interim condensed consolidated financial statements are consistent with those of the consolidated financial statements for the year ended December 31, 2023, except for the changes due to the application of amendment and enactments of standards described in Note 2.1.1 and the ones described below.

### **2.2.1 Income Tax Expense**

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate is applied to the pre-tax income for the period. The Group is subject to Pillar Two income tax for the current period. The income tax related to this was additionally recognized, and exceptions were applied to the recognition and disclosure of deferred income tax.

# **LG Electronics Inc. and its subsidiaries**

## **Notes to the interim condensed consolidated financial statements**

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### **3. Material Accounting Estimates and Judgements**

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

#### **3.1 Material Accounting Estimates and Assumptions**

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

The Russia - Ukraine armed conflict and continuous international sanctions on Russia have a material impact on the global economy. It may have a negative impact; such as, decrease in productivity, decrease or delay in sales, collection of existing receivables and others. Accordingly, it may have a negative impact on the financial position and financial performance of the Group, and the impact is expected to be continued to the annual consolidated financial statements in 2024.

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

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

##### **(a) Revenue Recognition**

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

##### **(b) Impairment of Goodwill**

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

##### **(c) Income Taxes**

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

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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### (d) Fair Value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of the reporting period.

### (e) Provisions

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

### (f) Net Defined Benefit Liabilities

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

### (g) Development Costs

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

### (h) Leases

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

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

## 3.2 Material Judgment on Accounting Policies Adopted by the Group

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



# LG Electronics Inc. and its subsidiaries

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### 4. Segment Information

The segments of the Group are strategic business divisions providing different products and services. They are reported separately because each business division requires different technologies and marketing strategies. As of June 30, 2024, the main products of each business division are as follows, and the comparative information is presented in conformity with the same classification in the current period.

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

(a) The segment information for sales and operating profit (loss) for each of the three-month and six-month periods ended June 30, 2024 and 2023 is as follows:

| <i>(in millions of Korean won)</i>   | Three-month period ended June 30, 2024 |           |           |           |           |                    |            |
|--------------------------------------|--|-----------|-----------|-----------|-----------|--------------------|------------|
|                                      | H&A                                    | HE        | VS        | BS        | Innotek   | Other <sup>1</sup> | Total      |
| Sales                                | 8,842,856                              | 3,618,161 | 2,691,944 | 1,464,406 | 4,555,269 | 521,730            | 21,694,366 |
| External sales                       | 8,833,406                              | 3,619,328 | 2,691,944 | 1,459,974 | 4,407,525 | 682,189            | 21,694,366 |
| Internal sales                       | 9,450                                  | (1,167)   | -         | 4,432     | 147,744   | (160,459)          | -          |
| Operating profit (loss) <sup>2</sup> | 694,424                                | 97,028    | 81,697    | (5,901)   | 151,684   | 177,214            | 1,196,146  |
| Depreciation and amortization        | 236,085                                | 70,257    | 140,194   | 32,801    | 324,382   | 44,873             | 848,592    |

  

| <i>(in millions of Korean won)</i>   | Six-month period ended June 30, 2024 |           |           |           |           |                    |            |
|--------------------------------------|--------------------------------------|-----------|-----------|-----------|-----------|--------------------|------------|
|                                      | H&A                                  | HE        | VS        | BS        | Innotek   | Other <sup>1</sup> | Total      |
| Sales                                | 17,450,351                           | 7,110,195 | 5,353,841 | 3,039,901 | 8,888,847 | 947,180            | 42,790,315 |
| External sales                       | 17,429,128                           | 7,109,130 | 5,353,841 | 3,034,402 | 8,601,961 | 1,261,853          | 42,790,315 |
| Internal sales                       | 21,223                               | 1,065     | -         | 5,499     | 286,886   | (314,673)          | -          |
| Operating profit (loss) <sup>2</sup> | 1,634,722                            | 229,239   | 133,742   | 6,856     | 327,722   | 199,276            | 2,531,557  |
| Depreciation and amortization        | 479,895                              | 143,934   | 277,995   | 66,451    | 639,341   | 87,971             | 1,695,587  |

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

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

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|                                      | Three-month period ended June 30, 2023 |           |           |           |           |                    |            |
|--------------------------------------|--|-----------|-----------|-----------|-----------|--------------------|------------|
| <i>(in millions of Korean won)</i>   | H&A                                    | HE        | VS        | BS        | Innotek   | Other <sup>1</sup> | Total      |
| Sales                                | 7,993,175                              | 3,139,080 | 2,664,428 | 1,332,708 | 3,907,209 | 961,857            | 19,998,457 |
| External sales                       | 7,981,118                              | 3,137,526 | 2,664,428 | 1,330,226 | 3,778,084 | 1,107,075          | 19,998,457 |
| Internal sales                       | 12,057                                 | 1,554     | -         | 2,482     | 129,125   | (145,218)          | -          |
| Operating profit (loss) <sup>2</sup> | 597,247                                | 126,415   | (61,169)  | 2,603     | 18,360    | 58,461             | 741,917    |
| Depreciation and amortization        | 234,072                                | 87,409    | 140,868   | 31,526    | 237,615   | 49,155             | 780,645    |

|                                      | Six-month period ended June 30, 2023 |           |           |           |           |                    |            |
|--------------------------------------|--------------------------------------|-----------|-----------|-----------|-----------|--------------------|------------|
| <i>(in millions of Korean won)</i>   | H&A                                  | HE        | VS        | BS        | Innotek   | Other <sup>1</sup> | Total      |
| Sales                                | 16,022,344                           | 6,491,230 | 5,050,954 | 2,812,303 | 8,283,071 | 1,754,427          | 40,414,329 |
| External sales                       | 15,998,781                           | 6,488,392 | 5,050,954 | 2,808,766 | 8,018,793 | 2,048,643          | 40,414,329 |
| Internal sales                       | 23,563                               | 2,838     | -         | 3,537     | 264,278   | (294,216)          | -          |
| Operating profit (loss) <sup>2</sup> | 1,612,489                            | 330,265   | (7,165)   | 68,340    | 163,704   | 71,672             | 2,239,305  |
| Depreciation and amortization        | 466,001                              | 175,632   | 278,176   | 63,139    | 467,737   | 98,568             | 1,549,253  |

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

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

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(b) Segment assets and liabilities as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>            | June 30, 2024     |                   | December 31, 2023 |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Assets            | Liabilities       | Assets            | Liabilities       |
| H&A   | 30,590,982        | 15,287,313        | 27,581,665        | 13,509,146        |
| HE  | 15,126,693        | 10,271,396        | 14,206,186        | 9,767,084         |
| VS  | 10,203,744        | 12,010,512        | 9,642,087         | 11,498,661        |
| BS  | 5,837,095         | 4,389,520         | 5,339,239         | 4,009,534         |
| Innotek                                       | 10,490,292        | 5,515,656         | 11,204,306        | 6,489,731         |
| <b>Subtotal<sup>1</sup></b>                   | <b>72,248,806</b> | <b>47,474,397</b> | <b>67,973,483</b> | <b>45,274,156</b> |
| Other segments and inter-company transactions | (9,122,880)       | (9,593,840)       | (7,732,690)       | (8,531,899)       |
| <b>Total</b>                                  | <b>63,125,926</b> | <b>37,880,557</b> | <b>60,240,793</b> | <b>36,742,257</b> |

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

(c) Non-current assets by geographic area as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i> | Non-current assets <sup>1</sup> |                   |
|------------------------------------|---------------------------------|-------------------|
|                                    | June 30, 2024                   | December 31, 2023 |
| <b>Geographic areas</b>            |                                 |                   |
| The Republic of Korea              | 13,343,046                      | 13,361,340        |
| Americas                           | 2,301,670                       | 2,192,785         |
| Europe                             | 1,097,486                       | 1,060,434         |
| Asia, Africa and others            | 3,169,461                       | 3,166,218         |
| <b>Total</b>                       | <b>19,911,663</b>               | <b>19,780,777</b> |

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

(d) A single external customer who contributes more than 10% of the Group's total sales for the six-month period ended June 30, 2024 is Innotek segment and others, whose sales amount to ₩6,866,778 million (June 30, 2023: ₩6,328,695 million).

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### 5. Financial Instruments by Category

(a) Categorizations of financial instruments as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>      | June 30, 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               | 8,554,530                          | -   | -   | -                | 8,554,530         |
| Deposits held by financial institutions | 239,037                            | -   | -   | -                | 239,037           |
| Trade receivables                       | 8,568,646                          | 1,561,201   | -   | 1,164,563        | 11,294,410        |
| Other receivables                       | 2,497,356                          | -   | -   | -                | 2,497,356         |
| Other financial assets and others       | -                                  | 156,979   | 277,872   | 274,184          | 709,035           |
| <b>Total</b>                            | <b>19,859,569</b>                  | <b>1,718,180</b>  | <b>277,872</b>  | <b>1,438,747</b> | <b>23,294,368</b> |

| <i>(in millions of Korean won)</i> | June 30, 2024                           |  |                  |                   |
|------------------------------------|---|--|------------------|-------------------|
|                                    | Financial liabilities at amortized cost | Financial liabilities at fair value through profit or loss | Other            | Total             |
| Trade payables                     | 9,571,470                               | -  | -                | 9,571,470         |
| Borrowings                         | 14,285,029                              | -  | -                | 14,285,029        |
| Lease liabilities                  | -                                       | -  | 1,177,736        | 1,177,736         |
| Other payables                     | 4,373,183                               | -  | -                | 4,373,183         |
| Other financial liabilities        | -                                       | 14,364   | 34,127           | 48,491            |
| <b>Total</b>                       | <b>28,229,682</b>                       | <b>14,364</b>  | <b>1,211,863</b> | <b>29,455,909</b> |

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

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

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(b) Net gains or losses on each category of financial instruments for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>  | Six-month period ended June 30, 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   | 260,585                              | -   | -   | -       | 260,585  |
| Exchange differences  | 680,868                              | 89,551  | -   | -       | 770,419  |
| Bad debt expenses   | (25,452)                             | -   | -   | (3,318) | (28,770) |
| Gain (loss) on disposal of trade receivables                                      | (980)                                | (21,259)  | -   | -       | (22,239) |
| Dividend income   | -                                    | 391   | -   | -       | 391      |
| Gain (loss) on valuation of financial assets at fair value through profit or loss | -                                    | -   | (1,643)   | -       | (1,643)  |
| Gain (loss) on derivatives (through profit or loss)                               | -                                    | -   | 42,023  | -       | 42,023   |
| Fair value gain (loss), net of tax (through other comprehensive income)           | -                                    | 21,866  | -   | -       | 21,866   |
| Gain (loss) on derivatives, net of tax (through other comprehensive income)       | -                                    | -   | -   | 3,470   | 3,470    |

| <i>(in millions of Korean won)</i>  | Six-month period ended June 30, 2024    |  |        |           |
|---|---|--|--------|-----------|
|   | Financial liabilities at amortized cost | Financial liabilities at fair value through profit or loss | Other  | Total     |
| Interest expense  | (316,913)                               | -  | 10,493 | (306,420) |
| Exchange differences  | (920,723)                               | -  | 82,486 | (838,237) |
| Gain (loss) on derivatives (through profit or loss)                         | -                                       | (20,578)   | -      | (20,578)  |
| Gain (loss) on derivatives, net of tax (through other comprehensive income) | -                                       | -  | 5,170  | 5,170     |
| Others  | (1,482)                                 | -  | -      | (1,482)   |

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| <i>(in millions of Korean won)</i>  | Six-month period ended June 30, 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   | 191,277                              | -   | -   | -       | 191,277  |
| Exchange differences  | 310,188                              | 46,041  | -   | -       | 356,229  |
| Bad debts expense   | (6,567)                              | -   | -   | -       | (6,567)  |
| Gain (loss) on disposal of trade receivables                                      | (196)                                | (24,252)  | -   | -       | (24,448) |
| Dividend income   | -                                    | 289   | 969   | -       | 1,258    |
| Gain (loss) on valuation of financial assets at fair value through profit or loss | -                                    | -   | (693)   | -       | (693)    |
| Gain (loss) on derivatives (through profit or loss)                               | -                                    | -   | 8,536   | -       | 8,536    |
| Profit (loss) for the period from discontinued operations                         | (51)                                 | -   | -   | -       | (51)     |
| Fair value gain(loss), net of tax (through other comprehensive income)            | -                                    | 7,458   | -   | -       | 7,458    |
| Gain (loss) on derivatives, net of tax (through other comprehensive income)       | -                                    | -   | -   | (6,067) | (6,067)  |

| <i>(in millions of Korean won)</i>  | Six-month period ended June 30, 2023    |  |         |           |
|---|---|--|---------|-----------|
|   | Financial liabilities at amortized cost | Financial liabilities at fair value through profit or loss | Other   | Total     |
| Interest expense  | (271,192)                               | -  | 7,123   | (264,069) |
| Exchange differences  | (349,217)                               | -  | 51,147  | (298,070) |
| Gain (loss) on derivatives (through profit or loss)                         | -                                       | (32,993)   | -       | (32,993)  |
| Profit (loss) for the period from discontinued operations                   | 21                                      | -  | -       | 21        |
| Gain (loss) on derivatives, net of tax (through other comprehensive income) | -                                       | -  | (4,833) | (4,833)   |
| Others  | (1,328)                                 | -  | -       | (1,328)   |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

### 6. Trade Receivables and Other Receivables

(a) Trade receivables and other receivables, net of allowance for doubtful accounts, as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i> | June 30, 2024   |                                 |                 | December 31, 2023 |                                 |                 |
|------------------------------------|-----------------|---------------------------------|-----------------|-------------------|---------------------------------|-----------------|
|                                    | Original amount | Allowance for doubtful accounts | Carrying amount | Original amount   | Allowance for doubtful accounts | Carrying amount |
| Trade receivables                  |                 |                                 |                 |                   |                                 |                 |
| Current                            | 10,292,005      | (107,687)                       | 10,184,318      | 9,366,948         | (101,926)                       | 9,265,022       |
| Non-current                        | 1,111,963       | (1,871)                         | 1,110,092       | 640,936           | (1,497)                         | 639,439         |
| Other receivables                  |                 |                                 |                 |                   |                                 |                 |
| Current                            | 960,472         | (6,514)                         | 953,958         | 602,781           | (6,988)                         | 595,793         |
| Non-current                        | 1,543,485       | (87)                            | 1,543,398       | 1,779,720         | (83)                            | 1,779,637       |

(b) Changes in allowance for doubtful accounts for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | Six-month period ended June 30, 2024 |                     |           |       |         |
|------------------------------------|--------------------------------------|---------------------|-----------|-------|---------|
|                                    | January 1                            | Addition (Reversal) | Write-off | Other | June 30 |
| Trade receivables                  |                                      |                     |           |       |         |
| Current                            | 101,926                              | 29,081              | (30,874)  | 7,554 | 107,687 |
| Non-current                        | 1,497                                | 374                 | -         | -     | 1,871   |
| Other receivables                  |                                      |                     |           |       |         |
| Current                            | 6,988                                | (924)               | 4         | 446   | 6,514   |
| Non-current                        | 83                                   | -                   | -         | 4     | 87      |

  

| <i>(in millions of Korean won)</i> | Six-month period ended June 30, 2023 |                     |           |        |         |
|------------------------------------|--------------------------------------|---------------------|-----------|--------|---------|
|                                    | January 1                            | Addition (Reversal) | Write-off | Other  | June 30 |
| Trade receivables                  | 87,922                               | 7,982               | (8,844)   | 14,447 | 101,507 |
| Other receivables                  |                                      |                     |           |        |         |
| Current                            | 10,287                               | (1,383)             | (54)      | (275)  | 8,575   |
| Non-current                        | 83                                   | -                   | -         | 13     | 96      |

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

(c) The aging analysis of trade receivables and other receivables as of June 30, 2024 and December 31, 2023 is as follows:

| <i>(in millions of Korean won)</i> | June 30, 2024     |             |                   |             | Total      |
|------------------------------------|-------------------|-------------|-------------------|-------------|------------|
|                                    | Trade receivables |             | Other receivables |             |            |
|                                    | Current           | Non-current | Current           | Non-current |            |
| <b>Receivables not past due</b>    | 8,903,093         | 1,111,963   | 871,913           | 1,543,485   | 12,430,454 |
| <b>Past due but not impaired</b>   |                   |             |                   |             |            |
| Up to 6 months                     | 1,084,780         | -           | 52,816            | -           | 1,137,596  |
| 7 to 12 months                     | 43,948            | -           | 15,026            | -           | 58,974     |
| Over 1 year                        | 101,965           | -           | 13,095            | -           | 115,060    |
| <b>Subtotal</b>                    | 1,230,693         | -           | 80,937            | -           | 1,311,630  |
| <b>Impaired</b>                    | 158,219           | -           | 7,622             | -           | 165,841    |
| <b>Total</b>                       | 10,292,005        | 1,111,963   | 960,472           | 1,543,485   | 13,907,925 |

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

(d) Some of trade receivables have been discounted through collateralized borrowing agreements with banks for the six-month period ended June 30, 2024. In case of the customers' default, the Group has an obligation to pay the amounts related thereto to the banks. As a result, this transaction has been accounted for as a collateralized borrowing (see Note 12). Discounted trade receivables recognized as of June 30, 2024, amount to ₩41,513 million (December 31, 2023: ₩60,269 million).



# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

### 7. Other Financial Assets and Liabilities

(a) Details of other financial assets and liabilities as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>                                | June 30, 2024  | December 31, 2023 |
|---|----------------|-------------------|
| <b>Other financial assets</b>                                     |                |                   |
| Derivatives   | 306,870        | 185,437           |
| Financial assets at fair value through other comprehensive income | 156,979        | 117,872           |
| Financial assets at fair value through profit or loss             | 230,484        | 184,115           |
| <b>Total</b>  | <b>694,333</b> | <b>487,424</b>    |
| Current   | 128,755        | 102,054           |
| Non-current   | 565,578        | 385,370           |

| <i>(in millions of Korean won)</i> | June 30, 2024 | December 31, 2023 |
|------------------------------------|---------------|-------------------|
| <b>Other financial liabilities</b> |               |                   |
| Derivatives                        | 48,445        | 61,931            |
| Financial guarantee liabilities    | 46            | 115               |
| <b>Total</b>                       | <b>48,491</b> | <b>62,046</b>     |
| Current                            | 4,320         | 9,292             |
| Non-current                        | 44,171        | 52,754            |

(b) Details of derivatives as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i> | June 30, 2024  |               | December 31, 2023 |               |
|------------------------------------|----------------|---------------|-------------------|---------------|
|                                    | Assets         | Liabilities   | Assets            | Liabilities   |
| <b>Current</b>                     |                |               |                   |               |
| Currency forward                   | 6,371          | 3,341         | 2,070             | 2,567         |
| Currency swap                      | 6,512          | -             | 23,118            | 6,610         |
| Interest rate swap                 | 635            | -             | 2,116             | -             |
| Option                             | 22,590         | 933           | -                 | -             |
| <b>Subtotal</b>                    | <b>36,108</b>  | <b>4,274</b>  | <b>27,304</b>     | <b>9,177</b>  |
| <b>Non-current</b>                 |                |               |                   |               |
| Currency swap                      | 244,127        | 22,851        | 133,597           | 30,515        |
| Interest rate swap                 | 23,312         | 9,919         | 21,451            | 13,254        |
| Option                             | 3,323          | 1,525         | 3,085             | 2,457         |
| Embedded derivatives Contract      | -              | 9,876         | -                 | 6,528         |
| <b>Subtotal</b>                    | <b>270,762</b> | <b>44,171</b> | <b>158,133</b>    | <b>52,754</b> |
| <b>Total</b>                       | <b>306,870</b> | <b>48,445</b> | <b>185,437</b>    | <b>61,931</b> |

Details of major derivative contracts at the end of the reporting period are presented in Note 32.

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

(c) Changes in carrying amount of financial assets at fair value through other comprehensive income for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | Six-month period ended June 30, 2024 |              |              |          |               |              |                |
|------------------------------------|--------------------------------------|--------------|--------------|----------|---------------|--------------|----------------|
|                                    | January 1                            | Acquisition  | Disposals    | Transfer | Valuation     | Other        | June 30        |
| Marketable equity securities       | 30,668                               | -            | (896)        | 30       | 29,128        | 544          | 59,474         |
| Unmarketable equity securities     | 87,204                               | 7,016        | -            | (30)     | -             | 3,315        | 97,505         |
| <b>Total</b>                       | <b>117,872</b>                       | <b>7,016</b> | <b>(896)</b> | <b>-</b> | <b>29,128</b> | <b>3,859</b> | <b>156,979</b> |

| <i>(in millions of Korean won)</i> | Six-month period ended June 30, 2023 |              |                |          |              |             |                |
|------------------------------------|--------------------------------------|--------------|----------------|----------|--------------|-------------|----------------|
|                                    | January 1                            | Acquisition  | Disposals      | Transfer | Valuation    | Other       | June 30        |
| Marketable equity securities       | 29,425                               | -            | (3,767)        | -        | 8,960        | 485         | 35,103         |
| Unmarketable equity securities     | 89,501                               | 7,372        | -              | -        | -            | (527)       | 96,346         |
| <b>Total</b>                       | <b>118,926</b>                       | <b>7,372</b> | <b>(3,767)</b> | <b>-</b> | <b>8,960</b> | <b>(42)</b> | <b>131,449</b> |

(d) Changes in carrying amount of financial assets at fair value through profit or loss for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | Six-month period ended June 30, 2024 |               |                 |          |                |              |                |
|------------------------------------|--------------------------------------|---------------|-----------------|----------|----------------|--------------|----------------|
|                                    | January 1                            | Acquisition   | Disposals       | Transfer | Valuation      | Other        | June 30        |
| Unmarketable equity securities     | 108,232                              | 27,333        | (78)            | 500      | (1,643)        | 2,860        | 137,204        |
| Marketable debt securities         | 74,750                               | 37,666        | (26,581)        | -        | -              | 6,812        | 92,647         |
| Unmarketable debt securities       | 1,133                                | -             | -               | (500)    | -              | -            | 633            |
| <b>Total</b>                       | <b>184,115</b>                       | <b>64,999</b> | <b>(26,659)</b> | <b>-</b> | <b>(1,643)</b> | <b>9,672</b> | <b>230,484</b> |

| <i>(in millions of Korean won)</i> | Six-month period ended June 30, 2023 |               |                |                |              |            |                |
|------------------------------------|--------------------------------------|---------------|----------------|----------------|--------------|------------|----------------|
|                                    | January 1                            | Acquisition   | Disposals      | Transfer       | Valuation    | Other      | June 30        |
| Unmarketable equity securities     | 105,011                              | 11,720        | (1,231)        | (2,082)        | (834)        | (5)        | 112,579        |
| Marketable debt securities         | 362                                  | 67,746        | (3,134)        | 82             | 141          | 922        | 66,119         |
| Unmarketable debt securities       | 633                                  | 500           | -              | -              | -            | -          | 1,133          |
| <b>Total</b>                       | <b>106,006</b>                       | <b>79,966</b> | <b>(4,365)</b> | <b>(2,000)</b> | <b>(693)</b> | <b>917</b> | <b>179,831</b> |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

### 8. Inventories

Inventories as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i> | June 30, 2024     |                     |                  | December 31, 2023 |                     |                  |
|------------------------------------|-------------------|---------------------|------------------|-------------------|---------------------|------------------|
|                                    | Cost              | Valuation allowance | Carrying amount  | Cost              | Valuation allowance | Carrying amount  |
| Finished products and merchandise  | 5,917,288         | (155,162)           | 5,762,126        | 5,381,164         | (173,428)           | 5,207,736        |
| Work-in-process                    | 677,900           | (23,807)            | 654,093          | 682,107           | (27,316)            | 654,791          |
| Raw materials and supplies         | 3,384,039         | (186,109)           | 3,197,930        | 3,167,187         | (179,490)           | 2,987,697        |
| Other                              | 355,938           | (36,322)            | 319,616          | 342,469           | (67,289)            | 275,180          |
| <b>Total</b>                       | <b>10,335,165</b> | <b>(401,400)</b>    | <b>9,933,765</b> | <b>9,572,927</b>  | <b>(447,523)</b>    | <b>9,125,404</b> |

### 9. Contract Assets and Contract Liabilities

(a) Contract assets as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>      | June 30, 2024    | December 31, 2023 |
|---|------------------|-------------------|
| Due from customers                      | 1,041,761        | 842,113           |
| (Less: allowance for doubtful accounts) | (3,125)          | (3,786)           |
| Right to recover returned products      | 100,120          | 98,111            |
| Costs to fulfill contracts and others   | 634,465          | 619,239           |
| <b>Total</b>                            | <b>1,773,221</b> | <b>1,555,677</b>  |
| Current                                 | 1,342,127        | 1,129,399         |
| Non-current                             | 431,094          | 426,278           |

(b) Contract liabilities as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>            | June 30, 2024    | December 31, 2023 |
|---|------------------|-------------------|
| Expected promotional incentives for customers | 1,020,155        | 870,426           |
| Expected returns from customers               | 246,057          | 213,712           |
| Customer loyalty program                      | 104,372          | 100,951           |
| Rendering of warranty services                | 183,345          | 150,670           |
| Due to customers and others                   | 900,096          | 625,743           |
| <b>Total</b>                                  | <b>2,454,025</b> | <b>1,961,502</b>  |
| Current                                       | 2,363,413        | 1,898,005         |
| Non-current                                   | 90,612           | 63,497            |

## LG Electronics Inc. and its subsidiaries

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June 30, 2024 and 2023, and December 31, 2023

(c) Revenue recognized in relation to contract liabilities for each of the six-month periods ended June 30, 2024 and 2023 is as follows:

| <i>(in millions of Korean won)</i>   | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|--|---|---|
| Revenue recognized that was included in the contract liability amount at the beginning of the period |   |   |
| Due to customers and others  | 281,111   | 189,237   |
| Customer loyalty program   | 43,858  | 46,257  |
| Rendering of warranty services   | 31,252  | 26,240  |
| <b>Total</b>   | <b>356,221</b>                                  | <b>261,734</b>                                  |
| Revenue recognized from performance obligations satisfied in previous periods                        | 50,848  | 21,298  |

(d) Unsatisfied long-term contracts

The total amount of transaction price allocated to the unsatisfied or partially unsatisfied performance obligations as of June 30, 2024, is ₩ 1,526,945 million (December 31, 2023: ₩ 1,297,935 million), which is expected to be satisfied by no later than 2031. Also, as a practical expedient, the Group excluded performance obligations that are part of contracts within an initial expected duration of one year or less.

(e) For the six-month period ended June 30, 2024, the Group recognized a reversal of impairment loss amounting to ₩ 3,253 million (June 30, 2023: an impairment loss of ₩ 98 million) in relation to due from customers, and amortization and other costs of ₩ 142,048 million (June 30, 2023: ₩ 92,603 million) in relation to costs to fulfill contracts.

## 10. Property, Plant and Equipment, and Intangible Assets

(a) Changes in property, plant and equipment for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>         | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|--|---|---|
| <b>January 1</b>                           | 16,818,629                                      | 15,831,838                                      |
| Acquisitions                               | 1,101,228                                       | 1,803,756                                       |
| Acquisitions by business combinations      | 186   | -   |
| Reclassification from assets held for sale | 209   | -   |
| Reclassification to assets held for sale   | -   | (3)   |
| Disposals and others                       | (30,138)  | (31,278)  |
| Depreciation                               | (1,433,623)                                     | (1,291,366)                                     |
| Impairment losses                          | (22,314)  | (20,588)  |
| Exchange differences                       | 280,667   | 223,531   |
| <b>June 30</b>                             | <b>16,714,844</b>                               | <b>16,515,890</b>                               |

## LG Electronics Inc. and its subsidiaries

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(b) Line items included in depreciation for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|------------------------------------|---|---|
| <b>Continuing operations</b>       |   |   |
| Cost of sales                      | 1,106,659                                       | 976,212   |
| Selling expenses                   | 138,547   | 141,135   |
| Administrative expenses            | 102,851   | 90,650  |
| Research and development expenses  | 63,665  | 56,755  |
| Service costs                      | 21,654  | 17,413  |
| Other non-operating expenses       | 247   | 9,164   |
| <b>Subtotal</b>                    | <b>1,433,623</b>                                | <b>1,291,329</b>                                |
| <b>Discontinued operations</b>     | <b>-</b>  | <b>37</b>                                       |
| <b>Total</b>                       | <b>1,433,623</b>                                | <b>1,291,366</b>                                |

(c) Changes in right-of-use assets included in property, plant and equipment for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|------------------------------------|---|---|
| <b>January 1</b>                   | <b>1,291,295</b>                                | <b>1,207,052</b>                                |
| Acquisitions                       | 112,219   | 170,295   |
| Disposals and others               | (12,972)  | (13,900)  |
| Depreciation                       | (164,229)                                       | (198,517)                                       |
| Exchange differences               | 30,371  | 26,792  |
| <b>June 30</b>                     | <b>1,256,684</b>                                | <b>1,191,722</b>                                |

The amount recognized as lease income in relation to sublease of the above right-of-use assets for the six-month period ended June 30, 2024 is ₩ 2,247 million (June 30, 2023: ₩ 3,193 million).

# LG Electronics Inc. and its subsidiaries

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(d) Changes in intangible assets for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>    | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|---------------------------------------|---|---|
| <b>January 1</b>                      | 2,867,687                                       | 2,454,830                                       |
| Acquisitions                          | 184,267   | 224,855   |
| Acquisitions by business combinations | 82,459  | -   |
| Acquisitions by internal development  | 254,749   | 163,978   |
| Disposals and others                  | (39,689)  | (30,368)  |
| Amortization                          | (259,666)                                       | (264,528)                                       |
| Impairment losses                     | (11,525)  | (3,217)   |
| Exchange differences                  | 26,635  | 16,067  |
| <b>June 30</b>                        | <b>3,104,917</b>                                | <b>2,561,617</b>                                |

(e) Line items including amortization of intangible assets for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|------------------------------------|---|---|
| <b>Continuing operations</b>       |   |   |
| Cost of sales                      | 180,332   | 190,372   |
| Selling expenses                   | 11,503  | 9,932   |
| Administrative expenses            | 27,400  | 27,932  |
| Research and development expenses  | 36,441  | 34,089  |
| Service costs                      | 3,977   | 2,155   |
| Other non-operating expenses       | 13  | 26  |
| <b>Subtotal</b>                    | <b>259,666</b>                                  | <b>264,506</b>                                  |
| <b>Discontinued operations</b>     | <b>-</b>  | <b>22</b>                                       |
| <b>Total</b>                       | <b>259,666</b>                                  | <b>264,528</b>                                  |

## 11. Investments in Associates and Joint Ventures

(a) Investments in associates and joint ventures

i) Carrying amounts of investments in associates and joint ventures as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i> | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------|----------------------|--------------------------|
| Associates                         | 3,062,207            | 2,946,619                |
| Joint ventures                     | 67,178               | 57,845                   |
| <b>Total</b>                       | <b>3,129,385</b>     | <b>3,004,464</b>         |

# LG Electronics Inc. and its subsidiaries

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ii) Investments in associates as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>                        | June 30, 2024    |                  |                 |                  | December 31, 2023 |                  |                 |                  |
|---|------------------|------------------|-----------------|------------------|-------------------|------------------|-----------------|------------------|
|   | Acquisition cost | Net asset amount | Unrealized gain | Carrying amount  | Acquisition cost  | Net asset amount | Unrealized gain | Carrying amount  |
| LG Display Co., Ltd. <sup>3</sup>                         | 1,115,249        | 2,801,273        | (88,757)        | 2,712,516        | 679,218           | 2,741,257        | (91,846)        | 2,649,411        |
| Ericsson-LG Co., Ltd.                                     | 12,649           | 55,795           | -               | 55,795           | 12,649            | 67,327           | -               | 67,327           |
| Hitachi-LG Data Storage Inc. (HLDS)                       | 101,961          | 64,054           | (946)           | 63,108           | 101,961           | 65,570           | (900)           | 64,670           |
| CCP-LGE OWNER, LLC <sup>1</sup>                           | 11,652           | 9,848            | -               | 9,848            | 11,652            | 9,476            | -               | 9,476            |
| ROBOTIS Co., Ltd. <sup>1</sup>                            | 9,000            | 8,275            | -               | 8,275            | 9,000             | 8,604            | -               | 8,604            |
| Acryl Inc. <sup>1</sup>                                   | 2,000            | 1,298            | -               | 1,298            | 2,000             | 873              | -               | 873              |
| Robostar Co., Ltd.  | 88,112           | 80,027           | (1,828)         | 78,199           | 88,112            | 79,136           | (2,148)         | 76,988           |
| AiM Future, Inc.  | 800              | 607              | -               | 607              | 800               | 1,106            | -               | 1,106            |
| Mirae Asset-LG Electronics New Growth Fund I <sup>3</sup> | 36,552           | 34,018           | -               | 34,018           | 28,023            | 27,207           | -               | 27,207           |
| Rinse, Inc. <sup>1</sup>                                  | 18,184           | 13,797           | -               | 13,797           | 18,184            | 14,950           | -               | 14,950           |
| SideChef Group Limited                                    | 7,702            | -                | -               | 7,702            | 7,702             | -                | -               | 7,702            |
| TheWaveTalk Co., Ltd.                                     | 2,000            | -                | -               | 2,000            | 2,000             | -                | -               | 2,000            |
| GOQUAL Inc.   | 5,000            | -                | -               | 5,000            | 5,000             | -                | -               | 5,000            |
| NOVA Prime Fund I, LP <sup>1,3</sup>                      | 15,486           | 14,797           | -               | 14,797           | 11,305            | 11,305           | -               | 11,305           |
| BEAR ROBOTICS, INC. <sup>1,2</sup>                        | 56,076           | 55,247           | -               | 55,247           | -                 | -                | -               | -                |
| <b>Total</b>  | <b>1,482,423</b> | <b>3,139,036</b> | <b>(91,531)</b> | <b>3,062,207</b> | <b>977,606</b>    | <b>3,026,811</b> | <b>(94,894)</b> | <b>2,946,619</b> |

<sup>1</sup> The financial statements as of May 31, 2024 were used due to a different closing date.

