

# **LG Electronics Inc.**

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

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## Report on review of interim condensed separate financial statements

(English translation of a report originally issued in Korean)

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

We have reviewed the accompanying interim condensed separate financial statements of LG Electronics Inc. (the “Company”), which comprise the interim condensed separate statement of financial position as of June 30, 2024, and the related interim condensed separate statements of profit or loss, interim condensed separate statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2024, interim condensed separate statement of changes in equity and interim condensed separate 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 separate financial statements

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

### Auditor’s responsibility

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

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

### Conclusion

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

## Other matters

The interim condensed separate statements of profit or loss, interim condensed separate statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2023, interim condensed separate statement of changes in equity and interim condensed separate 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 separate statement of financial position as of December 31, 2023, and the related separate statement of profit or loss, separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended (not presented herein) have been audited by Samil PwC, in accordance with KSA, whose report dated March 14, 2024, expressed an unqualified opinion thereon. The accompanying separate statement of financial position as of December 31, 2023, presented for comparative purpose, is not different, in all material respects, from the above audited separate statement of financial position.



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 separate financial statements and may result in modification to this review report.

# **LG Electronics Inc.**

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

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

JOO WAN CHO  
Chief Executive Officer  
LG Electronics Inc.

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

<i>(in millions of Korean won)</i>	<b>Notes</b>	<b>June 30, 2024 (unaudited)</b>	<b>December 31, 2023</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,31	2,262,250	2,349,705
Deposits held by financial institutions	4,31	-	20,863
Trade receivables	4,5,31	6,382,408	5,393,204
Other receivables	4,5,31	820,485	458,642
Other financial assets	4,6,31	22,590	19,106
Inventories	7	1,561,788	1,369,524
Current tax assets		15,077	23,395
Contract assets	8	954,848	741,957
Other current assets		394,698	381,541
		<u>12,414,144</u>	<u>10,757,937</u>
<b>Non-current assets</b>			
Deposits held by financial institutions	4,31	120,736	120,652
Trade receivables	4,5,31	1,065,289	617,892
Other receivables	4,5,31	928,817	1,169,185
Other financial assets	4,6,31	419,977	268,906
Property, plant and equipment	9	5,977,170	6,030,130
Intangible assets	9	2,213,350	2,097,399
Deferred tax assets		1,495,265	1,616,968
Investments in subsidiaries, associates and joint ventures	10	8,986,252	8,391,013
Investment properties		78,322	80,507
Net defined benefit assets	13	199,327	347,307
Contract assets	8	150,494	177,510
Other non-current assets		76,525	72,147
		<u>21,711,524</u>	<u>20,989,616</u>
<b>Total assets</b>		<u>34,125,668</u>	<u>31,747,553</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	4,31	6,935,606	5,808,472
Borrowings	4,11,31	750,558	1,604,369
Lease liabilities	4,12,31	60,393	74,853
Other payables	4,31	1,867,361	2,156,944
Other financial liabilities	4,6,31	12,761	13,466
Current tax liabilities		19,849	14,515
Provisions	14	560,904	597,772
Contract liabilities	8	1,086,920	821,195
Other current liabilities		2,106,074	2,141,883
		<u>13,400,426</u>	<u>13,233,469</u>
<b>Non-current liabilities</b>			
Borrowings	4,11,31	8,507,846	7,620,242
Lease liabilities	4,12,31	69,024	80,611
Other payables	4,31	11,890	11,960
Other financial liabilities	4,6,31	50,669	63,437
Provisions	14	71,152	83,556
Contract liabilities	8	4,261	5,432
Other non-current liabilities		131,375	133,299
		<u>8,846,217</u>	<u>7,998,537</u>
<b>Total liabilities</b>		<u>22,246,643</u>	<u>21,232,006</u>
<b>Equity</b>			
Paid-in capital:	15		
Share capital		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	16	7,900,739	6,566,223
Accumulated other comprehensive income (loss)	17	18,757	(10,205)
Other components of equity	18	(32,819)	(32,819)
<b>Total equity</b>		<u>11,879,025</u>	<u>10,515,547</u>
<b>Total liabilities and equity</b>		<u>34,125,668</u>	<u>31,747,553</u>

**LG Electronics Inc.**  
**Interim condensed separate 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 for earnings (loss) per share)

	Notes	Period ended June 30			
		2024		2023	
		Three-month	Six-month	Three-month	Six-month
<b>Continuing operations</b>					
Net sales	19	8,139,511	15,889,520	7,507,657	14,702,465
Cost of sales	20	5,598,787	11,315,271	5,336,391	10,662,187
<b>Gross profit</b>		<b>2,540,724</b>	<b>4,574,249</b>	<b>2,171,266</b>	<b>4,040,278</b>
Selling expenses	20,21	1,052,100	1,962,846	932,940	1,750,835
Administrative expenses	20,21	225,982	435,833	192,586	383,971
Research and development expenses	20,21	498,997	951,551	436,688	829,497
Service costs	20,21	170,386	345,244	315,253	463,690
<b>Operating profit (loss)</b>		<b>593,259</b>	<b>878,775</b>	<b>293,799</b>	<b>612,285</b>
Financial income	22	152,369	293,245	168,368	363,163
Financial expenses	23	166,399	324,703	225,705	468,832
Other non-operating income	24	584,902	1,545,401	559,495	1,562,595
Other non-operating expenses	25	279,126	583,122	250,367	642,354
Profit (loss) before income tax		885,005	1,809,596	545,590	1,426,857
Income tax expense (benefit)		151,261	254,758	67,514	231,970
<b>Profit (loss) from continuing operations</b>		<b>733,744</b>	<b>1,554,838</b>	<b>478,076</b>	<b>1,194,887</b>
<b>Discontinued operations</b>					
Profit (loss) from discontinued operations	32	-	-	666	525
<b>Profit (loss) for the period</b>		<b>733,744</b>	<b>1,554,838</b>	<b>478,742</b>	<b>1,195,412</b>
<b>Earnings (losses) per share during the period</b>					
<i>(in Korean won):</i>					
Earnings (losses) per ordinary share	26				
From continuing operations		4,073	8,632	2,653	6,633
From discontinued operations		-	-	4	3
		<b>4,073</b>	<b>8,632</b>	<b>2,657</b>	<b>6,636</b>
Earnings (losses) per preferred share					
From continuing operations		4,086	8,657	2,666	6,658
From discontinued operations		-	-	4	3
		<b>4,086</b>	<b>8,657</b>	<b>2,670</b>	<b>6,661</b>

**LG Electronics Inc.**

**Interim condensed separate 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>		733,744	1,554,838	478,742	1,195,412
<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	13	(74,629)	(75,410)	49,350	(34,015)
Financial assets at fair value through other comprehensive income	6	(27,990)	21,648	1,257	4,200
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Cash flow hedges	31	(14,649)	7,314	8,450	(9,018)
<b>Other comprehensive income(loss) for the period, net of tax</b>		(117,268)	(46,448)	59,057	(38,833)
<b>Total comprehensive income (loss) for the period, net of tax</b>		616,476	1,508,390	537,799	1,156,579



**LG Electronics Inc.**

**Interim condensed separate statements of changes in equity  
for each of the six-month periods ended June 30, 2024 and 2023 (unaudited)**

(in millions of Korean won)

	Notes	Paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Other components of equity	Total equity
<b>Balance as of January 1, 2023</b>		3,992,348	5,890,737	38,763	(32,819)	9,889,029
<b>Total comprehensive income (loss):</b>						
Profit (loss) for the period		-	1,195,412	-	-	1,195,412
Remeasurements of the net defined benefit liability	13	-	(34,015)	-	-	(34,015)
Financial assets at fair value through other comprehensive income	6	-	-	4,200	-	4,200
Cash flow hedges	31	-	-	(9,018)	-	(9,018)
<b>Total comprehensive income (loss)</b>		-	1,161,397	(4,818)	-	1,156,579
<b>Transactions with owners:</b>						
Dividends	16	-	(126,905)	-	-	(126,905)
<b>Total transactions with owners</b>		-	(126,905)	-	-	(126,905)
<b>Balance as of June 30, 2023 (unaudited)</b>		3,992,348	6,925,229	33,945	(32,819)	10,918,703
<b>Balance as of January 1, 2024</b>		3,992,348	6,566,223	(10,205)	(32,819)	10,515,547
<b>Total comprehensive income (loss):</b>						
Profit (loss) for the period		-	1,554,838	-	-	1,554,838
Remeasurements of the net defined benefit liability	13	-	(75,410)	-	-	(75,410)
Financial assets at fair value through other comprehensive income	6	-	-	21,648	-	21,648
Cash flow hedges	31	-	-	7,314	-	7,314
<b>Total comprehensive income (loss)</b>		-	1,479,428	28,962	-	1,508,390
<b>Transactions with owners:</b>						
Dividends	16	-	(144,912)	-	-	(144,912)
<b>Total transactions with owners</b>		-	(144,912)	-	-	(144,912)
<b>Balance as of June 30, 2024 (unaudited)</b>		3,992,348	7,900,739	18,757	(32,819)	11,879,025