<sup>2</sup> The entities were newly acquired during the six-month period ended June 30, 2024.

<sup>3</sup> Shares in the entities were additionally acquired during the six-month period ended June 30, 2024.

iii) Investments in joint ventures as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>                     | June 30, 2024    |                  |                 |                 | December 31, 2023 |                  |                 |                 |
|--|------------------|------------------|-----------------|-----------------|-------------------|------------------|-----------------|-----------------|
|  | Acquisition cost | Net asset amount | Unrealized gain | Carrying amount | Acquisition cost  | Net asset amount | Unrealized gain | Carrying amount |
| Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)         | 14,718           | 36,510           | (484)           | 36,026          | 14,718            | 26,989           | (162)           | 26,827          |
| EIC PROPERTIES PTE LTD.                                | 9,636            | 20,286           | -               | 20,286          | 9,636             | 19,313           | -               | 19,313          |
| LG-MRI LLC <sup>2</sup>                                | -                | -                | -               | -               | 516               | 1,222            | -               | 1,222           |
| Neolite ZKW Lightings PVT Ltd.                         | -                | -                | -               | -               | -                 | -                | -               | -               |
| LG-LHT Aircraft Solutions GmbH <sup>3</sup>            | 52,120           | 5,421            | -               | 5,421           | 46,790            | 5,080            | -               | 5,080           |
| LG-LHT Passenger Solutions GmbH <sup>3</sup>           | 51,986           | 2,788            | -               | 2,788           | 46,656            | 2,895            | -               | 2,895           |
| GUANGDONG SMART LIFE TECHNOLOGY CO., LTD. <sup>1</sup> | 1,855            | 2,361            | -               | 2,361           | 1,855             | 2,207            | -               | 2,207           |
| Alluto LLC   | 2,095            | 296              | -               | 296             | 2,095             | 301              | -               | 301             |
| FITNESSCANDY Co., Ltd.                                 | 5,610            | -                | -               | -               | 5,610             | -                | -               | -               |
| <b>Total</b>   | <b>138,020</b>   | <b>67,662</b>    | <b>(484)</b>    | <b>67,178</b>   | <b>127,876</b>    | <b>58,007</b>    | <b>(162)</b>    | <b>57,845</b>   |

<sup>1</sup> The financial statements as of May 31, 2024 were used due to a different closing date.

<sup>2</sup> Liquidation was completed during the six-month period ended June 30, 2024.

<sup>3</sup> Shares in the entities were additionally acquired during the six-month period ended June 30, 2024.

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

(b) Associates and joint ventures

i) Associates as of June 30, 2024 are as follows:

| <u>Name of associate</u>                     | <u>Location</u> | <u>Closing month</u> | <u>Percentage of ownership (%)</u> | <u>Nature of relationships with the associates</u>            |
|--|-----------------|----------------------|------------------------------------|---|
| LG Display Co., Ltd.                         | South Korea     | December             | 36.7                               | Production and supply of display products                     |
| Ericsson-LG Co., Ltd.                        | South Korea     | December             | 25.0                               | Supply of communication devices and network solution products |
| Hitachi-LG Data Storage Inc.(HLDS)           | Japan           | December             | 49.0                               | Production and supply of data storages                        |
| CCP-LGE OWNER, LLC <sup>1</sup>              | USA             | December             | 71.0                               | Solar power plant business                                    |
| ROBOTIS Co., Ltd. <sup>2</sup>               | South Korea     | December             | 7.3                                | Production and sales of personal robot                        |
| Acryl Inc. <sup>2</sup>                      | South Korea     | December             | 12.1                               | Development and sales of software                             |
| Robostar Co., Ltd.                           | South Korea     | December             | 33.4                               | Production and sales of industrial robot                      |
| AiM Future, Inc. <sup>2</sup>                | South Korea     | December             | 11.7                               | Provision of artificial intelligence solution                 |
| Mirae Asset-LG Electronics New Growth Fund I | South Korea     | December             | 50.0                               | Investment in technology start-ups                            |
| Rinse, Inc.                                  | USA             | December             | 23.3                               | Laundry service   |
| SideChef Group Limited <sup>2</sup>          | Hong Kong       | December             | 17.0                               | Provision of smart kitchen content service                    |
| TheWaveTalk Co., Ltd. <sup>2</sup>           | South Korea     | December             | 3.7                                | Provision of joint development of microbial sensors           |
| GOQUAL Inc. <sup>2</sup>                     | South Korea     | December             | 7.2                                | Supply of communication Devices and network solution products |
| NOVA Prime Fund I, LP <sup>1</sup>           | USA             | December             | 88.0                               | Investment in technology start-ups                            |
| BEAR ROBOTICS, INC.                          | USA             | December             | 25.0                               | Production and sales of commercial robot                      |

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

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



## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

ii) Joint ventures as of June 30, 2024 are as follows:

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

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

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

iii) The Group applies the equity method of accounting to the above associates and joint ventures.

#### (c) Changes in investments in associates and joint ventures

i) Changes in the carrying amounts of investments in associates for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>   | Six-month period ended June 30, 2024 | Six-month period ended June 30, 2023 |
|--|--------------------------------------|--------------------------------------|
| <b>January 1</b>   | 2,946,619                            | 3,909,200                            |
| Acquisition  | 528,878                              | 7,701                                |
| Transfer   | (22,590)                             | 2,000                                |
| Gain (loss) from equity method valuation   | (519,298)                            | (781,717)                            |
| Share of other comprehensive income of associates                                  | 149,823                              | 33,368                               |
| Withdrawal of investments by dividend / capital reduction / liquidation and others | (21,955)                             | (11,250)                             |
| Changes in share of associates   | -                                    | 671                                  |
| Exchange differences   | 730                                  | 355                                  |
| <b>June 30</b>   | <b>3,062,207</b>                     | <b>3,160,328</b>                     |

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

ii) Changes in the carrying amounts of investments in joint ventures for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>   | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|--|---|---|
| <b>January 1</b>   | 57,845  | 54,350  |
| Acquisition  | 10,660  | 12,365  |
| Gain (loss) from equity method valuation   | (1,025)   | (11,532)  |
| Share of other comprehensive income (loss) of joint ventures                       | 639   | (4,616)   |
| Withdrawal of investments by dividend / capital reduction / liquidation and others | (925)   | (317)   |
| Exchange differences   | (16)  | 49  |
| <b>June 30</b>   | <b>67,178</b>                                   | <b>50,299</b>                                   |

(d) Condensed financial information of the associates that are material to the Company as of June 30, 2024 and December 31, 2023 and for each of the three-month and six-month periods ended June 30, 2024 and 2023 is as follows:

- LG Display Co., Ltd. and its subsidiaries

| <i>(in millions of Korean won)</i>                        | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---|----------------------|--------------------------|
| Current assets  | 9,811,607            | 9,503,186                |
| Non-current assets  | 25,262,180           | 26,256,112               |
| <b>Total assets</b>                                       | <b>35,073,787</b>    | <b>35,759,298</b>        |
| Current liabilities                                       | 14,360,599           | 13,885,028               |
| Non-current liabilities                                   | 11,533,604           | 13,103,726               |
| <b>Total liabilities</b>                                  | <b>25,894,203</b>    | <b>26,988,754</b>        |
| Equity attributable to the owners of LG Display Co., Ltd. | 7,632,896            | 7,232,182                |
| Non-controlling interests                                 | 1,546,688            | 1,538,362                |
| <b>Total equity</b>                                       | <b>9,179,584</b>     | <b>8,770,544</b>         |

| <i>(in millions of Korean won)</i>                    | <b>2024</b>         |                   | <b>2023</b>         |                    |
|---|---------------------|-------------------|---------------------|--------------------|
|   | <b>Three months</b> | <b>Six months</b> | <b>Three months</b> | <b>Six months</b>  |
| Net sales   | 6,708,199           | 11,961,174        | 4,738,571           | 9,149,627          |
| Gain (loss) for the period                            | (470,798)           | (1,232,074)       | (698,770)           | (1,851,870)        |
| Equity attributable to owners of LG Display Co., Ltd. |                     |                   |                     |                    |
| Gain (loss) for the period                            | (506,527)           | (1,289,684)       | (858,125)           | (2,071,903)        |
| Other comprehensive income (loss), net of tax         | 201,164             | 409,584           | (210,051)           | 91,468             |
| <b>Total comprehensive income (loss), net of tax</b>  | <b>(305,363)</b>    | <b>(880,100)</b>  | <b>(1,068,176)</b>  | <b>(1,980,435)</b> |

There are no dividends to be received from LG Display Co., Ltd. for the six-month period ended June 30, 2024 (2023: nil).

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

(e) Reconciliations of the condensed financial information of associates that are material to the Company adjusted to the carrying amount of the Group's interest for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

- LG Display Co., Ltd. and its subsidiaries

| <i>(in millions of Korean won)</i>                            | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|---|---|---|
| Opening equity attributable to owners of LG Display Co., Ltd. | 7,232,182                                       | 9,879,589                                       |
| Paid-in capital increase                                      | 1,280,814                                       | -   |
| Gain (loss) for the period                                    | (1,289,684)                                     | (2,071,903)                                     |
| Other comprehensive income (loss), net of tax                 | 409,584   | 91,468  |
| Closing equity attributable to owners of LG Display Co., Ltd. | 7,632,896                                       | 7,899,154                                       |
| The Group's percentage of ownership (%) <sup>1</sup>          | 36.7%   | 37.9%   |
| The Group's share at the end of the reporting period          | 2,801,273                                       | 2,994,063                                       |
| Unrealized gain (loss)  | (88,757)  | (94,435)  |
| Carrying amount at the end of the reporting period            | 2,712,516                                       | 2,899,628                                       |

<sup>1</sup> The percentage of ownership changed after the Group participating in paid-in capital increase during the six-month period ended June 30, 2024.

(f) The Group's share in the operating results of the individually insignificant associates and joint ventures for each of the three-month and six-month periods ended June 30, 2024 and 2023 is as follows:

| <i>(in millions of Korean won)</i>            | <b>2024</b>         |                   |                       |                   |
|---|---------------------|-------------------|-----------------------|-------------------|
|   | <b>Associates</b>   |                   | <b>Joint ventures</b> |                   |
|   | <b>Three months</b> | <b>Six months</b> | <b>Three months</b>   | <b>Six months</b> |
| Gain (loss) for the period                    | 6,336               | (3,864)           | 3,348                 | (445)             |
| Other comprehensive income (loss), net of tax | (75,933)            | 5,973             | 1,551                 | 638               |
| Total comprehensive income (loss), net of tax | (69,597)            | 2,109             | 4,899                 | 193               |

  

| <i>(in millions of Korean won)</i>            | <b>2023</b>         |                   |                       |                   |
|---|---------------------|-------------------|-----------------------|-------------------|
|   | <b>Associates</b>   |                   | <b>Joint ventures</b> |                   |
|   | <b>Three months</b> | <b>Six months</b> | <b>Three months</b>   | <b>Six months</b> |
| Gain (loss) for the period                    | 7,214               | (590)             | (5,596)               | (11,385)          |
| Other comprehensive income (loss), net of tax | (1,822)             | (1,301)           | (5,986)               | (4,607)           |
| Total comprehensive income (loss), net of tax | 5,392               | (1,891)           | (11,582)              | (15,992)          |

(g) There are no accumulated changes unrecognized in equity due to discontinued application of the equity method as of June 30, 2024 and December 31, 2023.

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

(h) Fair values of marketable investments in associates as of June 30, 2024 and December 31, 2023 are as follows:

| <b>June 30, 2024</b> |             |  |  |   |                            |
|----------------------|-------------|--|--|---|----------------------------|
|                      | <b>Type</b> | <b>Shares held<br/>(in number of<br/>shares)</b> | <b>Price per share<br/>(in Korean won)</b> | <b>Fair value<br/>(in millions of Korean<br/>won)</b> | <b>Carrying<br/>amount</b> |
| LG Display Co., Ltd. | Associate   | 183,593,206                                      | 11,470                                     | 2,105,814   | 2,712,516                  |
| Robostar Co., Ltd.   | Associate   | 3,256,500  | 28,300                                     | 92,159  | 78,199                     |
| ROBOTIS Co., Ltd.    | Associate   | 961,550  | 23,600                                     | 22,693  | 8,275                      |

  

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

## 12. Borrowings

(a) Carrying amounts of borrowings as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>      | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---|----------------------|--------------------------|
| <b>Current</b>                          |                      |                          |
| Short-term borrowings                   | 735,734              | 707,605                  |
| Current portion of long-term borrowings | 1,285,251            | 1,247,341                |
| Current portion of debentures           | 429,763              | 646,690                  |
| <b>Subtotal</b>                         | <b>2,450,748</b>     | <b>2,601,636</b>         |
| <b>Non-current</b>                      |                      |                          |
| Long-term borrowings                    | 5,509,567            | 5,536,626                |
| Debentures                              | 6,324,714            | 5,182,549                |
| <b>Subtotal</b>                         | <b>11,834,281</b>    | <b>10,719,175</b>        |
| <b>Total</b>                            | <b>14,285,029</b>    | <b>13,320,811</b>        |

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

(b) Details of borrowings as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>               | Latest<br>maturity date | Annual interest<br>rate as of June<br>30, 2024(%) | Carrying amount   |                      |
|--|-------------------------|---|-------------------|----------------------|
|  |                         |   | June 30,<br>2024  | December 31,<br>2023 |
| <b>Short-term borrowings in local currency</b>   |                         |   |                   |                      |
| Korea Development Bank and others                | -                       | 4.15 ~ 5.90                                       | 113,775           | 118,168              |
| <b>Short-term borrowings in foreign currency</b> |                         |   |                   |                      |
| Citibank and others <sup>1</sup>                 | -                       | 2.65 ~ 13.64                                      | 621,959           | 589,437              |
| <b>Long-term borrowings in local currency</b>    |                         |   |                   |                      |
| The Export-Import Bank of Korea and others       | 2035. 1. 9              | 2.31 ~ 5.13                                       | 4,081,107         | 4,014,970            |
| <b>Long-term borrowings in foreign currency</b>  |                         |   |                   |                      |
| The Export-Import Bank of Korea and others       | 2034. 6. 27             | 0.67 ~ 7.51                                       | 2,713,711         | 2,768,997            |
| <b>Local currency debentures</b>                 |                         |   |                   |                      |
| Public, non-guaranteed bonds                     | 2036. 5. 4              | 1.59 ~ 4.84                                       | 3,750,000         | 3,960,000            |
| Private, non-guaranteed bonds                    | 2041. 2. 9              | 1.99 ~ 5.15                                       | 1,130,000         | 1,130,000            |
| <b>Foreign currency debentures</b>               |                         |   |                   |                      |
| Public, non-guaranteed bonds                     | 2029. 4. 24             | 5.63  | 1,111,360         | -                    |
| Private, non-guaranteed bonds                    | 2031. 1. 8              | 0.81 ~ 7.22                                       | 720,214           | 688,442              |
| Private, guaranteed bonds                        | 2026. 10. 26            | 6.71  | 69,460            | 64,470               |
| (Less: discount on debentures)                   |                         |   | (26,557)          | (13,673)             |
| <b>Total</b>                                     |                         |   | <b>14,285,029</b> | <b>13,320,811</b>    |

<sup>1</sup> The above short-term borrowings in foreign currency include the short-term borrowings collateralized by trade receivables amounting to ₩41,513 million (December 31, 2023: ₩60,269 million) as of June 30, 2024. The Group entered into interest rate swap and cross-currency swap contracts to hedge cash flow risk related to floating interest rates and foreign exchange rates of certain portion of borrowings (see Note 32). The principal and interests of certain private guaranteed bonds are guaranteed by Shinhan Bank (see Note 29).

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

#### 13. Lease Liabilities

(a) Details of lease liabilities as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i> | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------|----------------------|--------------------------|
| <b>Lease liabilities</b>           |                      |                          |
| Current                            | 340,001              | 336,772                  |
| Non-current                        | 837,735              | 856,251                  |
| <b>Total</b>                       | <b>1,177,736</b>     | <b>1,193,023</b>         |

(b) The amounts recognized in profit or loss relating to leases for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>  | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|---|---|---|
| <b>Continuing operations</b>  |   |   |
| Interest expense relating on lease liabilities  | 26,197  | 20,785  |
| Short-term lease payments (included in cost of sales, selling and administrative expenses, and others)  | 30,893  | 26,326  |
| Payments for leases of low-value assets that are not short-term leases (included in cost of sales, selling and administrative expenses, and others)           | 15,967  | 14,839  |
| Expense relating to variable lease payments not included in the measurement of lease liabilities (included in selling and administrative expenses and others) | 50,391  | 46,464  |
| <b>Subtotal</b>   | <b>123,448</b>                                  | <b>108,414</b>                                  |
| <b>Discontinued operations</b>  | <b>-</b>  | <b>9</b>  |
| <b>Total</b>  | <b>123,448</b>                                  | <b>108,423</b>                                  |

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

(c) Total expenditures for leases including short-term leases and leases of low-value assets for the six-month period ended June 30, 2024 are ₩264,049 million (June 30, 2023: ₩287,241 million).

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

### 14. Retirement Benefits

#### 14.1 Defined Benefit Plan

(a) The amounts of net defined benefit liabilities (assets) as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>                          | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---|----------------------|--------------------------|
| Present value of funded obligations                         | 4,811,829            | 4,558,536                |
| Present value of unfunded obligations                       | 68,069               | 64,553                   |
| <b>Subtotal</b>   | <b>4,879,898</b>     | <b>4,623,089</b>         |
| Fair value of plan assets                                   | (5,099,890)          | (5,075,633)              |
| <b>Net defined benefit liabilities (assets)<sup>1</sup></b> | <b>(219,992)</b>     | <b>(452,544)</b>         |

<sup>1</sup> Net defined benefit assets are included.

(b) The amounts recognized in profit or loss relating to defined benefits for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|------------------------------------|---|---|
| Current service cost               | 227,817   | 197,055   |
| Net interest cost                  | (9,846)   | (18,186)  |
| Operating management cost          | 2,247   | 1,717   |
| <b>Total</b>                       | <b>220,218</b>                                  | <b>180,586</b>                                  |

(c) Line items in which expenses are included for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|------------------------------------|---|---|
| <b>Continuing operations</b>       |   |   |
| Cost of sales                      | 102,281   | 83,832  |
| Selling expenses                   | 38,897  | 32,258  |
| Administrative expenses            | 20,838  | 16,922  |
| Research and development expenses  | 40,768  | 31,385  |
| Service costs                      | 17,339  | 14,521  |
| Other non-operating expenses       | 95  | 1,662   |
| <b>Subtotal</b>                    | <b>220,218</b>                                  | <b>180,580</b>                                  |
| <b>Discontinued operations</b>     | <b>-</b>  | <b>6</b>  |
| <b>Total</b>                       | <b>220,218</b>                                  | <b>180,586</b>                                  |

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

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(d) Changes in the present value of defined benefit obligations for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>                                    | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|---|---|---|
| <b>January 1</b>  | 4,623,089                                       | 3,939,596                                       |
| Current service cost  | 227,817   | 197,055   |
| Interest expense  | 102,138   | 102,034   |
| Remeasurements for  |   |   |
| - Actuarial loss (gain) arising from changes in financial assumptions | 106,787   | 54,377  |
| Benefits paid   | (182,608)                                       | (200,625)                                       |
| Others <sup>1</sup>   | 2,675   | 7,995   |
| <b>June 30</b>  | <b>4,879,898</b>                                | <b>4,100,432</b>                                |

<sup>1</sup> Others include effects of exchange rate changes.

(e) Changes in the fair value of plan assets for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|------------------------------------|---|---|
| <b>January 1</b>                   | 5,075,633                                       | 4,624,609                                       |
| Interest income                    | 111,984   | 120,220   |
| Remeasurements of plan assets      | (10,883)  | 1,460   |
| Employer contributions             | 104,287   | 103,172   |
| Benefits paid                      | (179,982)                                       | (212,749)                                       |
| Operating management cost          | (2,247)   | (1,717)   |
| Others <sup>1</sup>                | 1,098   | 611   |
| <b>June 30</b>                     | <b>5,099,890</b>                                | <b>4,635,606</b>                                |

<sup>1</sup> Others include effects of exchange rate changes.

(f) The key actuarial assumptions used as of June 30, 2024 and December 31, 2023 are as follows:

|   | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---|----------------------|--------------------------|
| Weighted average discount rate of the Group               | 4.3%                 | 4.5%                     |
| Weighted average expected salary growth rate of the Group | 5.9%                 | 5.9%                     |

As of June 30, 2024, the discount rates applied to the Parent Company and its subsidiaries are 0.5%~10.3% (December 31, 2023: 0.9%~10.3%), and the expected salary growth rates are 1.0%~10.0% (December 31, 2023: 1.0%~10.0%).



# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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(g) The sensitivity analysis of the defined benefit obligation to changes in principal assumptions as of June 30, 2024 is as follows:

| <i>(in millions of Korean won)</i> | <b>1%p increase</b> | <b>1%p decrease</b> |
|------------------------------------|---------------------|---------------------|
| Discount rate                      | (460,854)           | 527,320             |
| Expected salary growth rate        | 540,870             | (478,423)           |

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

### 14.2 Defined Contribution Plan

The expense recognized for the six-month period ended June 30, 2024 in relation to the defined contribution plan is ₩17,877 million (June 30, 2023: ₩8,938 million).

## LG Electronics Inc. and its subsidiaries

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June 30, 2024 and 2023, and December 31, 2023

#### 15. Provisions

Changes in provisions for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>  | Six-month period ended June 30, 2024 |               |                       |                  |
|-------------------------------------|--------------------------------------|---------------|-----------------------|------------------|
|                                     | Warranty                             | Restoration   | Litigation and others | Total            |
| <b>January 1</b>                    | 1,001,682                            | 52,511        | 322,927               | 1,377,120        |
| Additions (reversal) <sup>1</sup>   | 382,136                              | 2,454         | (49,631)              | 334,959          |
| Transfer from business combinations | 446                                  | -             | -                     | 446              |
| Utilizations                        | (421,745)                            | (1,061)       | (29,091)              | (451,897)        |
| Exchange differences                | 17,559                               | 583           | 6,489                 | 24,631           |
| <b>June 30</b>                      | <b>980,078</b>                       | <b>54,487</b> | <b>250,694</b>        | <b>1,285,259</b> |
| Current                             | 879,820                              | 10,807        | 115,617               | 1,006,244        |
| Non-current                         | 100,258                              | 43,680        | 135,077               | 279,015          |

  

| <i>(in millions of Korean won)</i> | Six-month period ended June 30, 2023 |               |                       |                  |
|------------------------------------|--------------------------------------|---------------|-----------------------|------------------|
|                                    | Warranty                             | Restoration   | Litigation and others | Total            |
| <b>January 1</b>                   | 1,556,634                            | 36,374        | 175,927               | 1,768,935        |
| Additions (reversal) <sup>1</sup>  | 582,583                              | 3,659         | 62,273                | 648,515          |
| Utilizations                       | (431,846)                            | (991)         | (18,655)              | (451,492)        |
| Exchange differences               | 14,002                               | 295           | 4,944                 | 19,241           |
| <b>June 30</b>                     | <b>1,721,373</b>                     | <b>39,337</b> | <b>224,489</b>        | <b>1,985,199</b> |
| Current                            | 1,605,030                            | 10,391        | 53,320                | 1,668,741        |
| Non-current                        | 116,343                              | 28,946        | 171,169               | 316,458          |

<sup>1</sup> Net amount of additional provisions equals to additional provisions less reversed amounts.

## LG Electronics Inc. and its subsidiaries

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#### 16. Paid-in Capital

(a) The number of ordinary shares and preferred shares as of June 30, 2024 is 600 million shares

|                  | Par value per share<br>(in Korean won) | June 30, 2024           |                                       | December 31, 2023       |                                       |
|------------------|--|-------------------------|---------------------------------------|-------------------------|---------------------------------------|
|                  |  | Number of shares issued | Amount<br>(in millions of Korean won) | Number of shares issued | Amount<br>(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                                |
| <b>Total</b>     |  | <b>180,833,806</b>      | <b>904,169</b>                        | <b>180,833,806</b>      | <b>904,169</b>                        |

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 June 30, 2024 is ₩3,088,179 million. A share premium of ₩1,876,153 million is recognized, which includes ₩2,815,707 million of the carrying amount of net assets acquired from the entity spin-off on April 1, 2002 less ₩783,961 million of capital held by the Parent Company and ₩155,593 million of adjustment to capital transferred to the Parent Company. In addition, ₩331,766 million of paid-in capital incurred from the issuance of ordinary shares (merger with LG IBMPC Co., Ltd.) and the exercise of conversion options in 2005 and 2006 is recognized as share premium. Plus, ₩880,260 million of paid-in capital is recognized as the share premium incurred from the issuance of ordinary shares in 2011.

#### 17. Retained Earnings

Retained earnings as of June 30, 2024 and December 31, 2023 are as follows:

| (in millions of Korean won)                   | June 30, 2024     | December 31, 2023 |
|---|-------------------|-------------------|
| Legal reserve <sup>1</sup>                    | 273,791           | 259,300           |
| Voluntary reserve                             | 6,147,421         | 5,504,433         |
| Unappropriated retained earnings <sup>2</sup> | 10,576,871        | 10,437,706        |
| <b>Total</b>                                  | <b>16,998,083</b> | <b>16,201,439</b> |

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

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

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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### 18. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) as of June 30, 2024 and December 31, 2023 consists of:

| <i>(in millions of Korean won)</i>  | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---|----------------------|--------------------------|
| Accumulated share of other comprehensive income (loss) of associates and joint ventures | 240,230              | 88,029                   |
| Cash flow hedge   | 15,895               | 6,880                    |
| Financial assets at fair value through other comprehensive income (loss)                | 8,486                | (19,702)                 |
| Exchange differences on translation of foreign operations                               | 70,224               | (496,025)                |
| <b>Subtotal</b>   | <b>334,835</b>       | <b>(420,818)</b>         |
| Accumulated other comprehensive income (loss) held for sale                             | (237)                | (136)                    |
| <b>Total</b>  | <b>334,598</b>       | <b>(420,954)</b>         |

### 19. Other Components of Equity

Other components of equity as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>                            | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---|----------------------|--------------------------|
| Treasury shares <sup>1</sup>                                  | (44,893)             | (44,893)                 |
| Consideration for conversion rights                           | 9,891                | 9,891                    |
| Gain on disposal of treasury shares                           | 2,183                | 2,183                    |
| Capital transactions within the Group and others <sup>2</sup> | (75,370)             | (75,260)                 |
| <b>Total</b>  | <b>(108,189)</b>     | <b>(108,079)</b>         |

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

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

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

### 20. Net Sales

(a) Details of net sales for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>       | 2024              |                   | 2023              |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | Three months      | Six months        | Three months      | Six months        |
| <b>Continuing operations</b>             |                   |                   |                   |                   |
| Revenue from contracts with customers:   |                   |                   |                   |                   |
| Sales of goods                           | 20,533,711        | 40,650,229        | 19,190,226        | 38,889,804        |
| Rendering of services and others         | 722,707           | 1,347,232         | 560,542           | 1,065,256         |
| <b>Subtotal</b>                          | <b>21,256,418</b> | <b>41,997,461</b> | <b>19,750,768</b> | <b>39,955,060</b> |
| Revenue from other sources:              |                   |                   |                   |                   |
| Rental income and others                 | 437,948           | 792,854           | 247,689           | 459,269           |
| <b>Subtotal of continuing operations</b> | <b>21,694,366</b> | <b>42,790,315</b> | <b>19,998,457</b> | <b>40,414,329</b> |
| <b>Discontinued operations</b>           | <b>-</b>          | <b>-</b>          | <b>558</b>        | <b>1,062</b>      |
| <b>Total</b>                             | <b>21,694,366</b> | <b>42,790,315</b> | <b>19,999,015</b> | <b>40,415,391</b> |

(b) Details of revenue from contracts with customers for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>                        | Six-month period ended June 30, 2024 | Six-month period ended June 30, 2023 |
|---|--------------------------------------|--------------------------------------|
| By <i>type</i> of products:                               |                                      |                                      |
| Refrigerator/ washing machine/ air conditioner and others | 16,710,537                           | 15,576,170                           |
| TV/AV and others  | 7,058,757                            | 6,484,577                            |
| In-vehicle infotainment and others                        | 5,352,527                            | 5,049,814                            |
| Monitor/PC and others                                     | 3,034,402                            | 2,808,979                            |
| Camera module and others                                  | 8,885,431                            | 8,279,055                            |
| Others <sup>1</sup>                                       | 955,807                              | 1,756,465                            |
| By <i>major</i> geographical market <sup>2</sup> :        |                                      |                                      |
| Korea   | 15,737,322                           | 14,737,213                           |
| America   | 11,151,901                           | 11,270,586                           |
| Europe  | 6,767,896                            | 6,104,847                            |
| Asia, Africa and others                                   | 8,340,342                            | 7,842,414                            |
| Timing of revenue recognition                             |                                      |                                      |
| At a point in time  | 39,711,147                           | 38,007,260                           |
| Over time   | 2,286,314                            | 1,947,800                            |
| <b>Total</b>  | <b>41,997,461</b>                    | <b>39,955,060</b>                    |

<sup>1</sup> Others include equipment production, inter-company transactions and others.

<sup>2</sup> Major geographical market presents the region in which the Group is located.