**LG Electronics Inc.****Interim condensed separate 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	27	889,556	(138,221)
Interest received		75,582	43,217
Interest paid		(161,552)	(131,823)
Dividend received		931,865	1,031,037
Income tax paid		(98,330)	(131,500)
<b>Net cash provided by (used in) operating activities</b>		<b>1,637,121</b>	<b>672,710</b>
<b>Cash flows from investing activities</b>			
Decrease in deposits held by financial institutions		3,449	14
Decrease in other receivables		28,056	32,938
Proceeds from withdrawal and disposal of other financial assets		-	1,992
Proceeds from disposal of property, plant and equipment		12,176	6,243
Proceeds from disposal of intangible assets		3,399	212
Proceeds from withdrawal and disposal of investments in subsidiaries, associates and joint ventures	10	1,796	-
Proceed from disposal of business unit		6,252	-
Increase in deposits held by financial institutions		(2,670)	-
Increase in other receivables		(38,403)	(1,037,228)
Acquisition of other financial assets		(17,880)	(6,272)
Acquisition of property, plant and equipment		(306,436)	(229,069)
Acquisition of intangible assets		(533,891)	(316,047)
Acquisition of investments in subsidiaries, associates and joint ventures	10	(626,183)	(92,793)
<b>Net cash provided by (used in) investing activities</b>		<b>(1,470,335)</b>	<b>(1,640,010)</b>
<b>Cash flows from financing activities</b>			
Increase in borrowings		1,397,466	2,008,189
Repayments of borrowings		(1,473,718)	(850,486)
Dividend paid	16	(144,912)	(126,905)
Repayments of lease liabilities		(37,809)	(37,535)
<b>Net cash provided by (used in) financing activities</b>		<b>(258,973)</b>	<b>993,263</b>
Effects of exchange rate changes on cash and cash equivalents		4,732	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(87,455)</b>	<b>25,963</b>
Cash and cash equivalents at the beginning of the period	4	2,349,705	1,941,615
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>2,262,250</b>	<b>1,967,578</b>

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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### 1. General Information

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

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

The Company operates the following 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 components Solutions segment designing and manufacturing automobile parts; and Business Solutions segment manufacturing and selling monitors, PCs, information displays and others. As of June 30, 2024, the Company operates manufacturing facilities mainly in Changwon, Pyeongtaek and Gumi in the Republic of Korea.

### 2. Material Accounting Policies

#### 2.1 Basis of Preparation

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

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

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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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 separate financial statements.

### *- 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 Company's interim condensed separate financial statements.

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

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

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

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

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

# **LG Electronics Inc.**

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

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

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### **2.2 Application of Accounting Policies**

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

#### **2.2.1 Income Tax Expense**

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate is applied to the pre-tax income for the period. The Company is 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.

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

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

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

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

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

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

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

# **LG Electronics Inc.**

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

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

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### (a) Revenue Recognition

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

### (b) Impairment of Goodwill

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

### (c) Income Taxes

The Company recognizes 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.

### (d) Fair Value of Financial Instruments

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

### (e) Provisions

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

### (f) Net Defined Benefit Liabilities

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

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### (g) Development Costs

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

## 4. 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	2,262,250	-	-	-	2,262,250
Deposits held by financial institutions	120,736	-	-	-	120,736
Trade receivables	6,075,454	256,438	-	1,115,805	7,447,697
Other receivables	1,749,302	-	-	-	1,749,302
Other financial assets and others	-	95,415	120,772	241,082	457,269
<b>Total</b>	<b>10,207,742</b>	<b>351,853</b>	<b>120,772</b>	<b>1,356,887</b>	<b>12,037,254</b>

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

June 30, 2024

<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	6,935,606	-	-	6,935,606
Borrowings	9,258,404	-	-	9,258,404
Lease liabilities	-	-	129,417	129,417
Other payables	1,879,251	-	-	1,879,251
Other financial liabilities	-	18,304	45,126	63,430
<b>Total</b>	<b>18,073,261</b>	<b>18,304</b>	<b>174,543</b>	<b>18,266,108</b>

December 31, 2023

<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	2,349,705	-	-	-	2,349,705
Deposits held by financial institutions	141,515	-	-	-	141,515
Trade receivables	5,189,911	212,773	-	608,412	6,011,096
Other receivables	1,627,827	-	-	-	1,627,827
Other financial assets and others	-	66,926	80,702	155,086	302,714
<b>Total</b>	<b>9,308,958</b>	<b>279,699</b>	<b>80,702</b>	<b>763,498</b>	<b>10,432,857</b>

December 31, 2023

<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	5,808,472	-	-	5,808,472
Borrowings	9,224,611	-	-	9,224,611
Lease liabilities	-	-	155,464	155,464
Other payables	2,168,904	-	-	2,168,904
Other financial liabilities	-	18,304	58,599	76,903
<b>Total</b>	<b>17,201,987</b>	<b>18,304</b>	<b>214,063</b>	<b>17,434,354</b>



# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

(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	74,891	-	-	-	74,891
Exchange differences	431,639	-	-	-	431,639
Bad debt expense	707	-	-	(3,318)	(2,611)
Gain (loss) on disposal of trade receivables	-	(138)	-	-	(138)
Dividend income	-	257	-	-	257
Fair value gain (loss), net of tax (through other comprehensive income)	-	21,648	-	-	21,648
Gain (loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	4,861	4,861
Others	(2,649)	-	-	-	(2,649)

<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 expenses	(185,481)	-	29,772	(155,709)
Exchange differences	(531,418)	-	93,087	(438,331)
Gain (loss) on derivatives, net of tax (through other comprehensive income)	-	-	2,453	2,453
Others	(2,589)	-	67	(2,522)

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

<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	44,616	-	-	-	44,616
Exchange differences	222,466	-	-	-	222,466
Bad debt expense	(532)	-	-	-	(532)
Gain (loss) on disposal of trade receivables	-	(371)	-	-	(371)
Dividend income	-	189	969	-	1,158
Gain (loss) on valuation of financial assets at fair value through profit or loss	-	-	(17)	-	(17)
Profit (loss) for the period from discontinued operations	(53)	-	-	-	(53)
Fair value gain (loss), net of tax (through other comprehensive income)	-	4,200	-	-	4,200
Gain (loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	(4,633)	(4,633)
Others	(9,885)	-	-	-	(9,885)

<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 expenses	(165,780)	-	24,036	(141,744)
Exchange differences	(259,354)	-	37,684	(221,670)
Gain (loss) on derivatives (through profit or loss)	-	(3,072)	-	(3,072)
Profit (loss) for the period from discontinued operations	21	-	-	21
Gain (loss) on derivatives, net of tax (through other comprehensive income)	-	-	(4,385)	(4,385)
Others	(3,002)	-	112	(2,890)

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 5. 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	6,426,400	(43,992)	6,382,408	5,434,267	(41,063)	5,393,204
Non-current	1,067,160	(1,871)	1,065,289	619,389	(1,497)	617,892
Other receivables						
Current	823,397	(2,912)	820,485	462,061	(3,419)	458,642
Non-current	928,832	(15)	928,817	1,169,199	(14)	1,169,185

(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 and other	June 30
Trade receivables				
Current	41,063	2,929	-	43,992
Non-current	1,497	374	-	1,871
Other receivables				
Current	3,419	(507)	-	2,912
Non-current	14	1	-	15

<i>(in millions of Korean won)</i>	Six-month period ended June 30, 2023			
	January 1	Addition (Reversal)	Write-off and other	June 30
Trade receivables				
Current	36,264	2,717	-	38,981
Non-current	-	-	-	-
Other receivables				
Current	7,579	(2,146)	-	5,433
Non-current	12	1	-	13

# LG Electronics Inc.

## Notes to the interim condensed separate 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>	<b>June 30, 2024</b>				
	<b>Trade receivables</b>		<b>Other receivables</b>		<b>Total</b>
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>	
<b>Receivables not past due</b>	5,847,420	1,067,160	799,277	928,832	8,642,689
<b>Past due but not impaired</b>					
Up to 6 months	225,303	-	16,987	-	242,290
7 to 12 months	30,981	-	1,122	-	32,103
Over 1 year	249,383	-	3,094	-	252,477
<b>Subtotal</b>	505,667	-	21,203	-	526,870
<b>Impaired</b>	73,313	-	2,917	-	76,230
<b>Total</b>	6,426,400	1,067,160	823,397	928,832	9,245,789

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

- (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 Company has an obligation to pay the amounts related thereto to the banks. As a result, this transaction has been accounted for as a collateralized borrowing (see Note 11). Discounted trade receivables recognized as of June 30, 2024 amount to ₩41,513 million (December 31, 2023: ₩60,269 million).