# LG Electronics Inc. and its subsidiaries

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June 30, 2024 and 2023, and December 31, 2023

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

Due to the factors causing the changes in the costs of VS and other segments during the six-month period ended June 30, 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 six-month period ended June 30, 2024 and the subsequent periods are as follows:

| <i>(in millions of Korean won)</i> | Changes in<br>estimated total<br>contract revenue | Changes in<br>estimated total<br>contract cost | Impact on profit<br>or loss for the<br>period ended<br>June 30, 2024 | Impact on profit<br>or loss for the<br>subsequent<br>periods |
|------------------------------------|---|--|--|--|
| VS                                 | 12,503  | 12,588   | (1,550)  | 1,465  |
| Other segments                     | 149,157   | 67,682   | 52,282   | 29,193   |
| <b>Total</b>                       | <b>161,660</b>                                    | <b>80,270</b>                                  | <b>50,732</b>  | <b>30,658</b>  |

## 21. Expenses by Nature

Expenses that are recorded by nature for each of the three-month and six-month periods ended June 30, 2024 and 2023 consist of:

| <i>(in millions of Korean won)</i>            | 2024              |                   | 2023              |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Three months      | Six months        | Three months      | Six months        |
| <b>Continuing operations</b>                  |                   |                   |                   |                   |
| Changes in finished goods and work-in-process | 265,817           | (633,612)         | 1,339,675         | 833,382           |
| Raw materials and merchandise used            | 12,580,238        | 26,133,338        | 10,768,674        | 23,673,267        |
| Employee benefit expense                      | 2,675,370         | 5,227,758         | 2,503,885         | 4,856,711         |
| Depreciation and amortization                 | 848,592           | 1,695,587         | 780,645           | 1,549,253         |
| Advertising expense                           | 438,469           | 744,953           | 370,620           | 615,886           |
| Promotion expense                             | 159,605           | 270,956           | 149,712           | 238,705           |
| Freight expense                               | 731,141           | 1,422,577         | 653,858           | 1,344,327         |
| Commission expense                            | 1,374,746         | 2,670,297         | 1,239,139         | 2,404,595         |
| Other expenses                                | 1,424,242         | 2,726,904         | 1,450,332         | 2,658,898         |
| <b>Subtotal<sup>1</sup></b>                   | <b>20,498,220</b> | <b>40,258,758</b> | <b>19,256,540</b> | <b>38,175,024</b> |
| <b>Discontinued operations</b>                | -                 | -                 | (583)             | (841)             |
| <b>Total</b>                                  | <b>20,498,220</b> | <b>40,258,758</b> | <b>19,255,957</b> | <b>38,174,183</b> |

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

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

Details of general operating expenses for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | 2024             |                  | 2023             |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | Three months     | Six months       | Three months     | Six months       |
| <b>Continuing operations</b>       |                  |                  |                  |                  |
| Salaries                           | 1,147,222        | 2,174,247        | 1,007,415        | 1,923,677        |
| Retirement benefits                | 64,658           | 139,275          | 52,651           | 143,890          |
| Employee welfare benefits          | 232,577          | 476,188          | 238,884          | 463,110          |
| Freight expense                    | 725,932          | 1,412,223        | 648,376          | 1,333,959        |
| Rental expense                     | 21,205           | 43,157           | 20,251           | 40,390           |
| Commission expense                 | 998,890          | 1,959,703        | 889,550          | 1,726,418        |
| Depreciation                       | 165,411          | 329,275          | 157,165          | 308,561          |
| Amortization                       | 42,003           | 79,321           | 37,311           | 74,108           |
| Advertising expense                | 438,469          | 744,953          | 370,620          | 615,886          |
| Promotion expense                  | 159,605          | 270,956          | 149,712          | 238,705          |
| R&D expense                        | 83,755           | 149,678          | 92,152           | 155,568          |
| Direct service costs               | 126,832          | 253,275          | 272,625          | 371,601          |
| Bad debts expense                  | 23,603           | 26,174           | (631)            | 7,853            |
| Others                             | 237,751          | 459,028          | 208,006          | 412,916          |
| <b>Subtotal</b>                    | <b>4,467,913</b> | <b>8,517,453</b> | <b>4,144,087</b> | <b>7,816,642</b> |
| <b>Discontinued operations</b>     | <b>-</b>         | <b>-</b>         | <b>499</b>       | <b>639</b>       |
| <b>Total</b>                       | <b>4,467,913</b> | <b>8,517,453</b> | <b>4,144,586</b> | <b>7,817,281</b> |

#### 23. Financial Income

Financial income for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | 2024           |                | 2023           |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | Three months   | Six months     | Three months   | Six months     |
| <b>Continuing operations</b>       |                |                |                |                |
| Interest income                    | 123,302        | 260,585        | 108,230        | 191,277        |
| Exchange differences               | 128,846        | 322,232        | 235,191        | 510,351        |
| Gain on derivatives                | 21,776         | 39,620         | 2,778          | 3,136          |
| <b>Subtotal</b>                    | <b>273,924</b> | <b>622,437</b> | <b>346,199</b> | <b>704,764</b> |
| <b>Discontinued operations</b>     | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total</b>                       | <b>273,924</b> | <b>622,437</b> | <b>346,199</b> | <b>704,764</b> |

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#### 24. Financial Expenses

Financial expenses for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>    | 2024           |                | 2023           |                |
|---------------------------------------|----------------|----------------|----------------|----------------|
|                                       | Three months   | Six months     | Three months   | Six months     |
| <b>Continuing operations</b>          |                |                |                |                |
| Interest expense                      | 161,779        | 306,420        | 139,019        | 264,069        |
| Exchange differences                  | 114,137        | 257,494        | 184,579        | 431,247        |
| Loss on derivatives                   | 18,466         | 21,015         | 429            | 1,478          |
| Loss on disposal of trade receivables | 12,575         | 22,239         | 12,427         | 24,448         |
| Others                                | 813            | 1,482          | 533            | 1,328          |
| <b>Subtotal</b>                       | <b>307,770</b> | <b>608,650</b> | <b>336,987</b> | <b>722,570</b> |
| <b>Discontinued operations</b>        | -              | -              | -              | -              |
| <b>Total</b>                          | <b>307,770</b> | <b>608,650</b> | <b>336,987</b> | <b>722,570</b> |

#### 25. Other Non-operating Income

Other non-operating income for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>   | 2024           |                | 2023           |                  |
|--|----------------|----------------|----------------|------------------|
|  | Three months   | Six months     | Three months   | Six months       |
| <b>Continuing operations</b>   |                |                |                |                  |
| Dividend income  | 134            | 391            | 806            | 1,258            |
| Exchange differences   | 426,043        | 939,567        | 454,330        | 1,091,151        |
| Gain on derivatives  | 11,814         | 15,463         | 1,236          | 5,704            |
| Gain on disposal of property, plant and equipment                          | 3,425          | 6,573          | 1,888          | 5,508            |
| Gain on disposal of intangible assets                                      | 2              | 2              | 13             | 217              |
| Gain on disposal of assets held for sale                                   | -              | -              | 7              | 3,726            |
| Gain on valuation of financial assets at fair value through profit or loss | -              | 49             | 448            | 457              |
| Others   | 17,199         | 34,601         | 44,967         | 84,131           |
| <b>Subtotal</b>  | <b>458,617</b> | <b>996,646</b> | <b>503,695</b> | <b>1,192,152</b> |
| <b>Discontinued operations</b>   | -              | -              | 33             | 69               |
| <b>Total</b>   | <b>458,617</b> | <b>996,646</b> | <b>503,728</b> | <b>1,192,221</b> |



## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

#### 26. Other Non-operating Expenses

Other non-operating expenses for each of the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>   | 2024           |                  | 2023           |                  |
|--|----------------|------------------|----------------|------------------|
|  | Three months   | Six months       | Three months   | Six months       |
| <b>Continuing operations</b>   |                |                  |                |                  |
| Exchange differences   | 469,372        | 1,047,953        | 444,255        | 1,103,878        |
| Loss on derivatives  | 4,229          | 12,623           | 18,516         | 31,819           |
| Loss on disposal of property, plant and equipment                          | 3,036          | 5,669            | 3,182          | 5,304            |
| Impairment loss on property, plant and equipment                           | 3,485          | 22,363           | 6,351          | 19,605           |
| Loss on disposal of intangible assets                                      | 9,194          | 16,898           | 13,310         | 23,142           |
| Impairment loss on intangible assets                                       | 3,746          | 11,525           | 2,442          | 3,217            |
| Loss on valuation of financial assets at fair value through profit or loss | 311            | 1,692            | 127            | 1,150            |
| Others   | 20,278         | 27,933           | 58,865         | 112,414          |
| <b>Subtotal</b>  | <b>513,651</b> | <b>1,146,656</b> | <b>547,048</b> | <b>1,300,529</b> |
| <b>Discontinued operations</b>   | -              | -                | 13             | 32               |
| <b>Total</b>   | <b>513,651</b> | <b>1,146,656</b> | <b>547,061</b> | <b>1,300,561</b> |

# LG Electronics Inc. and its subsidiaries

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### 27. Earnings (Losses) per Share

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

(a) Basic earnings (losses) per ordinary share for each of the three-month and six-month periods ended June 30, 2024 and 2023 is as follows:

|   | 2024         |             | 2023         |             |
|---|--------------|-------------|--------------|-------------|
|   | Three months | Six months  | Three months | Six months  |
| Profit (loss) attributable to ordinary shares<br>(in millions of Korean won)    | 505,539      | 934,799     | 146,434      | 572,534     |
| Continuing operations   | 505,539      | 934,799     | 145,654      | 571,226     |
| Discontinued operations   | -            | -           | 780          | 1,308       |
| Weighted average number of ordinary shares<br>outstanding (in number of shares) | 162,884,638  | 162,884,638 | 162,884,638  | 162,884,638 |
| Basic earnings (losses) per ordinary share (in<br>Korean won)                   | 3,104        | 5,739       | 899          | 3,515       |
| Continuing operations   | 3,104        | 5,739       | 894          | 3,507       |
| Discontinued operations   | -            | -           | 5            | 8           |

(b) Basic earnings (losses) per preferred share for each of the three-month and six-month periods ended June 30, 2024 and 2023 is as follows:

|  | 2024         |            | 2023         |            |
|--|--------------|------------|--------------|------------|
|  | Three months | Six months | Three months | Six months |
| Profit (loss) attributable to preferred shares<br>(in millions of Korean won)    | 53,539       | 99,033     | 15,662       | 60,822     |
| Continuing operations  | 53,539       | 99,033     | 15,580       | 60,684     |
| Discontinued operations  | -            | -          | 82           | 138        |
| Weighted average number of preferred shares<br>outstanding (in number of shares) | 17,181,299   | 17,181,299 | 17,181,299   | 17,181,299 |
| Basic earnings (losses) per preferred share (in<br>Korean won)                   | 3,116        | 5,764      | 912          | 3,540      |
| Continuing operations  | 3,116        | 5,764      | 907          | 3,532      |
| Discontinued operations  | -            | -          | 5            | 8          |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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### 28. Cash Flow Information

Cash flows from operating activities are presented using the indirect method. Details of cash generated from (used in) operations for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(a) Cash generated from (used in) operations

| <i>(in millions of Korean won)</i>   | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|--|---|---|
| Profit (loss) for the period   | 1,214,885                                       | 741,783   |
| Adjustments:   |   |   |
| Interest expense (income), net   | 45,835  | 72,792  |
| Exchange differences, net  | 44,004  | 17,268  |
| Loss (gain) on derivatives, net  | (21,445)  | 24,457  |
| Depreciation   | 1,433,623                                       | 1,291,329                                       |
| Amortization   | 259,666   | 264,506   |
| Loss (gain) on disposal of property, plant and<br>equipment and intangible assets, net | 15,992  | 22,721  |
| Provisions for retirement benefits   | 220,218   | 189,518   |
| Additional provisions, net   | 333,189   | 645,869   |
| Income tax expense   | 660,126   | 579,536   |
| Loss (gain) from equity method valuation   | 520,323   | 793,249   |
| Others   | 134,470   | 75,103  |
| Discontinued operations  | -   | 1,275   |
|  | <u>3,646,001</u>                                | <u>3,977,623</u>                                |
| Changes in operating assets and liabilities:   |   |   |
| Decrease (increase) in trade receivables   | (786,036)                                       | (854,919)                                       |
| Decrease (increase) in other receivables   | (70,238)  | (237,926)                                       |
| Decrease (increase) in inventories   | (522,584)                                       | 1,016,666                                       |
| Decrease (increase) in contract assets   | (167,093)                                       | (240,721)                                       |
| Decrease (increase) in other assets  | (164,602)                                       | (21,378)  |
| Increase (decrease) in trade payables  | (339,289)                                       | (250,493)                                       |
| Increase (decrease) in other payables  | (312,544)                                       | (696,727)                                       |
| Increase (decrease) in provisions  | (451,897)                                       | (451,492)                                       |
| Increase (decrease) in contract liabilities  | 434,859   | 337,763   |
| Increase (decrease) in other liabilities   | 147,950   | 101,271   |
| Payment of defined benefit liabilities   | (2,626)   | (4,261)   |
| Decrease (increase) in plan assets, net  | (104,287)                                       | (95,725)  |
|  | <u>(2,338,387)</u>                              | <u>(1,397,942)</u>                              |
| <b>Cash generated from (used in) operations</b>  | <u>2,522,499</u>                                | <u>3,321,464</u>                                |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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### (b) Changes in liabilities from financing activities

|                                     |                   | Six-month period ended June 30, 2024     |                          |                                    |              |                                  |                                     |                   |
|-------------------------------------|-------------------|--|--------------------------|------------------------------------|--------------|----------------------------------|-------------------------------------|-------------------|
|                                     |                   | Net cash flows from financing activities | Effects of other changes |                                    |              |                                  | Gain (Loss) on valuation and others | June 30           |
| (in millions of Korean won)         | January 1         |  | Additions                | Exchange differences (profit/loss) | Amortization | Effects of exchange rate changes |                                     |                   |
| Borrowings                          | 7,491,572         | (163,003)                                | -                        | 100,005                            | -            | 101,978                          | -                                   | 7,530,552         |
| Debentures                          | 5,829,239         | 870,250                                  | -                        | 52,779                             | 2,209        | -                                | -                                   | 6,754,477         |
| Lease liabilities                   | 1,193,023         | (142,376)                                | 93,986                   | 1,943                              | 1,775        | 29,385                           | -                                   | 1,177,736         |
| Net derivative liabilities (assets) | (123,743)         | 18,312                                   | -                        | (102,549)                          | (2,427)      | -                                | (14,924)                            | (225,331)         |
| Other payables                      | 271,413           | -  | 17,130                   | 4,236                              | -            | 16,250                           | -                                   | 309,029           |
| <b>Total</b>                        | <b>14,661,504</b> | <b>583,183</b>                           | <b>111,116</b>           | <b>56,414</b>                      | <b>1,557</b> | <b>147,613</b>                   | <b>(14,924)</b>                     | <b>15,546,463</b> |

|                                     |                   | Six-month period ended June 30, 2023     |                          |                                    |                |                                  |                                     |                   |
|-------------------------------------|-------------------|--|--------------------------|------------------------------------|----------------|----------------------------------|-------------------------------------|-------------------|
|                                     |                   | Net cash flows from financing activities | Effects of other changes |                                    |                |                                  | Gain (Loss) on valuation and others | June 30           |
| (in millions of Korean won)         | January 1         |  | Additions                | Exchange differences (profit/loss) | Amortization   | Effects of exchange rate changes |                                     |                   |
| Borrowings                          | 5,977,271         | 835,285                                  | -                        | 71,795                             | -              | 94,683                           | -                                   | 6,979,034         |
| Debentures                          | 5,067,916         | 741,100                                  | -                        | 22,213                             | (1,082)        | -                                | -                                   | 5,830,147         |
| Lease liabilities                   | 1,096,235         | (180,062)                                | 147,617                  | (3,736)                            | 1,244          | 23,451                           | -                                   | 1,084,749         |
| Net derivative liabilities (assets) | (135,375)         | (2,600)                                  | -                        | (39,506)                           | (2,378)        | -                                | 1,389                               | (178,470)         |
| Other payables                      | 125,288           | -  | -                        | 2,368                              | -              | 2,929                            | -                                   | 130,585           |
| <b>Total</b>                        | <b>12,131,335</b> | <b>1,393,723</b>                         | <b>147,617</b>           | <b>53,134</b>                      | <b>(2,216)</b> | <b>121,063</b>                   | <b>1,389</b>                        | <b>13,846,045</b> |

### (c) Material non-cash transactions

| (in millions of Korean won)   | Six-month period ended June 30, 2024 | Six-month period ended June 30, 2023 |
|---|--------------------------------------|--------------------------------------|
| Reclassification of construction-in-progress to property, plant and equipment | 486,882                              | 686,792                              |
| Reclassification of construction-in-progress to intangible assets             | 404,744                              | 167,393                              |
| Reclassification of current portion of borrowings                             | 1,174,514                            | 1,231,947                            |
| Other payables to acquire property, plant and equipment                       | 263,767                              | 495,503                              |
| Other payables to acquire intangible assets                                   | 16,776                               | 10,823                               |
| Acquisition of right-of-use assets  | 109,637                              | 170,295                              |

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

June 30, 2024 and 2023, and December 31, 2023

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### 29. Contingencies

(a) As of June 30, 2024, borrowings are collateralized by a certain portion of property, plant and equipment (land, buildings) with the pledged amount of ₩74,744 million (December 31, 2023: ₩80,481 million) and the carrying amount of pledged assets is ₩122,489 million (December 31, 2023: ₩120,253 million). In addition, the Group has been providing buildings as collateral to Shinhan Bank and others, the mortgagee, in order to guarantee obligations of landlords, who leased the land to the Group, with the pledged amount of ₩14,400 million (December 31, 2023: ₩14,400 million), and the carrying amount of pledged assets is ₩4,289 million (December 31, 2023: ₩4,649 million).

(b) As of June 30, 2024, the Parent Company and domestic subsidiaries are provided with payment guarantees of ₩417,481 million (December 31, 2023: ₩400,116 million) from Seoul Guarantee Insurance and others relating to the performance guarantees. LG Innotek Co., Ltd. is provided with guarantee of principal amounting to USD 50 million (December 31, 2023: USD 50 million) and interests from Shinhan Bank for the guaranteed private placement bonds.