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 6. 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>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Other financial assets</b>		
Derivatives	263,672	155,086
Financial assets at fair value through other comprehensive income	95,415	66,926
Financial assets at fair value through profit or loss	83,480	66,000
<b>Total</b>	<b>442,567</b>	<b>288,012</b>
Current	22,590	19,106
Non-current	419,977	268,906

<i>(in millions of Korean won)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Other financial liabilities</b>		
Derivatives	49,029	65,762
Financial guarantee liabilities	14,401	11,141
<b>Total</b>	<b>63,430</b>	<b>76,903</b>
Current	12,761	13,466
Non-current	50,669	63,437

(b) Details of derivatives 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>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Current</b>				
Currency swap	-	-	19,033	6,610
Interest rate swap	-	-	73	-
Option	22,590	5,858	-	-
<b>Subtotal</b>	<b>22,590</b>	<b>5,858</b>	<b>19,106</b>	<b>6,610</b>
<b>Non-current</b>				
Currency swap	229,112	22,851	122,779	30,515
Interest rate swap	11,970	7,874	13,201	10,333
Option	-	12,446	-	18,304
<b>Subtotal</b>	<b>241,082</b>	<b>43,171</b>	<b>135,980</b>	<b>59,152</b>
<b>Total</b>	<b>263,672</b>	<b>49,029</b>	<b>155,086</b>	<b>65,762</b>

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

# LG Electronics Inc.

## Notes to the interim condensed separate 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	June 30
Marketable equity securities	18,311	-	-	30	28,089	46,430
Unmarketable equity securities	48,615	400	-	(30)	-	48,985
<b>Total</b>	<b>66,926</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>28,089</b>	<b>95,415</b>

<i>(in millions of Korean won)</i>	Six-month period ended June 30, 2023					
	January 1	Acquisition	Disposals	Transfer	Valuation	June 30
Marketable equity securities	18,271	-	(747)	-	5,641	23,165
Unmarketable equity securities	43,260	670	-	-	-	43,930
<b>Total</b>	<b>61,531</b>	<b>670</b>	<b>(747)</b>	<b>-</b>	<b>5,641</b>	<b>67,095</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	June 30
Marketable equity securities	64,867	6,507	-	500	-	71,874
Debt securities	1,133	10,973	-	(500)	-	11,606
<b>Total</b>	<b>66,000</b>	<b>17,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,480</b>

<i>(in millions of Korean won)</i>	Six-month period ended June 30, 2023					
	January 1	Acquisition	Disposals	Transfer	Valuation	June 30
Unmarketable equity securities	70,841	2,106	(875)	(2,000)	(17)	70,055
Debt securities	24,025	500	-	-	-	24,525
<b>Total</b>	<b>94,866</b>	<b>2,606</b>	<b>(875)</b>	<b>(2,000)</b>	<b>(17)</b>	<b>94,580</b>

## 7. 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	921,684	(31,359)	890,325	758,746	(28,653)	730,093
Work-in-process	62,739	(2,211)	60,528	66,352	(2,656)	63,696
Raw materials and supplies	557,439	(61,764)	495,675	541,547	(57,900)	483,647
Others	139,887	(24,627)	115,260	148,293	(56,205)	92,088
<b>Total</b>	<b>1,681,749</b>	<b>(119,961)</b>	<b>1,561,788</b>	<b>1,514,938</b>	<b>(145,414)</b>	<b>1,369,524</b>

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 8. 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	756,120	542,849
(Less: allowance for doubtful accounts)	(7)	(5)
Right to recover returned products	1,539	838
Costs to fulfil contracts and others	347,690	375,785
<b>Total</b>	<b>1,105,342</b>	<b>919,467</b>
Current	954,848	741,957
Non-current	150,494	177,510

(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	69,582	66,844
Expected returns from customers	82,269	47,353
Customer loyalty program	66,476	55,843
Rendering of warranty services	9,977	10,506
Due to customers and others	862,877	646,081
<b>Total</b>	<b>1,091,181</b>	<b>826,627</b>
Current	1,086,920	821,195
Non-current	4,261	5,432

(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>	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Revenue recognized that was included in the contract liability amount at the beginning of the period:		
Due to customers and others	339,841	270,244
Customer loyalty program	26,422	26,077
Rendering of warranty services	4,086	4,217
<b>Total</b>	<b>370,349</b>	<b>300,538</b>
Revenue recognized from performance obligations satisfied in previous periods	43,171	2,532

(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 ₩1,343,169 million (December 31, 2023: ₩1,052,645 million) which is expected to be satisfied by no later than 2031. Also, as a practical expedient, the Company excluded performance obligations that are part of contracts within an initial expected duration of one year or less.

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

(e) For the six-month period ended June 30, 2024, the Company recognized an impairment loss amounting to ₩2 million (June 30, 2023: ₩2 million) in relation to due from customers, and amortization and other costs of ₩104,858 million (June 30, 2023: ₩65,589 million) in relation to costs to fulfil contracts.

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

(a) Changes in property, plant and equipment for each of the 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>	6,030,130	6,007,599
Acquisitions	281,274	211,479
Disposals and others	(10,925)	(9,985)
Depreciation	(306,723)	(326,533)
Impairment losses	(16,586)	(11,056)
<b>June 30</b>	<b>5,977,170</b>	<b>5,871,504</b>

(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>	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
<b>Continuing operations</b>		
Cost of sales	224,245	245,181
Selling expenses	15,107	18,976
Administrative expenses	33,120	30,744
Research and development expenses	19,877	18,666
Service costs	12,628	9,416
Other non-operating expenses	1,746	3,544
<b>Subtotal</b>	<b>306,723</b>	<b>326,527</b>
<b>Discontinued operations</b>	-	6
<b>Total</b>	<b>306,723</b>	<b>326,533</b>



# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

- (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 ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
<b>January 1</b>	154,141	115,297
Acquisitions	15,478	19,679
Disposals and others	(2,395)	(5,606)
Depreciation	(39,372)	(38,817)
<b>June 30</b>	<b>127,852</b>	<b>90,553</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 ₩2,262 million (June 30, 2023: ₩3,166 million).

- (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 ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
<b>January 1</b>	2,097,399	1,715,271
Acquisitions	150,661	189,235
Acquisitions by internal development	206,090	131,757
Disposals and others	(18,553)	(22,959)
Amortization	(211,172)	(222,740)
Impairment losses	(11,075)	(1,162)
<b>June 30</b>	<b>2,213,350</b>	<b>1,789,402</b>

- (e) Line items including amortization of intangible assets in the interim condensed separate financial statements of 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>	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
<b>Continuing operations</b>		
Cost of sales	161,572	172,394
Selling expenses	6,394	5,288
Administrative expenses	16,512	16,492
Research and development expenses	27,531	26,988
Service costs	3,315	1,551
Other non-operating expenses	(4,152)	5
<b>Subtotal</b>	<b>211,172</b>	<b>222,718</b>
<b>Discontinued operations</b>	<b>-</b>	<b>22</b>
<b>Total</b>	<b>211,172</b>	<b>222,740</b>

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 10. Investments in Subsidiaries, Associates and Joint Ventures

(a) Investments in subsidiaries, associates and joint ventures as of June 30, 2024 and December 31, 2023 are as follows:

(in millions of Korean won)	Location	Closing month	Percentage of ownership (%)	Carrying amount	
				June 30, 2024	December 31, 2023
<b>Subsidiaries</b>					
LG Electronics U.S.A., Inc.(LGEUS)	USA	December	100.0	955,542	955,542
LG Innotek Co., Ltd. <sup>5</sup>	Korea	December	40.8	541,538	541,538
LG Magna e-Powertrain Co., Ltd.	Korea	December	51.0	388,661	388,661
ZKW Holding GmbH	Austria	December	70.0	349,482	349,482
LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)	India	March	100.0	311,746	311,746
LG Electronics do Brasil Ltda.(LGEBR)	Brazil	December	100.0	270,631	270,631
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	Poland	December	100.0	214,091	214,091
LG Electronics Nanjing Vehicle Components Co.,Ltd.(LGENV)	China	December	100.0	180,349	180,349
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	China	December	70.0	161,331	161,331
LG Electronics European Holding B.V.(LGEEH)	Netherlands	December	100.0	148,551	148,551
Hiplaza Co., Ltd.	Korea	December	100.0	136,459	136,459
PT LGE Indonesia Research and Development Center(LGERC)	Indonesia	December	100.0	121,467	121,467
Cybellum Technologies Ltd.	Israel	December	72.9	113,509	113,509
LG Electronics Egypt S.A.E(LGEEG)	Egypt	December	100.0	110,245	110,245
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	China	December	88.3	97,608	97,608
P.T. LG Electronics Indonesia(LGEIN)	Indonesia	December	100.0	94,118	94,118
LG Electronics Vietnam Hai Phong Co., Ltd(LGEVH)	Vietnam	December	100.0	84,784	84,784
LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	Poland	December	100.0	70,014	70,014
Athom Holding B.V. <sup>2</sup>	Netherlands	December	80.0	69,215	-
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Mexico	December	100.0	68,721	68,721
LG Electronics (Shenyang) Inc(LGESY)	China	December	56.3	62,033	62,033
LG Electronics (Thailand) Company Limited(LGETH)	Thailand	December	100.0	55,578	55,578
LG ELECTRONICS AUSTRALIA PTY LIMITED(LGEAP)	Australia	December	100.0	50,664	50,664
LG Electronics Fund I LLC <sup>1,3,7</sup>	USA	December	100.0	47,927	54,396
LG Electronics Ticaret A.S.(LGETK)	Türkiye	December	100.0	47,320	47,320
LG Electronics RUS, LLC(LGERA)	Russia	December	100.0	43,645	43,645
LG Electronics (Huizhou) Inc.(LGEHZ) <sup>6</sup>	China	December	45.0	41,984	41,984
LG Electronics Nanjing New Technology co.,LTD(LGENT) <sup>6</sup>	China	December	45.0	38,744	38,744
LG Electronics Panama, S.A.(LGEPS)	Panama	December	100.0	36,492	36,492
ZKW Austria Immobilien Holding GmbH	Austria	December	70.0	35,640	35,640
HIEVCHARGER CO., LTD.	Korea	December	60.0	35,040	35,040