(c) As of June 30, 2024, the Parent Company is providing KEB Hana Bank with a subrogation payment obligation for buyers up to ₩46,000 million (December 31, 2023: ₩46,000 million).

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

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

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

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#### 30. Commitments

(a) As of June 30, 2024, the Group has borrowing agreements, such as overdraft facility agreements, trade financing and others, with various banks, including Shinhan Bank, with a limit of ₩8,029,750 million (December 31, 2023: ₩7,779,499 million).

(b) As of June 30, 2024, the Group has sales agreements for receivables with various banks including KEB Hana Bank amounting to ₩5,616,323 million (December 31, 2023: ₩5,655,911 million).

(c) As of June 30, 2024, the Group has corporate electronic settlement services contracts and vendor prepayment services contracts with various banks including Shinhan Bank for up to ₩1,520,798 million (December 31, 2023: ₩1,511,711 million) in connection with the payment of trade payables.

(d) As of June 30, 2024, the Group has commercial paper agreements with Shinhan Bank and others for ₩60,000 million (December 31, 2023: ₩60,000 million).

(e) Contractual commitments for the acquisition of assets

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

| <i>(in millions of Korean won)</i>           | <b>June 30, 2024</b> | <b>June 30, 2023</b> |
|--|----------------------|----------------------|
| Property, plant and equipment                | 398,628              | 392,694              |
| Intangible assets                            | 38,771               | 39,483               |
| Investments in associates and joint ventures | 54,853               | 78,772               |
| <b>Total</b>                                 | <b>492,252</b>       | <b>510,949</b>       |

Other than the above commitments, Zenith Electronics LLC(Zenith), a subsidiary of the Group, agreed to the tender offers based on fair value at certain time in relation to the shares held by non-controlling shareholders of Alphonso Inc. and the shares to be issued by the exercise of stock options. As of June 30, 2024, the Group recognized this commitment as other payables.

In addition, the Parent Company agreed to tender offers based on fair value at certain time in relation to the shares held by non-controlling shareholders of Cybellum Technologies Ltd. and the shares to be issued by the exercise of stock options. As of June 30, 2024, the Group has recognized this commitment as other payables and other financial liabilities.

As of June 30, 2024, the Parent Company agreed to tender offers based on purchase price at certain time in relation to the shares held by the non-controlling shareholders of Athom Holding B.V., and the Group has recognized this commitment as other payables.

## LG Electronics Inc. and its subsidiaries

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

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

| <i>(in millions of Korean won)</i> | June 30, 2024  |               |               |              |              | Total lease payments |
|------------------------------------|----------------|---------------|---------------|--------------|--------------|----------------------|
|                                    | Within 1 year  | 1 to 2 years  | 2 to 3 years  | 3 to 4 years | Over 4 years |                      |
| Home appliance rental              | 186,955        | 91,315        | 28,719        | 2,518        | -            | 309,507              |
| Real estate rental                 | 5,489          | 5,489         | 5,489         | 2,829        | 53           | 19,349               |
| <b>Total</b>                       | <b>192,444</b> | <b>96,804</b> | <b>34,208</b> | <b>5,347</b> | <b>53</b>    | <b>328,856</b>       |

ii) The Group recognized ₩183,188 million (June 30, 2023: ₩252,578 million) in lease income for the six-month period ended June 30, 2024.

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

i) Gross investment in the lease and present value of the minimum lease payments for the financial lease as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i> | June 30, 2024                              |                             | December 31, 2023                          |                             |
|------------------------------------|--|-----------------------------|--|-----------------------------|
|                                    | Gross investment in the lease <sup>1</sup> | Net Investment in the lease | Gross investment in the lease <sup>1</sup> | Net Investment in the lease |
| Within 1 year                      | 255,754                                    | 180,727                     | 137,636                                    | 98,689                      |
| Between 1 and 2 years              | 263,023                                    | 201,361                     | 138,113                                    | 106,012                     |
| Between 2 and 3 years              | 264,048                                    | 216,891                     | 134,626                                    | 109,731                     |
| Between 3 and 4 years              | 260,958                                    | 229,671                     | 138,393                                    | 121,343                     |
| Later than 4 years                 | 359,630                                    | 339,888                     | 204,101                                    | 192,587                     |
| <b>Total</b>                       | <b>1,403,413</b>                           | <b>1,168,538</b>            | <b>752,869</b>                             | <b>628,362</b>              |

<sup>1</sup> There is no remaining useful life without guarantee reflected on gross investment in the lease.

ii) Unrealized interest income of financial lease as of June 30, 2024 and December 31, 2023 is as follows:

| <i>(in millions of Korean won)</i> | June 30, 2024  | December 31, 2023 |
|------------------------------------|----------------|-------------------|
| Gross investment in the lease      | 1,403,413      | 752,869           |
| Net investment in the lease        | 1,168,538      | 628,362           |
| <b>Unrealized interest income</b>  | <b>234,875</b> | <b>124,507</b>    |

iii) For the six-month period ended June 30, 2024, the Group recognized income amounting to ₩590,612 million (June 30, 2023: ₩182,346 million) in relation to financial lease contract, and financial income of net investment in the lease amounting to ₩29,271 million (June 30, 2023: ₩7,491 million) is included.

## LG Electronics Inc. and its subsidiaries

### Notes to the interim condensed consolidated financial statements

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(h) License agreements including patent and trademark

As of June 30, 2024, the Group has various agreements as follows:

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



# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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### 31. Related Party

(a) Major transactions for each of the six-month periods ended June 30, 2024 and 2023, and balances of receivables and payables from transaction with related parties as of June 30, 2024 and December 31, 2023 are as follows:

#### i) Major income and expense transactions with related parties

(in millions of Korean won)

| Classification                      | Company  | Six-month period ended June 30, 2024 |               |                  |                      |                     |                  |
|-------------------------------------|--|--------------------------------------|---------------|------------------|----------------------|---------------------|------------------|
|                                     |  | Income transactions                  |               |                  | Expense transactions |                     |                  |
|                                     |  | Sales                                | Others        | Total            | Purchases            | Others <sup>5</sup> | Total            |
| Significantly influencing the Group | LG Corp.   | 331                                  | -             | 331              | -                    | 88,708              | 88,708           |
| Associates                          | LG Display Co., Ltd. and its subsidiaries                | 240,487                              | 53,416        | 293,903          | 1,607,933            | 423                 | 1,608,356        |
|                                     | Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries | 97                                   | -             | 97               | 9,698                | -                   | 9,698            |
|                                     | Acryl Inc.   | -                                    | -             | -                | -                    | 1,119               | 1,119            |
|                                     | ROBOTIS Co., Ltd.  | -                                    | -             | -                | -                    | 48                  | 48               |
|                                     | Robostar Co., Ltd. and its subsidiaries                  | 13                                   | -             | 13               | 2,810                | 123                 | 2,933            |
|                                     | TheWaveTalk Co., Ltd.                                    | -                                    | -             | -                | -                    | 30                  | 30               |
|                                     | GOQUAL Inc.  | -                                    | -             | -                | -                    | 65                  | 65               |
|                                     | <b>Subtotal</b>  | <b>240,597</b>                       | <b>53,416</b> | <b>294,013</b>   | <b>1,620,441</b>     | <b>1,808</b>        | <b>1,622,249</b> |
| Joint ventures                      | Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)           | 64,034                               | -             | 64,034           | 73,030               | 10                  | 73,040           |
|                                     | EIC PROPERTIES PTE LTD.                                  | -                                    | -             | -                | -                    | 450                 | 450              |
|                                     | LG-MRI LLC <sup>2</sup>                                  | -                                    | -             | -                | 2,281                | -                   | 2,281            |
|                                     | LG-LHT Passenger Solution GmbH                           | 23                                   | -             | 23               | -                    | -                   | -                |
|                                     | <b>Subtotal</b>  | <b>64,057</b>                        | <b>-</b>      | <b>64,057</b>    | <b>75,311</b>        | <b>460</b>          | <b>75,771</b>    |
| Other related parties               | LG CNS Co., Ltd. and its subsidiaries                    | 36,900                               | 1,582         | 38,482           | 72,222               | 356,976             | 429,198          |
|                                     | D&O Corp. and its subsidiaries                           | 83                                   | -             | 83               | 55                   | 16,322              | 16,377           |
|                                     | LG Management Development Institute                      | 25                                   | -             | 25               | 5                    | 53,303              | 53,308           |
|                                     | LG SPORTS Ltd.   | 9                                    | 18            | 27               | 280                  | 7,865               | 8,145            |
|                                     | LG Holdings Japan Co., Ltd.                              | -                                    | -             | -                | -                    | 419                 | 419              |
|                                     | <b>Subtotal</b>  | <b>37,017</b>                        | <b>1,600</b>  | <b>38,617</b>    | <b>72,562</b>        | <b>434,885</b>      | <b>507,447</b>   |
| Others <sup>1</sup>                 | LG Chem Ltd., its subsidiaries and joint ventures        | 794,200                              | 8,015         | 802,215          | 313,056              | 2,788               | 315,844          |
|                                     | LG Uplus Corp and its subsidiaries                       | 14,532                               | 1,231         | 15,763           | 17,366               | 2,674               | 20,040           |
|                                     | LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries      | 2,390                                | 1,224         | 3,614            | -                    | 300                 | 300              |
|                                     | HS Ad Inc. and its subsidiaries <sup>3</sup>             | 4,153                                | -             | 4,153            | 66                   | 262,962             | 263,028          |
|                                     | XI C&A Co., Ltd. and its subsidiaries <sup>4</sup>       | 1,113                                | -             | 1,113            | -                    | 74,478              | 74,478           |
|                                     | S&I Corp. and its subsidiaries <sup>4</sup>              | 4,355                                | -             | 4,355            | 1,103                | 27,422              | 28,525           |
|                                     | <b>Subtotal</b>  | <b>820,743</b>                       | <b>10,470</b> | <b>831,213</b>   | <b>331,591</b>       | <b>370,624</b>      | <b>702,215</b>   |
|                                     | <b>Total</b>   | <b>1,162,745</b>                     | <b>65,486</b> | <b>1,228,231</b> | <b>2,099,905</b>     | <b>896,485</b>      | <b>2,996,390</b> |

# LG Electronics Inc. and its subsidiaries

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June 30, 2024 and 2023, and December 31, 2023

(in millions of Korean won)

|                                     |  | Six-month period ended June 30, 2023 |                |                  |                      |                     |                  |
|-------------------------------------|--|--------------------------------------|----------------|------------------|----------------------|---------------------|------------------|
| Classification                      | Company  | Income transactions                  |                |                  | Expense transactions |                     |                  |
|                                     |  | Sales                                | Others         | Total            | Purchases            | Others <sup>5</sup> | Total            |
| Significantly influencing the Group | LG Corp.   | 1,160                                | -              | 1,160            | -                    | 82,571              | 82,571           |
| Associates                          | LG Display Co., Ltd. and its subsidiaries                | 288,791                              | 59,047         | 347,838          | 1,598,691            | 2,551               | 1,601,242        |
|                                     | Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries | 85                                   | -              | 85               | 45,720               | 180                 | 45,900           |
|                                     | Acryl Inc.   | -                                    | -              | -                | -                    | 1,040               | 1,040            |
|                                     | ROBOTIS Co., Ltd.  | -                                    | -              | -                | -                    | 7                   | 7                |
|                                     | Robostar Co., Ltd. and its subsidiaries                  | 13                                   | -              | 13               | 10,395               | 2,670               | 13,065           |
|                                     | SideChef Group Limited                                   | -                                    | -              | -                | -                    | 924                 | 924              |
|                                     | <b>Subtotal</b>  | <b>288,889</b>                       | <b>59,047</b>  | <b>347,936</b>   | <b>1,654,806</b>     | <b>7,372</b>        | <b>1,662,178</b> |
| Joint ventures                      | Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)           | 50,483                               | -              | 50,483           | 122,202              | 5                   | 122,207          |
|                                     | EIC PROPERTIES PTE LTD.                                  | -                                    | -              | -                | -                    | 436                 | 436              |
|                                     | LG-MRI LLC <sup>2</sup>                                  | 12,341                               | -              | 12,341           | 18,092               | -                   | 18,092           |
|                                     | LG-LHT Passenger Solution GmbH                           | 495                                  | -              | 495              | -                    | -                   | -                |
|                                     | <b>Subtotal</b>  | <b>63,319</b>                        | <b>-</b>       | <b>63,319</b>    | <b>140,294</b>       | <b>441</b>          | <b>140,735</b>   |
| Other related parties               | LG CNS Co., Ltd. and its subsidiaries                    | 64,453                               | 1,620          | 66,073           | 62,989               | 290,123             | 353,112          |
|                                     | D&O Corp. and its subsidiaries                           | 90                                   | -              | 90               | 478                  | 11,715              | 12,193           |
|                                     | LG Management Development Institute                      | 22                                   | -              | 22               | 216                  | 48,748              | 48,964           |
|                                     | LG SPORTS Ltd.   | 8                                    | 16             | 24               | -                    | 7,529               | 7,529            |
|                                     | LG Holdings Japan Co., Ltd.                              | -                                    | -              | -                | -                    | 3,017               | 3,017            |
|                                     | <b>Subtotal</b>  | <b>64,573</b>                        | <b>1,636</b>   | <b>66,209</b>    | <b>63,683</b>        | <b>361,132</b>      | <b>424,815</b>   |
| Others <sup>1</sup>                 | LG Chem Ltd., its subsidiaries and joint ventures        | 791,613                              | 39,162         | 830,775          | 1,291,434            | 3,361               | 1,294,795        |
|                                     | LG Uplus Corp and its subsidiaries                       | 14,897                               | 1,255          | 16,152           | 23,963               | 4,118               | 28,081           |
|                                     | LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries      | 375                                  | 1,138          | 1,513            | 333                  | 130                 | 463              |
|                                     | G IIR Inc. and its subsidiaries <sup>3</sup>             | 3,965                                | -              | 3,965            | 55                   | 240,285             | 240,340          |
|                                     | XI C&A Co., Ltd. and its subsidiaries <sup>4</sup>       | 10,013                               | -              | 10,013           | 5,638                | 80,332              | 85,970           |
|                                     | S&I Corp. and its subsidiaries <sup>4</sup>              | 9,080                                | -              | 9,080            | 2,212                | 53,634              | 55,846           |
|                                     | <b>Subtotal</b>  | <b>829,943</b>                       | <b>41,555</b>  | <b>871,498</b>   | <b>1,323,635</b>     | <b>381,860</b>      | <b>1,705,495</b> |
|                                     | <b>Total</b>   | <b>1,247,884</b>                     | <b>102,238</b> | <b>1,350,122</b> | <b>3,182,418</b>     | <b>833,376</b>      | <b>4,015,794</b> |

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

<sup>2</sup> Liquidation was completed during the six-month period ended June 30, 2024.