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

(in millions of Korean won)	Location	Closing month	Percentage of ownership (%)	Carrying amount	
				June 30, 2024	December 31, 2023
LG Electronics S.A. (Pty) Ltd.(LGESA)	Republic of South Africa	December	100.0	30,175	30,175
Nanjing LG Panda Appliances Co., Ltd(LGEPN)	China	December	50.0	26,614	26,614
LG Electronics Peru S.A.(LGEPR)	Peru	December	100.0	25,043	25,043
LG Electronics Fund II LLC <sup>1</sup>	USA	December	100.0	24,229	13,771
LG Electronics Air-Conditioning(Shandong) Co., Ltd.(LGEQA)	China	December	100.0	20,615	20,615
LG Soft India Private Limited.(LGSi)	India	March	100.0	20,105	20,105
LG Electronics Overseas Trading FZE(LGEOT) <sup>1</sup>	UAE	December	100.0	6,558	-
Others				147,081	147,081
<b>Associates</b>					
LG Display Co., Ltd. <sup>1</sup>	Korea	December	36.7	3,247,981	2,811,950
Robostar Co., Ltd.	Korea	December	33.4	88,112	88,112
BEAR ROBOTICS, INC. <sup>2</sup>	USA	December	25.0	56,076	-
Hitachi-LG Data Storage Inc.(HLDS)	Japan	December	49.0	52,124	52,124
Ericsson-LG Co., Ltd.	Korea	December	25.0	38,834	38,834
Mirae Asset-LG Electronics New Growth Fund I <sup>1,3</sup>	Korea	December	50.0	36,552	28,023
Rinse, Inc.	USA	December	23.3	18,184	18,184
NOVA Prime Fund I, LP <sup>1</sup>	USA	December	88.0	15,486	11,305
ROBOTIS Co., Ltd. <sup>4</sup>	Korea	December	7.3	9,000	9,000
SideChef Group Limited <sup>4</sup>	Hong Kong	December	15.4	7,702	7,702
GOQUAL Inc. <sup>4</sup>	Korea	December	7.2	5,000	5,000
TheWaveTalk Co., Ltd. <sup>4</sup>	Korea	December	3.7	2,000	2,000
Acryl Inc. <sup>4</sup>	Korea	December	12.1	2,000	2,000
AiM Future, Inc. <sup>4</sup>	Korea	December	11.7	800	800
<b>Joint ventures</b>					
LG-LHT Aircraft Solutions GmbH <sup>1</sup>	Germany	December	49.0	42,755	37,425
LG-LHT Passenger Solutions GmbH <sup>1</sup>	Germany	December	49.0	42,650	37,320
Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	Türkiye	December	50.0	27,711	27,711
EIC PROPERTIES PTE LTD.	Singapore	December	38.2	7,881	7,881
GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	China	December	35.0	1,855	1,855
FITNESSCANDY Co., Ltd.	Korea	December	51.0	-	-
<b>Total</b>				<b>8,986,252</b>	<b>8,391,013</b>

<sup>1</sup> It was additionally acquired during the six-month period ended June 30, 2024.

<sup>2</sup> It was newly acquired during the six-month period ended June 30, 2024.

<sup>3</sup> A portion of the investments were recovered during the six-month period ended June 30, 2024.

<sup>4</sup> The Company's percentage of ownership of the entity is less than 20%, but the Company can exercise significant influence in the Board of Directors. Accordingly, the entity has been classified as an associate.

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

<sup>5</sup> The Company's percentage of ownership of LG Innotek Co., Ltd. is less than 50%, but the Company is deemed to have control over LG Innotek Co., Ltd. due to the size and dispersion of holdings of the other shareholders and their voting patterns at previous shareholders' meetings.

<sup>6</sup> Although the Company owns less than half of the percentage of ownership of the entities, the investees have been classified as subsidiaries because the Company can exercise control over the investees considering the shares held by the subsidiary.

<sup>7</sup> It was impaired during the six-month period ended June 30, 2024.

(b) Changes in investments in subsidiaries, associates and 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 ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
<b>January 1</b>	8,391,013	9,004,775
Acquisitions	626,183	92,793
Transfer	(22,591)	2,000
Impairment	(6,557)	-
Disposals	(1,796)	-
<b>June 30</b>	<b>8,986,252</b>	<b>9,099,568</b>

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

		<b>June 30, 2024</b>			
	<b>Type</b>	<b>Shares held (in number of shares)</b>	<b>Price per share (in Korean won)</b>	<b>Market value (in millions of Korean won)</b>	<b>Carrying amount</b>
LG Display Co., Ltd.	Associate	183,593,206	11,470	2,105,814	3,247,981
LG Innotek Co., Ltd.	Subsidiary	9,653,181	272,000	2,625,665	541,538
Robostar Co., Ltd.	Associate	3,256,500	28,300	92,159	88,112
ROBOTIS Co., Ltd.	Associate	961,550	23,600	22,693	9,000
		<b>December 31, 2023</b>			
	<b>Type</b>	<b>Shares held (in number of shares)</b>	<b>Price per share (in Korean won)</b>	<b>Market value (in millions of Korean won)</b>	<b>Carrying amount</b>
LG Display Co., Ltd.	Associate	135,625,000	12,740	1,727,863	2,811,950
LG Innotek Co., Ltd.	Subsidiary	9,653,181	239,500	2,311,937	541,538
Robostar Co., Ltd.	Associate	3,256,500	29,800	97,044	88,112
ROBOTIS Co., Ltd.	Associate	961,550	30,600	29,423	9,000

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 11. 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	41,513	704,969
Current portion of long-term borrowings	439,141	252,710
Current portion of debentures	269,904	646,690
<b>Subtotal</b>	<b>750,558</b>	<b>1,604,369</b>
<b>Non-current</b>		
Long-term borrowings	3,019,946	3,130,153
Debentures	5,487,900	4,490,089
<b>Subtotal</b>	<b>8,507,846</b>	<b>7,620,242</b>
<b>Total</b>	<b>9,258,404</b>	<b>9,224,611</b>

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

<i>(in millions of Korean won)</i>	<b>Maturity date</b>	<b>Annual interest rate(%) as of June 30, 2024</b>	<b>Carrying amount June 30, 2024</b>	<b>December 31, 2023</b>
<b>Short-term borrowings in foreign currency</b>				
Deutsche Bank and others <sup>1</sup>	-	4.35 ~ 13.11	41,513	704,969
<b>Long-term borrowings in local currency</b>				
The Export-Import Bank of Korea and others	2035. 1. 9	2.49 ~ 4.82	2,317,893	2,302,465
<b>Long-term borrowings in foreign currency</b>				
The Export-Import Bank of Korea and others	2031. 7. 28	0.67 ~ 7.21	1,141,194	1,080,398
<b>Local currency debentures</b>				
Public, non-guaranteed bonds	2036. 5. 4	1.62 ~ 4.84	2,920,000	3,430,000
Private, non-guaranteed bonds	2041. 2. 9	2.66 ~ 5.15	1,030,000	1,030,000
<b>Foreign currency debentures</b>				
Private, non-guaranteed bonds	2031. 1. 8	0.81 ~ 7.22	720,214	688,442
Public, non-guaranteed bonds	2029. 4. 24	5.63	1,111,360	-
Less: discount on debentures			(23,770)	(11,663)
<b>Total</b>			<b>9,258,404</b>	<b>9,224,611</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 Company entered into interest rate swap and cross-currency swap contracts to hedge cash flow risks related to floating interest rates and foreign exchange rates of certain portion of borrowings (see Note 31).

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 12. 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	60,393	74,853
Non-current	69,024	80,611
<b>Total</b>	<b>129,417</b>	<b>155,464</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 ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
<b>Continuing operations</b>		
Interest expense relating to lease liabilities	2,433	1,782
Short-term lease payments (included in cost of sales, Selling and administrative expenses, and others)	17,263	14,118
Payments for leases of low-value assets that are not short-term leases (included in cost of sales, Selling and administrative expenses, and others)	8,905	7,759
<b>Subtotal</b>	<b>28,601</b>	<b>23,659</b>
<b>Discontinued operations</b>	<b>-</b>	<b>8</b>
<b>Total</b>	<b>28,601</b>	<b>23,667</b>

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

(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 ₩66,277 million (June 30, 2023: ₩60,978 million).

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 13. Retirement Benefits

#### 13.1 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	3,613,282	3,419,800
Fair value of plan assets	(3,812,609)	(3,767,107)
<b>Net defined benefit liabilities (assets)</b>	<b>(199,327)</b>	<b>(347,307)</b>

(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 ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Current service cost	156,405	137,326
Net interest cost	(7,745)	(13,709)
Operating management cost	1,361	1,222
<b>Total</b>	<b>150,021</b>	<b>124,839</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 ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
<b>Continuing operations</b>		
Cost of sales	71,062	58,555
Selling expenses	20,820	17,354
Administrative expenses	14,198	11,706
Research and development expenses	30,442	24,272
Service costs	13,446	11,327
Other non-operating expenses	53	1,620
<b>Subtotal</b>	<b>150,021</b>	<b>124,834</b>
<b>Discontinued operations</b>	<b>-</b>	<b>5</b>
<b>Total</b>	<b>150,021</b>	<b>124,839</b>

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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

<i>(in millions of Korean won)</i>	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
<b>January 1</b>	3,419,800	2,937,364
Current service cost	156,405	137,326
Interest expense	74,391	75,872
Remeasurements for:		
- Actuarial loss (gain) arising from changes in financial assumptions	89,985	45,531
Benefits paid	(127,299)	(170,547)
<b>June 30</b>	<b>3,613,282</b>	<b>3,025,546</b>

- (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 ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
<b>January 1</b>	3,767,107	3,454,693
Interest income	82,136	89,581
Remeasurements of plan assets	(7,861)	(258)
Employer contributions	100,000	100,000
Benefits paid	(127,412)	(174,863)
Operating management cost	(1,361)	(1,222)
<b>June 30</b>	<b>3,812,609</b>	<b>3,467,931</b>

- (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>
Discount rate	4.2%	4.5%
Expected salary growth rate	5.9%	5.9%

- (g) The sensitivity analysis of the defined benefit obligation to changes in principal assumptions as of 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	(288,379)	329,585
Expected salary growth rate	344,329	(305,267)

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.



# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 13.2 Defined Contribution Plan

The expense recognized for the six-month period ended June 30, 2024 in relation to the defined contribution plan is ₩6,906 million (June 30, 2023: ₩5,222 million).

### 14. 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>	<b>Six-month period ended June 30, 2024</b>			
	<b>Warranty</b>	<b>Restoration</b>	<b>Litigation and others</b>	<b>Total</b>
<b>January 1</b>	528,100	8,868	144,360	681,328
Additions (reversal) <sup>1</sup>	149,391	870	(11,613)	138,648
Utilizations	(182,327)	(191)	(5,402)	(187,920)
<b>June 30</b>	495,164	9,547	127,345	632,056
Current	454,652	6,912	99,340	560,904
Non-current	40,512	2,635	28,005	71,152

  

<i>(in millions of Korean won)</i>	<b>Six-month period ended June 30, 2023</b>			
	<b>Warranty</b>	<b>Restoration</b>	<b>Litigation and others</b>	<b>Total</b>
<b>January 1</b>	1,079,839	9,360	57,771	1,146,970
Additions (reversal) <sup>1</sup>	398,444	130	(4,380)	394,194
Utilizations	(230,962)	(621)	(4,444)	(236,027)
<b>June 30</b>	1,247,321	8,869	48,947	1,305,137
Current	1,202,987	6,580	13,682	1,223,249
Non-current	44,334	2,289	35,265	81,888

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

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 15. Paid-in Capital

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

	Par value per share (in Korean won)	June 30, 2024		December 31, 2023	
		Number of shares issued	Amount (in millions of Korean won)	Number of shares issued	Amount (in millions of Korean won)
Ordinary shares	5,000	163,647,814	818,239	163,647,814	818,239
Preferred shares	5,000	17,185,992	85,930	17,185,992	85,930
<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 Company and less ₩155,593 million of adjustment to capital transferred to the 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.

### 16. 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>	1,479,527	802,490
<b>Total</b>	<b>7,900,739</b>	<b>6,566,223</b>

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

## Notes to the interim condensed separate financial statements

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

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

Accumulated other comprehensive income (loss) 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>
Cash flow hedge	6,476	(838)
Financial assets at fair value through other comprehensive income (loss)	12,281	(9,367)
<b>Total</b>	<b>18,757</b>	<b>(10,205)</b>

### 18. 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
<b>Total</b>	<b>(32,819)</b>	<b>(32,819)</b>

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

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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### 19. 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	7,236,082	14,275,690	6,943,078	13,600,355
Rendering of services and others	492,080	869,482	332,204	668,924
<b>Subtotal</b>	<b>7,728,162</b>	<b>15,145,172</b>	<b>7,275,282</b>	<b>14,269,279</b>
Revenue from other sources:				
Rental income and others	411,349	744,348	232,375	433,186
<b>Subtotal</b>	<b>8,139,511</b>	<b>15,889,520</b>	<b>7,507,657</b>	<b>14,702,465</b>
<b>Discontinued operations</b>	<b>-</b>	<b>-</b>	<b>317</b>	<b>382</b>
<b>Total</b>	<b>8,139,511</b>	<b>15,889,520</b>	<b>7,507,974</b>	<b>14,702,847</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 type of products:		
Refrigerator/ washing machine/ air conditioner and others	8,514,222	8,199,424
TV/AV and others	1,675,813	1,639,113
In-vehicle infotainment and others	2,352,533	1,978,909
Monitor/PC and others	1,424,477	1,327,024
Others <sup>1</sup>	1,178,127	1,124,809
Domestic/Export:		
Domestic	5,377,795	5,221,599
Export	9,767,377	9,047,680
Timing of revenue recognition:		
At a point in time	13,258,453	12,519,703
Over time	1,886,719	1,749,576
<b>Total</b>	<b>15,145,172</b>	<b>14,269,279</b>

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

# LG Electronics Inc.

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

Due to the factors causing the changes in the costs of other segments during the 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 estimated total contract revenue	Changes in estimated total contract cost	Impact on profit or loss for the period ended June 30, 2024	Impact on profit or loss for the subsequent periods
Other segments	169,054	81,810	55,149	32,095

## 20. 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 are as follows:

<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	(54,575)	(177,290)	98,100	54,884
Raw materials and merchandise used	4,207,086	8,587,880	3,694,785	7,730,712
Employee benefit expense	1,206,560	2,386,536	1,198,563	2,320,150
Depreciation and amortization	269,424	522,487	281,135	547,922
Advertising expense	232,927	394,774	191,829	310,681
Promotion expense	41,563	71,362	46,476	73,109
Freight expense	210,507	397,660	218,117	434,724
Commission expense	717,181	1,373,882	596,482	1,143,069
Other expenses	715,579	1,453,454	888,371	1,474,929
<b>Subtotal<sup>1</sup></b>	<b>7,546,252</b>	<b>15,010,745</b>	<b>7,213,858</b>	<b>14,090,180</b>
<b>Discontinued operations</b>	-	-	(548)	(273)
<b>Total</b>	<b>7,546,252</b>	<b>15,010,745</b>	<b>7,213,310</b>	<b>14,089,907</b>

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

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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

Details of general operating expenses for each of the three-month 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	507,380	964,122	437,160	840,527
Retirement benefits	41,222	95,120	35,382	109,312
Employee welfare benefits	65,699	148,273	81,125	158,586
Freight expense	207,513	392,015	215,096	429,089
Rental expense	9,232	18,651	8,888	17,009
Commission expense	564,872	1,085,044	458,624	872,903
Depreciation	41,093	82,917	40,000	80,028
Amortization	28,890	53,752	25,155	50,319
Advertising expense	232,927	394,774	191,829	310,681
Promotion expense	41,563	71,362	46,476	73,109
R&D expense	89,114	153,298	78,224	129,216
Direct service costs	26,439	64,093	188,710	209,194
Bad debts expense	2,505	3,101	1,702	2,687
Others	89,016	168,952	69,096	145,333
<b>Subtotal</b>	<b>1,947,465</b>	<b>3,695,474</b>	<b>1,877,467</b>	<b>3,427,993</b>
<b>Discontinued operations</b>	<b>-</b>	<b>-</b>	<b>467</b>	<b>746</b>
<b>Total</b>	<b>1,947,465</b>	<b>3,695,474</b>	<b>1,877,934</b>	<b>3,428,739</b>

### 22. 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	38,058	74,891	29,744	44,616
Exchange differences	114,292	217,416	138,157	317,641
Others	19	938	467	906
<b>Total</b>	<b>152,369</b>	<b>293,245</b>	<b>168,368</b>	<b>363,163</b>

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 23. 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	79,344	155,709	75,985	141,744
Exchange differences	85,776	162,749	143,653	313,036
Loss on disposal of trade receivables	66	138	202	371
Others	1,213	6,107	5,865	13,681
<b>Total</b>	<b>166,399</b>	<b>324,703</b>	<b>225,705</b>	<b>468,832</b>

### 24. 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	352,660	1,041,302	315,898	977,130
Exchange differences	227,828	484,840	235,994	565,646
Gain on derivatives	-	-	22	371
Gain on disposal of property, plant and equipment	943	1,511	748	2,299
Others	3,471	17,748	6,833	17,149
<b>Subtotal</b>	<b>584,902</b>	<b>1,545,401</b>	<b>559,495</b>	<b>1,562,595</b>
<b>Discontinued operations</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>81</b>
<b>Total</b>	<b>584,902</b>	<b>1,545,401</b>	<b>559,540</b>	<b>1,562,676</b>