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

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

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

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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

(in millions of Korean won)

|                                     |  | June 30, 2024     |           |                   |           |                |            |                             |           |
|-------------------------------------|--|-------------------|-----------|-------------------|-----------|----------------|------------|-----------------------------|-----------|
| Classification                      | Company  | Receivables       |           |                   |           | Payables       |            |                             |           |
|                                     |  | Trade receivables | Loans     | Other receivables | Total     | Trade payables | Borrowings | Other payables <sup>4</sup> | Total     |
| Significantly influencing the Group | LG Corp.   | 59                | -         | 30,549            | 30,608    | 263            | -          | 22,760                      | 23,023    |
| Associates                          | LG Display Co., Ltd. and its subsidiaries                | 160,238           | 1,000,000 | 261,137           | 1,421,375 | 642,342        | -          | 61,711                      | 704,053   |
|                                     | Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries | -                 | -         | -                 | -         | 5,439          | -          | 338                         | 5,777     |
|                                     | Ericsson-LG Co., Ltd.                                    | -                 | -         | -                 | -         | -              | -          | -                           | -         |
|                                     | Robostar Co., Ltd. and its subsidiaries                  | -                 | -         | -                 | -         | -              | -          | 2,898                       | 2,898     |
|                                     | <b>Subtotal</b>  |                   | 160,238   | 1,000,000         | 261,137   | 1,421,375      | 647,781    | -                           | 64,947    |
| Joint ventures                      | Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)           | 22,298            | -         | -                 | 22,298    | 30,495         | -          | 7                           | 30,502    |
|                                     | EIC PROPERTIES PTE LTD.                                  | -                 | -         | -                 | -         | -              | -          | 83                          | 83        |
|                                     | <b>Subtotal</b>  | 22,298            | -         | -                 | 22,298    | 30,495         | -          | 90                          | 30,585    |
| Other related parties               | LG CNS Co., Ltd. and its subsidiaries                    | 42,560            | -         | 1,714             | 44,274    | 19,060         | -          | 205,776                     | 224,836   |
|                                     | D&O Corp. and its subsidiaries                           | 1                 | -         | 1,000             | 1,001     | 30             | -          | 7,317                       | 7,347     |
|                                     | LG Management Development Institute                      | 6                 | -         | -                 | 6         | -              | -          | 2,613                       | 2,613     |
|                                     | LG SPORTS Ltd.   | 1                 | -         | -                 | 1         | -              | -          | 1,678                       | 1,678     |
|                                     | LG Holdings Japan Co., Ltd.                              | -                 | -         | 5,227             | 5,227     | -              | -          | 11,945                      | 11,945    |
|                                     | <b>Subtotal</b>  | 42,568            | -         | 7,941             | 50,509    | 19,090         | -          | 229,329                     | 248,419   |
| Others <sup>1</sup>                 | LG Chem Ltd., its subsidiaries and joint ventures        | 136,556           | -         | 449,609           | 586,165   | 190,644        | -          | 155,143                     | 345,787   |
|                                     | LG Uplus Corp and its subsidiaries                       | 1,507             | -         | 237               | 1,744     | 2,103          | -          | 931                         | 3,034     |
|                                     | LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries      | 28                | -         | 719               | 747       | 24             | -          | 135                         | 159       |
|                                     | HS Ad Inc. and its subsidiaries                          | 44                | -         | 2,932             | 2,976     | 1,347          | -          | 198,615                     | 199,962   |
|                                     | <b>Subtotal</b>  | 138,135           | -         | 453,497           | 591,632   | 194,118        | -          | 354,824                     | 548,942   |
| <b>Total</b>                        |  | 363,298           | 1,000,000 | 753,124           | 2,116,422 | 891,747        | -          | 671,950                     | 1,563,697 |

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(in millions of Korean won)

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

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

<sup>2</sup> Liquidation was completed during the six-month period ended June 30, 2024.

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

<sup>4</sup> Other payables include lease liabilities.

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iii) Significant capital transactions and others with related parties for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(in millions of Korean won)

| Classification                      | Company                                      | Six-month period ended June 30, 2024 |               |                               |                             |             |   |            |
|-------------------------------------|--|--------------------------------------|---------------|-------------------------------|-----------------------------|-------------|---|------------|
|                                     |  | Dividend income                      | Dividend paid | Cash distribution (reduction) | Financing loan transactions |             | Financing borrowing transactions <sup>3</sup> |            |
|                                     |  |                                      |               |                               | Loans                       | Collections | Borrowings                                    | Repayments |
| Significantly influencing the Group | LG Corp.                                     | -                                    | 44,076        | -                             | -                           | -           | -   | 14,710     |
| Associates and joint ventures       | LG Display Co., Ltd. <sup>1</sup>            | -                                    | -             | 436,031                       | -                           | -           | -   | 1,056      |
|                                     | Ericsson-LG Co., Ltd.                        | 17,500                               | -             | -                             | -                           | -           | -   | -          |
|                                     | Mirae Asset-LG Electronics New Growth Fund I | 2,984                                | -             | 8,529                         | -                           | -           | -   | -          |
|                                     | NOVA Prime Fund I, LP                        | -                                    | -             | 4,181                         | -                           | -           | -   | -          |
|                                     | LG-LHT Aircraft Solutions GmbH               | -                                    | -             | 5,330                         | -                           | -           | -   | -          |
|                                     | LG-LHT Passenger Solutions GmbH              | -                                    | -             | 5,330                         | -                           | -           | -   | -          |
|                                     | <b>Subtotal</b>                              | 20,484                               | -             | 459,401                       | -                           | -           | -   | 1,056      |
|                                     | Other related parties                        | D&O Corp. and its subsidiaries       | -             | -                             | -                           | -           | -   | 99         |
|                                     | LG Holdings Japan Co., Ltd.                  | -                                    | -             | -                             | -                           | -           | -   | 2,484      |
|                                     | <b>Subtotal</b>                              | -                                    | -             | -                             | -                           | -           | 99  | 3,325      |
| <b>Total</b>                        |  | 20,484                               | 44,076        | 459,401                       | -                           | -           | 99  | 19,091     |

(in millions of Korean won)

| Classification                      | Company                                  | Six-month period ended June 30, 2023  |               |                               |                             |             |   |            |
|-------------------------------------|--|---------------------------------------|---------------|-------------------------------|-----------------------------|-------------|---|------------|
|                                     |  | Dividend income                       | Dividend paid | Cash distribution (reduction) | Financing loan transactions |             | Financing borrowing transactions <sup>3</sup> |            |
|                                     |  |                                       |               |                               | Loans                       | Collections | Borrowings                                    | Repayments |
| Significantly influencing the Group | LG Corp.                                 | -                                     | 38,566        | -                             | -                           | -           | -   | 13,777     |
| Associates and joint ventures       | LG Display Co., Ltd. <sup>1</sup>        | -                                     | -             | -                             | 1,000,000                   | -           | -   | -          |
|                                     | Ericsson-LG Co., Ltd.                    | 11,250                                | -             | -                             | -                           | -           | -   | -          |
|                                     | LG-MRI LLC <sup>2</sup>                  | 317                                   | -             | -                             | -                           | -           | -   | -          |
|                                     | LG-LHT Aircraft Solutions GmbH           | -                                     | -             | 6,022                         | -                           | -           | -   | -          |
|                                     | LG-LHT Passenger Solutions GmbH          | -                                     | -             | 6,022                         | -                           | -           | -   | -          |
|                                     | GUANGDONG SMART LIFE TECHNOLOGY CO., LTD | -                                     | -             | 320                           | -                           | -           | -   | -          |
|                                     | <b>Subtotal</b>                          | 11,567                                | -             | 12,364                        | 1,000,000                   | -           | -   | -          |
|                                     | Other related parties                    | LG CNS Co., Ltd. and its subsidiaries | -             | -                             | -                           | -           | -   | -          |
|                                     | D&O Corp. and its subsidiaries           | -                                     | -             | -                             | -                           | -           | 409   | 737        |
|                                     | <b>Subtotal</b>                          | -                                     | -             | -                             | -                           | -           | 409   | 797        |
| <b>Total</b>                        |  | 11,567                                | 38,566        | 12,364                        | 1,000,000                   | -           | 409   | 14,574     |

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<sup>1</sup> As of June 30, 2024, the Parent Company has entered into a loan agreement with LG Display Co., Ltd. for ₩1,000,000 million, and has been provided with collateral related thereto. As of June 30, 2024, ₩1,000,000 million has been executed.

<sup>2</sup> Liquidation was completed during the six-month period ended June 30, 2024.

<sup>3</sup> Financing borrowing transactions include borrowing and repayment of the principal amount of lease liabilities.

(b) The compensation paid or payable to key management personnel for each of the six-month periods ended June 30, 2024 and 2023 is as follows:

| <i>(in millions of Korean won)</i>     | Six-month period<br>ended June 30, 2024 | Six-month period<br>ended June 30, 2023 |
|--|---|---|
| Salaries and other short-term benefits | 11,674                                  | 7,518                                   |
| Retirement benefits                    | 1,120                                   | 1,045                                   |
| Other long-term benefits               | 1                                       | 1                                       |
| <b>Total</b>                           | <b>12,795</b>                           | <b>8,564</b>                            |

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

(c) There is no collateral provided by the Group for the financial support of related parties as of June 30, 2024.

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

## 32. Risk Management

### 32.1 Financial Risk Management

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

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

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

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

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

# LG Electronics Inc. and its subsidiaries

## Notes to the interim condensed consolidated financial statements

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### (a) Market risk

#### i) Foreign exchange risk

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

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

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

The following table demonstrates the impact on profit (loss) before tax for monetary assets and liabilities denominated in major foreign currencies other than the functional currency as of June 30, 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> | June 30, 2024 |              | December 31, 2023 |              |
|------------------------------------|---------------|--------------|-------------------|--------------|
|                                    | 10% increase  | 10% decrease | 10% increase      | 10% decrease |
| USD/KRW                            | 106,418       | (106,418)    | 63,185            | (63,185)     |
| EUR/KRW                            | 33,285        | (33,285)     | 30,146            | (30,146)     |

#### ii) Interest rate risk

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

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

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If interest rates fluctuate by 1%p with all other variables held constant, the effects on income and expenses related to borrowings and deposits held by financial institutions with variable interest rates for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i> | Six-month period ended<br>June 30, 2024 |              | Six-month period ended<br>June 30, 2023 |              |
|------------------------------------|---|--------------|---|--------------|
|                                    | 1%p increase                            | 1%p decrease | 1%p increase                            | 1%p decrease |
| Interest income                    | 42,686                                  | (42,686)     | 36,095                                  | (36,095)     |
| Interest expenses                  | 10,110                                  | (10,110)     | 8,059                                   | (8,059)      |

iii) Details of derivative contracts are as follows:

### Derivatives for hedging purposes

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

Details of hedging instruments are as follows:

| Contract            | Contractor            | Contracted amount<br><i>(in millions)</i> | Contracted currency rate | Interest rate<br><i>(paid) (%)</i> | Types of hedging | Starting date                | Expiration date              | Carrying amount<br><i>(In millions of Korean won)</i> |             |
|---------------------|-----------------------|---|--------------------------|------------------------------------|------------------|------------------------------|------------------------------|---|-------------|
|                     |                       |   |                          |                                    |                  |                              |                              | Assets  | Liabilities |
| Cross-currency swap | Hana Bank and others  | USD 1,414<br>(USD/KRW)                    | 1,067.9<br>~ 1,319.3     | 1.88 ~ 4.56                        | Cash flow hedge  | 2017. 10. 23<br>~ 2024. 1. 8 | 2025. 4. 23<br>~ 2031. 7. 28 | 239,468   | -           |
|                     | CITI Bank             | EUR 95<br>(EUR/KRW)                       | 1,312                    | 3.84                               | Cash flow hedge  | 2022. 7. 15                  | 2028. 1. 14                  | 11,171  | -           |
|                     | CITI Bank and others  | JPY 22,000<br>(JPY/KRW)                   | 8.7 ~ 10.0               | 4.06 ~ 4.38                        | Cash flow hedge  | 2023. 4. 4<br>~ 2023.11.24   | 2029. 4. 4<br>~ 2029. 5.24   | -   | 22,851      |
| Currency forward    | ING and others        | CZK 329<br>(CZK/EUR)                      | 25.4                     | -                                  | Cash flow hedge  | 2024. 3.13                   | 2024. 7. 1<br>~ 2024.12.2    | 233   | -           |
|                     | ING and others        | EUR 45<br>(EUR/USD)                       | 1.1                      | -                                  | Fair value hedge | 2024. 1.23<br>~ 2024. 1.30   | 2024.12.20                   | -   | 1,311       |
| Interest rate swap  | Woori Bank and others | KRW<br>1,117,893<br>/ USD 210             | -                        | 2.75 ~ 4.87                        | Cash flow hedge  | 2014. 4.30<br>~ 2024. 3.29   | 2027. 1.15<br>~ 2032.11.16   | 23,312  | 9,919       |

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

Details of hedged items are as follows:

| <i>(in millions of Korean won)</i> | Types of hedging | Hedged items         | Carrying amount | Changes in fair value (net of tax) |
|------------------------------------|------------------|----------------------|-----------------|------------------------------------|
| Cross-currency swap                | Cash flow hedge  | Borrowings           | 2,925,733       | (98,682)                           |
| Currency forward                   | Cash flow hedge  | Forecast transaction | -               | (262)                              |
| Interest rate swap                 | Cash flow hedge  | Borrowings           | 1,432,408       | (15,177)                           |

  

| <i>(in millions of Korean won)</i> | Types of hedging | Hedged items | Carrying amount | Changes in fair value (before tax) |
|------------------------------------|------------------|--------------|-----------------|------------------------------------|
| Currency forward                   | Fair value hedge | Borrowings   | -               | 1,298                              |



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The results of hedge accounting are as follows:

| <i>(in millions of Korean won)</i> | <b>Types of hedging</b> | <b>Changes in fair value of derivatives (net of tax)</b> | <b>Line items in profit or loss</b>       | <b>Reclassified to profit or loss (net of tax)</b> | <b>Other comprehensive loss (net of tax)</b> | <b>Accumulated other comprehensive income</b> |
|------------------------------------|-------------------------|--|---|--|--|---|
| Cross-currency swap                | Cash flow hedge         | 98,682   | Interest expense and exchange differences | (94,406)   | 4,276  | 7,164   |
| Currency forward                   | Cash flow hedge         | 262  | Exchange differences                      | (82)   | 180  | (272)   |
| Interest rate swap                 | Cash flow hedge         | 15,177   | Interest expense                          | (6,067)  | 9,110  | 9,160   |

  

| <i>(in millions of Korean won)</i> | <b>Types of hedging</b> | <b>Changes in fair value of derivatives (before tax)</b> | <b>Line items in profit or loss</b> | <b>Effective hedge (before tax)</b> | <b>Ineffective hedge (before tax)</b> |
|------------------------------------|-------------------------|--|-------------------------------------|-------------------------------------|---------------------------------------|
| Currency forward                   | Fair value hedge        | (1,298)  | Exchange differences                | (1,298)                             | -                                     |

### Derivatives for trading purposes

#### Currency forward and interest rate swap contracts

The Group entered into the currency forward, cross-currency swap and interest rate swap contracts to manage the risk against possible future changes in foreign exchange rates and interest rates. Details of currency forward contract, cross-currency swap contract and the interest rate swap contracts held by the Group and embedded derivatives as of June 30, 2024 and profit or loss recognized in relation thereto for the six-month period ended June 30, 2024 are as follows:

| <i>(in millions of Korean won)</i> | <b>Purchase</b> | <b>Sale</b> | <b>Gain (Loss) on valuation</b> | <b>Gain (Loss) on transaction</b> |
|------------------------------------|-----------------|-------------|---------------------------------|-----------------------------------|
| Currency forward                   | 591,617         | 599,196     | 4,499                           | (690)                             |
| Cross-currency swap                | -               | -           | -                               | 22,855                            |
| Interest rate swap                 | -               | -           | (1,829)                         | -                                 |

### Stock purchase contracts

According to the put options granted to employees to whom stock options of Cybellum Technologies Ltd. were granted, the Group recognized ₩2,458 million of derivative liabilities and no gain or loss on derivatives transaction was recognized during the six-month period ended June 30, 2024. The Group also recognized a derivative asset of \$22,590 million as the Group acquired a call option to acquire preferred shares in Bear Robotics, Inc. for the six-month period ended June 30, 2024.

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#### iv) Price risk

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

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

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

| <i>(in millions of Korean won)</i> | June 30, 2024 |              | December 31, 2023 |              |
|------------------------------------|---------------|--------------|-------------------|--------------|
|                                    | 30% increase  | 30% decrease | 30% increase      | 30% decrease |
| KOSDAQ                             | 20,834        | (20,834)     | 4,556             | (4,556)      |
| NASDAQ                             | 91            | (91)         | 98                | (98)         |
| NYSE                               | 1,957         | (1,957)      | 2,726             | (2,726)      |
| Austrian Traded Index              | 70            | (70)         | 231               | (231)        |

The valuation and changes in carrying amounts of the financial assets at fair value through other comprehensive income related to the market risk above are presented in Note 7.

#### (b) Credit risk

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

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

As of June 30, 2024, trade receivable balance of the Group is ₩11,403,968 million (December 31, 2023: ₩10,007,884 million) and its risk is managed appropriately within insurer's credit limit of ₩28,138,548 million (December 31, 2023: ₩26,476,779 million). Therefore, the Group determined that credit risk exposed to the Group is limited.

As of June 30, 2024, the carrying amount of financial assets represents net of impairment loss to reflect the Group's maximum exposure to the credit risk.

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#### (c) Liquidity risk

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

The Group maintains adequate amount of cash and committed credit facilities in Kookmin Bank, Shinhan Bank and Standard Chartered Bank to cope with potential liquidity risk arising from financial distress.