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 25. 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	252,436	521,961	220,973	560,976
Loss on derivatives	-	-	1,342	3,443
Loss on disposal of property, plant and equipment	582	967	367	912
Impairment loss on property, plant and equipment	2,642	16,586	4,722	10,075
Loss on disposal of intangible assets	7,742	15,112	13,139	22,803
Impairment loss on intangible assets	3,296	11,075	389	1,162
Impairment loss on investments in subsidiaries, associates and joint ventures	6,557	6,557	-	-
Loss on valuation of financial assets at fair value through profit or loss	-	-	-	17
Others	5,871	10,864	9,435	42,966
<b>Subtotal</b>	<b>279,126</b>	<b>583,122</b>	<b>250,367</b>	<b>642,354</b>
<b>Discontinued operations</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>32</b>
<b>Total</b>	<b>279,126</b>	<b>583,122</b>	<b>250,380</b>	<b>642,386</b>



# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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### 26. Earnings (Losses) per Share

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

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

	2024		2023	
	Three months	Six months	Three months	Six months
Profit (loss) attributable to ordinary shares <i>(in millions of Korean won)</i>				
Continuing operations	663,538	1,406,092	432,867	1,080,960
Discontinued operations	-	-	602	475
Weighted average number of ordinary shares outstanding <i>(in number of shares)</i>	162,884,638	162,884,638	162,884,638	162,884,638
Basic earnings (losses) per ordinary share <i>(in Korean won)</i>				
Continuing operations	4,073	8,632	2,657	6,636
Discontinued operations	-	-	4	3

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

	2024		2023	
	Three months	Six months	Three months	Six months
Profit (loss) attributable to preferred shares <i>(in millions of Korean won)</i>				
Continuing operations	70,206	148,746	45,875	114,452
Discontinued operations	-	-	64	50
Weighted average number of preferred shares outstanding <i>(in number of shares)</i>	17,181,299	17,181,299	17,181,299	17,181,299
Basic earnings (losses) per preferred share <i>(in Korean won)</i>				
Continuing operations	4,086	8,657	2,670	6,661
Discontinued operations	-	-	4	3

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 27. 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 ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Profit (loss) for the period	1,554,838	1,195,412
Adjustments:		
Interest expense (income), net	80,818	97,128
Exchange differences, net	(8,439)	(327)
Depreciation	306,723	326,527
Amortization	211,172	222,718
Loss (gain) on disposal of property, plant and equipment and intangible assets, net	14,568	21,416
(Reversal of) Impairment loss on property, plant and equipment and intangible assets, net	27,661	12,218
Provisions for retirement benefits	150,021	130,056
Additional provisions, net	137,778	394,001
Dividend income	(1,041,302)	(977,130)
Income tax expense	254,758	231,970
(Reversal of) Impairment loss on investments in subsidiaries, associates and joint ventures	6,557	-
Others	(10,972)	(4,014)
Discontinued operations	-	(536)
	<u>129,343</u>	<u>454,027</u>
Changes in operating assets and liabilities		
Decrease (increase) in trade receivables	(1,384,298)	(1,398,576)
Decrease (increase) in other receivables	5,657	(66,947)
Decrease (increase) in inventories	(182,724)	45,833
Decrease (increase) in contract assets	(159,391)	(208,998)
Decrease (increase) in other assets	(13,741)	(57,244)
Increase (decrease) in trade payables	1,060,384	359,082
Increase (decrease) in other payables	(50,350)	(343,008)
Increase (decrease) in provisions	(187,920)	(236,027)
Increase (decrease) in contract liabilities	264,553	78,691
Increase (decrease) in other liabilities	(46,908)	140,440
Payment of defined benefit liabilities	113	(8,354)
Decrease (increase) in plan assets, net	(100,000)	(92,552)
	<u>(794,625)</u>	<u>(1,787,660)</u>
<b>Cash generated from (used in) operations</b>	<u>889,556</u>	<u>(138,221)</u>

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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

<i>(in millions of Korean won)</i>	Six-month period ended June 30, 2024					
	January 1	Net cash flows from financing activities	Effects of other changes			June 30
			Additions	Exchange differences (profit/loss)	Amortization and others	
Borrowings	4,087,832	(666,147)	-	78,915	-	3,500,600
Debentures	5,136,779	554,453	-	64,921	1,651	5,757,804
Lease liabilities	155,464	(37,809)	11,659	(30)	133	129,417
Net derivative liabilities (assets)	(104,687)	35,442	-	(128,499)	(8,516)	(206,260)
<b>Total</b>	<b>9,275,388</b>	<b>(114,061)</b>	<b>11,659</b>	<b>15,307</b>	<b>(6,732)</b>	<b>9,181,561</b>

<i>(in millions of Korean won)</i>	Six-month period ended June 30, 2023					
	January 1	Net cash flows from financing activities	Effects of other changes			June 30
			Additions	Exchange differences (profit/loss)	Amortization and others	
Borrowings	3,090,435	567,419	-	71,803	-	3,729,657
Debentures	4,455,595	590,284	-	20,519	535	5,066,933
Lease liabilities	116,509	(37,535)	10,691	124	224	90,013
Net derivative liabilities (assets)	(123,424)	-	-	(37,706)	(1,437)	(162,567)
<b>Total</b>	<b>7,539,115</b>	<b>1,120,168</b>	<b>10,691</b>	<b>54,740</b>	<b>(678)</b>	<b>8,724,036</b>

### (c) Material non-cash transactions

<i>(in millions of Korean won)</i>	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Reclassification of construction-in-progress to property, plant and equipment	47,060	77,274
Reclassification of construction-in-progress to intangible assets	351,295	119,889
Reclassification of current portion of borrowings	640,987	917,136
Other payables to acquire property, plant and equipment	64,370	29,223
Other payables to acquire intangible assets	16,776	10,823
Acquisition of right-of-use assets	15,178	19,679

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 28. Contingencies

- (a) As of June 30, 2024, the Company is provided with payment guarantees of ₩336,534 million (December 31, 2023: ₩322,915 million) from Seoul Guarantee Insurance and others relating to the performance guarantees.
- (b) As of June 30, 2024, the amount of payment guarantees provided by the Company for its subsidiaries is ₩4,085,630 million (December 31, 2023: ₩3,695,867 million). Details are as follows:

<i>(in millions of Korean won)</i>		Payment guaranteed <sup>1</sup>	
Subsidiary guaranteed	Beneficiaries	June 30, 2024	December 31, 2023
LG Electronics European Shared Service Center B.V.(LGESC)	Citibank and others	893,762	875,568
LG Electronics U.S.A., Inc.(LGEUS)	Citibank and others	701,546	651,147
LG Electronics (China) Co., Ltd(LGECH)	Citibank and others	306,842	287,212
ZKW Holding GmbH	The Export-Import Bank of Korea	297,414	285,318
LG Electronics Vehicle Components U.S.A., LLC.(LGEVU)	Citibank and others	291,732	-
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Scotiabank and others	288,174	285,933
LG Electronics Peru S.A.(LGEPR)	Scotiabank and others	215,333	205,582
LG Electronics Mlawa Sp. z.O.O.(LGEMA), Z.O.O.(LGEPL), LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	Citibank and others	191,592	183,227
LG Electronics Morocco S.A.R.L.(LGEMC)	Citibank and others	107,546	100,323
LG Electronics do Brasil Ltda.(LGEBR)	Citibank and others	105,396	98,837
LG Electronics Inc Chile Limitada(LGECL)	Scotiabank and others	104,250	103,657
LG Electronics Algeria SARL(LGEAS)	Citibank and others	98,574	91,689
LG Electronics Colombia Limitada(LGECB)	Citibank and others	82,418	82,418
LG Electronics Vehicle Components Europe GmbH(LGEVG)	SMBC and others	81,789	78,462
LG Electronics Almaty Kazakhstan(LGEAK)	Citibank	55,568	51,576
LG Electronics Saudi Arabia LLC	JPM and others	55,560	51,578
LG Electronics Egypt S.A.E(LGEEG)	Credit Agricole and others	47,460	44,608
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	ING	37,177	35,665
LG Electronics Ticaret A.S.(LGETK)	Citibank and others	32,007	30,157
LG Electronics S.A. (Pty) Ltd.(LGESA)	Citibank and others	26,845	24,780
PT LGE Indonesia Research and Development Center (LGERC)	Citibank and others	26,395	24,499
LG ELECTRONICS HELLAS SINGLE MEMBER SA (LGEHS)	Citibank	14,871	14,266
Other overseas subsidiaries	BBVA and others	23,379	89,365
<b>Total</b>		<b>4,085,630</b>	<b>3,695,867</b>

<sup>1</sup> These are the amount for which payment guarantees are provided at the end of each reporting period. For some guarantee contracts, the Company has committed to include incidental costs incurred in performing guaranteed obligations and others in its payment guaranteed.

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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- (c) As of June 30, 2024, the Company is providing KEB Hana Bank with a subrogation payment obligation for customers up to ₩46,000 million (December 31, 2023: ₩46,000 million).
- (d) There are a number of legal actions, disputes and investigations arising from the normal course of business that remain pending at the end of the reporting period. The ultimate effect of those lawsuits on the financial position of the Company cannot reflect a reasonable expectation. Management does not expect the outcome of the litigations will have a material effect on the Company's financial position.