In addition, the Group is able to source funds any time in the domestic and international financial markets because it has good investment credit grades of AA Stable from Korea Investors Service, Korea Ratings and NICE Information Service, BBB from Standard & Poors, and Baa2 from Moody's as of June 30, 2024.

i) Cash flow information on maturity of financial liabilities as of June 30, 2024 and December 31, 2023 are as follows:

|                                    | June 30, 2024     |                   |                  |                  |                  |
|------------------------------------|-------------------|-------------------|------------------|------------------|------------------|
| <i>(in millions of Korean won)</i> | Total             | Within 1 year     | 1 to 2 years     | 2 to 5 years     | Over 5 years     |
| Trade payables                     | 9,571,470         | 9,571,470         | -                | -                | -                |
| Borrowings                         | 16,433,138        | 2,984,187         | 2,747,375        | 7,328,503        | 3,373,073        |
| Lease liabilities                  | 1,341,870         | 374,275           | 292,399          | 409,394          | 265,802          |
| Other payables                     | 4,373,493         | 4,133,937         | 155,803          | 59,421           | 24,332           |
| Other financial liabilities        | 73,976            | 5,052             | 1,387            | 7,980            | 59,557           |
| <b>Total</b>                       | <b>31,793,947</b> | <b>17,068,921</b> | <b>3,196,964</b> | <b>7,805,298</b> | <b>3,722,764</b> |

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

The above cash flows are calculated at nominal value based on the earliest maturity dates and include cash flows of principal and interests. Among derivatives in other financial liabilities that are not qualified for hedge accounting, liabilities on currency forward contract are classified as those with maturity within a year at their fair value of ₩2,030 million as of June 30, 2024 (December 31, 2023: ₩2,567 million). This is because the contractual maturities are not essential for an understanding of the timing of the cash flows.

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

ii) As of June 30, 2024, the maturity analysis of financial guarantee contracts provided by the Group to third party companies is as follows:

| <i>(in millions of Korean won)</i> | <b>Total</b> | <b>Within 1 year</b> | <b>1 to 2 years</b> | <b>2 to 5 years</b> | <b>Over 5 years</b> |
|------------------------------------|--------------|----------------------|---------------------|---------------------|---------------------|
| Financial guarantee contracts      | 46,000       | 46,000               | -                   | -                   | -                   |

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

### 32.2 Capital Risk Management

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

Liability to equity ratio and net borrowing ratio as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won, except for ratios)</i> | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---|----------------------|--------------------------|
| Liability (A)   | 37,880,557           | 36,742,257               |
| Equity (B)  | 25,245,369           | 23,498,536               |
| Cash and cash equivalents (C)                         | 8,554,530            | 8,487,563                |
| Borrowings and lease liabilities (D)                  | 15,462,765           | 14,513,834               |
| Liability to equity ratio (A/B)                       | 150.0%               | 156.4%                   |
| Net borrowings ratio ((D-C)/B)                        | 27.4%                | 25.6%                    |

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### 32.3 Fair Value Estimation

(a) The carrying amount and fair value of the Group's financial assets and liabilities as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>                                | June 30, 2024     |            |                  |            |
|---|-------------------|------------|------------------|------------|
|   | Current           |            | Non-current      |            |
|   | Carrying amount   | Fair value | Carrying amount  | Fair value |
| <b>Assets at fair value</b>                                       |                   |            |                  |            |
| Financial assets at fair value through profit or loss             |                   |            |                  |            |
| Other financial assets and others                                 | 122,010           | 122,010    | 155,862          | 155,862    |
| Financial assets at fair value through other comprehensive income |                   |            |                  |            |
| Trade receivables   | 1,561,201         | 1          | -                | -          |
| Other financial assets  | -                 | -          | 156,979          | 156,979    |
| Derivatives for hedging purposes                                  |                   |            |                  |            |
| Other financial assets  | 6,745             | 6,745      | 267,439          | 267,439    |
| <b>Assets at amortized cost</b>                                   |                   |            |                  |            |
| Financial assets at amortized cost                                |                   |            |                  |            |
| Cash and cash equivalents   | 8,554,530         | 1          | -                | -          |
| Deposits held by financial institutions                           | 45,527            | 1          | 193,510          | 1          |
| Trade receivables   | 8,441,337         | 1          | 127,309          | 127,309    |
| Other receivables   | 953,958           | 1          | 1,543,398        | 1,487,918  |
| <b>Other assets</b>   |                   |            |                  |            |
| Trade receivables   | 181,780           | 1          | 982,783          | 982,783    |
| <b>Total</b>  | <b>19,867,088</b> |            | <b>3,427,280</b> |            |

| <i>(in millions of Korean won)</i>                         | June 30, 2024     |            |                   |            |
|--|-------------------|------------|-------------------|------------|
|  | Current           |            | Non-current       |            |
|  | Carrying amount   | Fair value | Carrying amount   | Fair value |
| <b>Liabilities at fair value</b>                           |                   |            |                   |            |
| Financial liabilities at fair value through profit or loss |                   |            |                   |            |
| Other financial liabilities                                | 2,963             | 2,963      | 11,401            | 11,401     |
| Derivatives for hedging purposes                           |                   |            |                   |            |
| Other financial liabilities                                | 1,311             | 1,311      | 32,770            | 32,770     |
| <b>Liabilities at amortized cost</b>                       |                   |            |                   |            |
| Financial liabilities at amortized cost                    |                   |            |                   |            |
| Trade payables   | 9,571,470         | 1          | -                 | -          |
| Borrowings   | 2,450,748         | 1          | 11,834,281        | 12,152,411 |
| Other payables   | 4,133,860         | 1          | 239,323           | 237,949    |
| <b>Other liabilities</b>                                   |                   |            |                   |            |
| Lease liabilities  | 340,001           | 2          | 837,735           | 2          |
| Other financial liabilities                                | 46                | 3          | -                 | -          |
| <b>Total</b>   | <b>16,500,399</b> |            | <b>12,955,510</b> |            |

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

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

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

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

<sup>3</sup> 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.

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(b) Fair value measurements of assets and liabilities

i) Fair value hierarchy and measurement method

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

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

- Level 1: Financial instruments measured at the quoted prices in an active market for identical assets or liabilities are included in 'level 1'. Assets or liabilities categorized within 'level 1' are financial instruments such as listed equity securities and others.

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

- Level 3: When financial instruments are measured by using discounted cash flow method and others, if one or more of the significant inputs are unobservable market data, the instrument is included in 'level 3'. Assets or liabilities categorized as 'level 3' at fair value are equity and debt securities that are not marketable.

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

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

If one or more of the significant inputs are not based on observable market data, the instrument is included in 'level 3'. Financial instruments included 'level 3' use other methods including discounting 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 June 30, 2024 and December 31, 2023 are as follows:

| <b>June 30, 2024</b>  |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
| <i>(in millions of Korean won)</i>                                | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| <b>Assets</b>   |                |                |                |              |
| Other financial assets and others                                 |                |                |                |              |
| Financial assets at fair value through other comprehensive income | 59,474         | -              | 97,505         | 156,979      |
| Financial assets at fair value through profit or loss             | 92,647         | 32,686         | 152,539        | 277,872      |
| Derivatives for hedging purposes                                  | -              | 274,184        | -              | 274,184      |
| <b>Liabilities</b>  |                |                |                |              |
| Other financial liabilities                                       |                |                |                |              |
| Financial liabilities at fair value through profit or loss        | -              | 8,762          | 5,602          | 14,364       |
| Derivatives for hedging purposes                                  | -              | 34,081         | -              | 34,081       |
| <b>December 31, 2023</b>  |                |                |                |              |
| <i>(in millions of Korean won)</i>                                | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| <b>Assets</b>   |                |                |                |              |
| Other financial assets and others                                 |                |                |                |              |
| Financial assets at fair value through other comprehensive income | 30,668         | -              | 87,204         | 117,872      |
| Financial assets at fair value through profit or loss             | 74,750         | 7,197          | 124,067        | 206,014      |
| Derivatives for hedging purposes                                  | -              | 178,240        | -              | 178,240      |
| <b>Liabilities</b>  |                |                |                |              |
| Other financial liabilities                                       |                |                |                |              |
| Financial liabilities at fair value through profit or loss        | -              | 11,634         | 6,528          | 18,162       |
| Derivatives for hedging purposes                                  | -              | 43,769         | -              | 43,769       |

The above fair value amounts are recurring fair value measurements.



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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 June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>                         | Fair value    |                   | Valuation techniques                    | Inputs  |
|--|---------------|-------------------|---|---|
|  | June 30, 2024 | December 31, 2023 |   |   |
| <b>Assets</b>  |               |                   |   |   |
| Other financial assets and others                          |               |                   |   |   |
| Financial assets at fair value through profit or loss      | 32,686        | 7,197             | Discounted cash flow and binomial model | Discount rate and exchange rate<br>share price and volatility |
| Derivatives for hedging purposes                           | 274,184       | 178,240           | Discounted cash flow                    | Discount rate and exchange rate                               |
| <b>Liabilities</b>   |               |                   |   |   |
| Other financial liabilities                                |               |                   |   |   |
| Financial liabilities at fair value through profit or loss | 8,762         | 11,634            | Discounted cash flow and binomial model | Discount rate and exchange rate<br>share price and volatility |
| Derivatives for hedging purposes                           | 34,081        | 43,769            | Discounted cash flow                    | Discount rate and exchange rate                               |

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

As of June 30, 2024, financial instruments measured at fair value categorized within 'level 3' comprise unmarketable equity securities, debt securities and other financial liabilities are measured using discounted cash flow method considering discount rate and others as inputs.

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

Financial instruments not measured at fair value but for which the fair value is disclosed as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i> | June 30, 2024 |         |            |            |
|------------------------------------|---------------|---------|------------|------------|
|                                    | Level 1       | Level 2 | Level 3    | Total      |
| <b>Assets</b>                      |               |         |            |            |
| Non-current trade receivables      | -             | -       | 1,110,092  | 1,110,092  |
| Non-current other receivables      | -             | -       | 1,487,918  | 1,487,918  |
| <b>Liabilities</b>                 |               |         |            |            |
| Non-current borrowings             | -             | -       | 12,152,411 | 12,152,411 |
| Non-current other payables         | -             | -       | 237,949    | 237,949    |

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

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

As of June 30, 2024, there are no financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within level 2.

- 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 June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i> | June 30, 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 |                      |                                 |                                     |  |
| <b>Assets</b>                      |                 |            |                   |            |                      |                                 |                                     |  |
| Non-current trade receivables      | 1,110,092       | 1,110,092  | 639,439           | 639,439    | Discounted cash flow | Discount rate and exchange rate | Discount rate                       | 5.3% ~ 6.1%                                  |
| Non-current other receivables      | 1,543,398       | 1,487,918  | 1,779,637         | 1,717,168  | Discounted cash flow | Discount rate and exchange rate | Discount rate                       | 1.8% ~ 11.4%                                 |
| <b>Liabilities</b>                 |                 |            |                   |            |                      |                                 |                                     |  |
| Non-current borrowings             | 11,834,281      | 12,152,411 | 10,719,175        | 10,466,597 | Discounted cash flow | Discount rate and exchange rate | Discount rate                       | 3.4% ~ 5.2%                                  |
| Non-current other payables         | 239,323         | 237,949    | 212,648           | 210,745    | Discounted cash flow | Discount rate and exchange rate | Discount rate                       | 3.6% ~ 4.6%                                  |

## LG Electronics Inc. and its subsidiaries

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June 30, 2024 and 2023, and December 31, 2023

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#### 33. Assets Classified as Held for Sale

(a) Details of assets classified as held for sale as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>  | <b>June 30, 2024<sup>1</sup></b> | <b>December 31, 2023<sup>2</sup></b> |
|-------------------------------------|----------------------------------|--------------------------------------|
| Assets held for sale                |                                  |                                      |
| Land                                | 608                              | 663                                  |
| Building                            | 3,117                            | 3,287                                |
| Machinery                           | -                                | 198                                  |
| Other property, plant and equipment | 7                                | 7                                    |
| <b>Total</b>                        | <b>3,732</b>                     | <b>4,155</b>                         |

<sup>1</sup> Disposal of listed items is in progress as of June 30, 2024 and expected to be completed within 2024.

<sup>2</sup> For the six-month period ended June 30, 2024, disposal of machinery was completed and disposal of land and buildings held by the Group is in progress.

(b) Assets held for sale were measured at net fair value before the reclassification, and there is no impairment loss on property, plant and equipment recognized for the six-month period ended June 30, 2024.

(c) Details of other components of equity as held for sale as of June 30, 2024 and December 31, 2023 are as follows:

| <i>(in millions of Korean won)</i>                        | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---|----------------------|--------------------------|
| Exchange differences on translation of foreign operations | (237)                | (136)                    |

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#### 34. Discontinued Operation

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

(a) Profit and loss from discontinued operations for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>       | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|--|---|---|
| Net sales                                | -   | 1,062   |
| Operating profit (loss)                  | -   | 1,903   |
| Profit (loss) before income tax          | -   | 1,940   |
| Income tax expense                       | -   | 494   |
| Profit (loss) for the period, net of tax | -   | 1,446   |

(b) Cash flows from discontinued operations for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

| <i>(in millions of Korean won)</i>                  | <b>Six-month period<br/>ended June 30, 2024</b> | <b>Six-month period<br/>ended June 30, 2023</b> |
|---|---|---|
| Net cash inflow (outflow) from operating activities | -   | (921)   |
| Net cash inflow (outflow) from investing activities | -   | (180)   |
| Net cash inflow (outflow) from financing activities | -   | 1,101   |

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### 35. Business Combinations

On June 5, 2024, the Group acquired 80.0% of shares in Athom Holding B.V. and its subsidiaries in order to secure and strengthen its smart space business capabilities.

The following table summarizes the consideration paid and the fair value of assets acquired and liabilities assumed:

| <i>(in millions of Korean won)</i>  | <b>Amount</b> |
|---|---------------|
| <b>Consideration</b>  |               |
| Cash and cash equivalents   | 69,116        |
| Other payables <sup>1</sup>   | 17,251        |
| <b>Recognized amounts of identifiable assets acquired and liabilities assumed</b> |               |
| Current assets  |               |
| Cash and cash equivalents   | 1,967         |
| Trade receivables <sup>2</sup>  | 853           |
| Other receivables <sup>2</sup>  | 118           |
| Inventories   | 4,400         |
| Other assets  | 168           |
| Non-current assets  |               |
| Property, plant and equipment   | 186           |
| Intangible assets   | 10,338        |
| Current liabilities   |               |
| Trade payables  | 106           |
| Other payables  | 565           |
| Provisions  | 446           |
| Non-current liabilities   |               |
| Deferred tax liabilities  | 2,667         |
| <b>Fair value of total identifiable net assets</b>                                | <b>14,246</b> |
| Non-controlling interests   | -             |
| <b>Goodwill<sup>3</sup></b>   | <b>72,121</b> |

<sup>1</sup> The Group recognized the obligation as a financial liability at the time of the business combination under the conditional purchase agreement for the remaining shares of Athom Holding B.V.

<sup>2</sup> The fair value of trade and other receivables is equal to their contractual gross amounts.

<sup>3</sup> Goodwill amounting to ₩ 72,121 million is incurred from business combinations due to an increase in sales from integration of business with Athom Holding B.V. and its subsidiaries, which is a non-deductible expense for tax purpose.

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The direct costs incurred for the acquisition in relation to business combination amounting to ₩ 2,134 million are recognized as expenses as incurred.

The net sales and loss of Athom Holding B.V. and its subsidiaries included in the consolidated statements of profit or loss that occurred from June 5, 2024 (the date of acquisition) is ₩ 736 million and ₩ 67 million, respectively, and if Athom Holding B.V. and its subsidiaries had been included in the consolidated financial statements from January 1, 2024, net sales and profit for the period would have been recognized in the consolidated statements of profit or loss of the Group as follows:

| <i>(in millions of Korean won)</i> | <b>Amount before adjustments</b> | <b>Adjustments</b> | <b>Amount after adjustments</b> |
|------------------------------------|----------------------------------|--------------------|---------------------------------|
| Net sales                          | 42,790,315                       | 3,936              | 42,794,251                      |
| Profit for the period              | 1,214,885                        | 405                | 1,215,290                       |

### 36. Events after the Reporting Period

The Group declared an interim dividend of ₩ 90,033 million at the Board of Directors' meeting on July 24, 2024, with the following details:

|   | <b>Ordinary shares</b> | <b>Preferred shares</b> |
|---|------------------------|-------------------------|
| Dividends per share <i>(in Korean won)</i>          | 500                    | 500                     |
| Interim dividend <i>(in millions of Korean won)</i> | 81,442                 | 8,591                   |
| Market dividend rate                                | 0.5%                   | 1.0%                    |
| Dividend base date                                  |                        | 2024. 6. 30             |