### 29. Commitments

- (a) As of June 30, 2024, the Company has borrowing agreements, such as overdraft facility agreements, trade financing and others, with various banks, including Shinhan Bank, with a limit of ₩866,934 million (December 31, 2023: ₩852,463 million).
- (b) As of June 30, 2024, the Company has sales agreements for receivables with various banks including KEB Hana Bank amounting to ₩2,876,966 million (December 31, 2023: ₩2,691,837 million).
- (c) As of June 30, 2024, the Company has corporate electronic settlement services contracts and vendor prepayment services contracts with various banks including Shinhan Bank for up to ₩1,250,298 million (December 31, 2023: ₩1,243,811 million) in connection with the payment of trade payables.
- (d) Contractual commitments for the acquisition of assets

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

<i>(in millions of Korean won)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Property, plant and equipment	148,868	226,522
Intangible assets	38,383	39,000
Investments in subsidiaries, associates and joint ventures	83,102	96,975
<b>Total</b>	<b>270,353</b>	<b>362,497</b>

The Company agreed to tender offers based on fair value at a certain time in relation to the shares of Cybellum Technologies Ltd. and the shares to be issued by the exercise of stock options. As of June 30, 2024, the Company recognized this commitment as other financial liabilities (see Note 6).

- (e) Operating lease commitments – the Company as a lessor
- i) The Company has non-cancellable operating lease agreements regarding home appliance rental business and real estate rental business. The future aggregate lease payments under the operating leases at the end of the reporting period are as follows:

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

<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	4 to 5 years	
Home appliance rental	183,263	88,929	28,092	2,521	-	302,805
Real estate rental	4,700	4,700	4,700	2,422	44	16,566
<b>Total</b>	<b>187,963</b>	<b>93,629</b>	<b>32,792</b>	<b>4,943</b>	<b>44</b>	<b>319,371</b>

- ii) The Company recognized ₩180,389 million (June 30, 2023: ₩250,310 million) in lease income for the six-month period ended June 30, 2024.

(f) Financial lease commitments – the Company as a lessor

- i) Gross investment in the lease and present value of the minimum lease payments for the financial lease as of 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	244,826	173,094	134,141	96,240
Between 1 and 2 years	252,262	193,361	134,610	103,408
Between 2 and 3 years	253,318	208,331	131,139	106,981
Between 3 and 4 years	250,240	220,475	134,926	118,442
Later than 4 years	341,460	322,949	195,713	184,827
<b>Total</b>	<b>1,342,106</b>	<b>1,118,210</b>	<b>730,529</b>	<b>609,898</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	1,342,106	730,529
Net investment in the lease	1,118,210	609,898
<b>Unrealized interest income</b>	<b>223,896</b>	<b>120,631</b>

- iii) For the six-month period ended June 30, 2024, the Company recognized income amounting to ₩557,644 million (June 30, 2023: ₩175,885 million) in relation to financial lease contracts, and financial income of net investment in the lease amounting to ₩28,249 million (June 30, 2023: ₩7,369 million) is included.

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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(g) License agreements including patent and trademark

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

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

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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### 30. 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 Company	LG Corp.	331	-	331	-	70,264	70,264
Subsidiaries	LG Innotek Co., Ltd.	59,615	11,079	70,694	44,118	347	44,465
	Hiplaza Co., Ltd.	708,336	7,865	716,201	53,797	10,469	64,266
	LG Electronics U.S.A., Inc.	2,518,091	1,090	2,519,181	11,213	50,661	61,874
	LG Electronics Vietnam Hai Phong Co., Ltd	1,209,701	2,908	1,212,609	67,690	11,092	78,782
	LG Electronics Mlawa Sp. Z.O.O.	537,710	470	538,180	1,166	1,805	2,971
	LG Electronics Canada, Inc.	336,711	-	336,711	67	7,203	7,270
	LG Electronics European Shared Service Center B.V.	223,398	-	223,398	(6,966)	15,602	8,636
	LG Electronics Nanjing New Technology co.,LTD	177,624	46	177,670	337,919	475	338,394
	LG Electronics Vehicle Components Europe GmbH	126,586	8,254	134,840	3,044	55,405	58,449
	LG ELECTRONICS INDIA PRIVATE LIMITED	204,172	228	204,400	2,710	2,202	4,912
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	74,833	-	74,833	4,235	37	4,272
	LG Electronics do Brasil Ltda.	111,243	144	111,387	81	967	1,048
	P.T. LG Electronics Indonesia	110,159	1,571	111,730	250,271	131	250,402
	LG Electronics Vehicle Components U.S.A., LLC.	43,746	950	44,696	4,506	20,109	24,615
	LG Electronics Mexico S.A. DE C.V.	181,744	146	181,890	-	1,326	1,326
	LG Electronics RUS, LLC	47,543	405	47,948	37	1,489	1,526
	LG Electronics (Tianjin) Appliances Co., Ltd.	93,896	148	94,044	375,392	2,702	378,094
	LG Electronics U.K. Ltd	145,323	111	145,434	648	6,590	7,238
	Taizhou LG Electronics Refrigeration Co., Ltd.	56,215	1,819	58,034	198,045	294	198,339
	LG Electronics Almaty Kazakhstan	35,698	71	35,769	7	358	365
	LG Electronics Colombia Ltda.	40,960	20	40,980	1	158	159
	Hi-Caresolution Corp	24,093	-	24,093	158,238	124	158,362
	LG Electronics Deutschland GmbH	59,632	70	59,702	391	9,800	10,191
	LG Electronics Egypt S.A.E	35,425	638	36,063	-	476	476
	LG Electronics Africa Logistics FZE	190,332	3,180	193,512	-	355	355
	Zenith Electronics Corporation	27,885	-	27,885	-	145,070	145,070



# LG Electronics Inc.

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	LG Electronics Panama, S.A.	82,978	338	83,316	1	938	939
	Others	1,851,857	5,731	1,857,588	174,554	240,430	414,984
	<b>Subtotal</b>	<b>9,315,506</b>	<b>47,282</b>	<b>9,362,788</b>	<b>1,681,165</b>	<b>586,615</b>	<b>2,267,780</b>
Associates	LG Display Co., Ltd. and its subsidiaries	170,837	53,416	224,253	192,386	342	192,728
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	97	-	97	636	-	636
	Robostar Co., Ltd.	4	-	4	2,798	70	2,868
	ROBOTIS Co., Ltd.	-	-	-	-	48	48
	Acryl Inc.	-	-	-	-	1,119	1,119
	The Wave Talk Co., Ltd	-	-	-	-	30	30
	Goqual Co., Ltd	-	-	-	-	65	65
	<b>Subtotal</b>	<b>170,938</b>	<b>53,416</b>	<b>224,354</b>	<b>195,820</b>	<b>1,674</b>	<b>197,494</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	33,203	1,582	34,785	52,061	221,225	273,286
	D&O Corp. and its subsidiaries	16	-	16	3	11,752	11,755
	LG Management Development Institute	25	-	25	5	38,543	38,548
	LG SPORTS Ltd.	4	18	22	280	7,865	8,145
	<b>Subtotal</b>	<b>33,248</b>	<b>1,600</b>	<b>34,848</b>	<b>52,349</b>	<b>279,385</b>	<b>331,734</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	684,899	7,530	692,429	124,781	425	125,206
	LG Uplus Corp and its subsidiaries	1,270	1,231	2,501	3,616	28	3,644
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	257	1,224	1,481	-	5	5
	HS Ad Inc. and its subsidiaries <sup>3</sup>	66	-	66	37	136,135	136,172
	XI C&A Co., Ltd. and its subsidiaries <sup>4</sup>	1,100	-	1,100	-	14,343	14,343
	S&I Corp. and its subsidiaries <sup>4</sup>	677	-	677	111	24,402	24,513
	<b>Subtotal</b>	<b>688,269</b>	<b>9,985</b>	<b>698,254</b>	<b>128,545</b>	<b>175,338</b>	<b>303,883</b>
	<b>Total</b>	<b>10,208,292</b>	<b>112,283</b>	<b>10,320,575</b>	<b>2,057,879</b>	<b>1,113,276</b>	<b>3,171,155</b>

(in millions of Korean won)

		Six-month period ended June 30, 2023					
		Income transactions			Expense transactions		
Classification	Company	Sales	Others	Total	Purchases	Others <sup>5</sup>	Total
Significantly influencing the Company	LG Corp.	1,120	-	1,120	-	65,427	65,427
Subsidiaries	LG Innotek Co., Ltd.	154,327	7,198	161,525	42,127	578	42,705
	Hiplaza Co., Ltd.	846,310	7,614	853,924	7,779	9,333	17,112
	LG Electronics U.S.A., Inc.	2,774,337	5,673	2,780,010	3,984	41,935	45,919
	LG Electronics Vietnam Hai Phong Co., Ltd	1,063,442	82	1,063,524	70,636	12,774	83,410
	LG Electronics Mlawa Sp. Z.O.O.	424,393	5	424,398	1,577	3,376	4,953
	LG Electronics Canada, Inc.	304,010	3	304,013	-	8,288	8,288
	LG Electronics European Shared Service Center B.V.	241,655	1,601	243,256	-	18,385	18,385
	LG Electronics Nanjing New Technology co.,LTD	196,198	203	196,401	354,471	301	354,772

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

(in millions of Korean won)

		Six-month period ended June 30, 2023					
		Income transactions			Expense transactions		
Classification	Company	Sales	Others	Total	Purchases	Others <sup>5</sup>	Total
	LG Electronis Reynosa, S.A. De C.V.	113,983	25	114,008	863	1,604	2,467
	LG Electronics Vehicle Components Europe GmbH	32,100	7,635	39,735	85,814	49,859	135,673
	LG ELECTRONICS INDIA PRIVATE LIMITED	147,758	22,509	170,267	4,373	2,517	6,890
	LG ELECTRONICS AUSTRALIA PTY LIMITED	152,002	40	152,042	1	2,311	2,312
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	101,397	-	101,397	4,985	1,684	6,669
	LG Electronics do Brasil Ltda.	96,629	92	96,721	1,555	1,496	3,051
	P.T. LG Electronics Indonesia	124,089	1,968	126,057	240,422	603	241,025
	LG Electronics Vehicle Components U.S.A., LLC.	120,040	11,235	131,275	3,935	37,981	41,916
	LG Electronics Mexico S.A. DE C.V.	133,858	41	133,899	-	1,306	1,306
	LG Electronics RUS, LLC	33,396	1,240	34,636	305	2,172	2,477
	LG Electronics (Tianjin) Appliances Co., Ltd.	85,417	30	85,447	319,835	318	320,153
	LG Electronics U.K. Ltd	77,029	38	77,067	3,933	8,089	12,022
	Taizhou LG Electronics Refrigeration Co., Ltd.	41,084	1,840	42,924	144,479	249	144,728
	LG Electronics Almaty Kazakhstan	69,377	60	69,437	-	318	318
	LG Electronics Colombia Ltda.	20,385	11	20,396	-	333	333
	Hi-Caresolution Corp	24,511	-	24,511	132,360	28,062	160,422
	Others	1,732,703	55,808	1,788,511	183,369	348,051	531,420
	<b>Subtotal</b>	<b>9,110,430</b>	<b>124,951</b>	<b>9,235,381</b>	<b>1,606,803</b>	<b>581,923</b>	<b>2,188,726</b>
Associates	LG Display Co., Ltd. and its subsidiaries	210,427	59,047	269,474	109,923	2,647	112,570
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	85	-	85	24,319	180	24,499
	Robostar Co., Ltd. and its subsidiaries	5	-	5	10,391	816	11,207
	ROBOTIS Co., Ltd.	-	-	-	-	7	7
	Acryl Inc.	-	-	-	-	1,040	1,040
	SideChef Group Limited	-	-	-	-	924	924
	<b>Subtotal</b>	<b>210,517</b>	<b>59,047</b>	<b>269,564</b>	<b>144,633</b>	<b>5,614</b>	<b>150,247</b>
Joint ventures	LG-MRI LLC <sup>2</sup>	12,341	-	12,341	-	-	-
	LG-LHT Passenger Solution GmbH	495	-	495	-	-	-
	<b>Subtotal</b>	<b>12,836</b>	<b>-</b>	<b>12,836</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	59,794	1,620	61,414	46,729	158,754	205,483
	D&O Corp. and its subsidiaries	19	-	19	-	8,399	8,399
	LG Management Development Institute	22	-	22	133	32,897	33,030

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

(in millions of Korean won)

		Six-month period ended June 30, 2023					
		Income transactions			Expense transactions		
Classification	Company	Sales	Others	Total	Purchases	Others <sup>5</sup>	Total
	LG SPORTS Ltd.	3	16	19	-	7,529	7,529
	<b>Subtotal</b>	<b>59,838</b>	<b>1,636</b>	<b>61,474</b>	<b>46,862</b>	<b>207,579</b>	<b>254,441</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	617,599	25,372	642,971	158,629	13	158,642
	LG Uplus Corp and its subsidiaries	716	1,255	1,971	2,660	1,858	4,518
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	357	1,138	1,495	-	23	23
	GIR Inc. and its subsidiaries <sup>3</sup>	71	-	71	53	125,454	125,507
	XI C&A Co., Ltd. and its subsidiaries <sup>4</sup>	10,013	-	10,013	-	4,912	4,912
	S&I Corp. and its subsidiaries <sup>4</sup>	1,316	-	1,316	311	48,275	48,586
	<b>Subtotal</b>	<b>630,072</b>	<b>27,765</b>	<b>657,837</b>	<b>161,653</b>	<b>180,535</b>	<b>342,188</b>
	<b>Total</b>	<b>10,024,813</b>	<b>213,399</b>	<b>10,238,212</b>	<b>1,959,951</b>	<b>1,041,078</b>	<b>3,001,029</b>

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

<sup>2</sup> The Company has been liquidated completely during the six-month period ended June 30, 2024.

<sup>3</sup> 'GIR 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 amounts of right-of-use assets and interest expenses of lease liabilities.

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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 Company	LG Corp.	59	-	27,665	27,724	-	-	22,746	22,746
Subsidiaries	LG Innotek Co., Ltd.	34,115	-	12,447	46,562	25,581	-	31,326	56,907
	Hiplaza Co., Ltd.	146,503	-	33,457	179,960	-	-	560	560
	LG Electronics U.S.A., Inc.	534,089	-	95	534,184	-	-	7,748	7,748
	LG Electronics Vietnam Hai Phong Co., Ltd	456,354	-	1,144	457,498	807,074	-	2,223	809,297
	LG Electronics Mlawá Sp. Z.O.O.	144,248	-	-	144,248	659,875	-	400	660,275
	LG Electronics Canada, Inc.	90,356	-	-	90,356	-	-	1,320	1,320
	LG Electronics European Shared Service Center B.V.	42,463	-	-	42,463	-	-	-	-
	LG Electronics Nanjing New Technology co.,LTD	66,617	-	21	66,638	475,758	-	221	475,979
	LG Electronics Vehicle Components Europe GmbH	730,789	-	23,343	754,132	-	-	7,843	7,843
	LG ELECTRONICS INDIA PRIVATE LIMITED	70,469	-	65	70,534	8,381	-	640	9,021
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	50,399	-	29,951	80,350	10,684	-	4,955	15,639
	LG Electronics do Brasil Ltda.	86,230	-	76	86,306	81	-	259	340
	P.T. LG Electronics Indonesia	15,095	-	34,943	50,038	651,986	-	41	652,027
	LG Electronics Vehicle Components U.S.A., LLC.	127,687	-	528	128,215	-	-	3,490	3,490
	LG Electronics Mexico S.A. DE C.V.	169,014	-	-	169,014	-	-	263	263
	LG Electronics RUS, LLC	101,169	-	113,535	214,704	-	-	373	373
	LG Electronics (Tianjin) Appliances Co., Ltd.	55,224	-	89	55,313	420,674	-	37	420,711
	LG Electronics U.K. Ltd	98,573	-	112	98,685	-	-	1,685	1,685
	Taizhou LG Electronics Refrigeration Co., Ltd.	26,194	-	999	27,193	365,334	-	99	365,433
	LG Electronics Almaty Kazakhstan	89,650	-	72	89,722	-	-	151	151
	LG Electronics Colombia Ltda.	73,051	-	45	73,096	-	-	130	130
	Hi-Caresolution Corp	7,881	-	-	7,881	4,330	-	23,598	27,928

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

(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
	LG Electronics Deutschland GmbH	78,471	-	10	78,481	-	-	2,002	2,002
	LG Electronics Egypt S.A.E	25,087	-	3,335	28,422	28,435	-	101	28,536
	LG Electronics Africa Logistics FZE	59,906	-	784	60,690	-	-	63	63
	Zenith Electronics Corporation	-	-	4,772	4,772	-	-	70,781	70,781
	LG Electronics Panama, S.A.	110,327	-	240	110,567	-	-	109	109
	Others	1,249,636	-	91,323	1,340,959	962,511	-	100,929	1,063,440
	<b>Subtotal</b>	<b>4,739,597</b>	<b>-</b>	<b>351,386</b>	<b>5,090,983</b>	<b>4,420,704</b>	<b>-</b>	<b>261,347</b>	<b>4,682,051</b>
Associates	LG Display Co., Ltd. and its subsidiaries	120,405	1,000,000	80,312	1,200,717	147,249	-	53,613	200,862
	Hitachi-LG Data Storage Inc. and its subsidiaries	-	-	-	-	287	-	338	625
	Robostar Co., Ltd.	-	-	-	-	-	-	2,883	2,883
	<b>Subtotal</b>	<b>120,405</b>	<b>1,000,000</b>	<b>80,312</b>	<b>1,200,717</b>	<b>147,536</b>	<b>-</b>	<b>56,834</b>	<b>204,370</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	20,932	-	239	21,171	3,888	-	123,497	127,385
	D&O Corp. and its subsidiaries	1	-	-	1	-	-	4,903	4,903
	LG Management Development Institute	6	-	-	6	-	-	1,577	1,577
	LG SPORTS Ltd.	-	-	-	-	-	-	1,678	1,678
	<b>Subtotal</b>	<b>20,939</b>	<b>-</b>	<b>239</b>	<b>21,178</b>	<b>3,888</b>	<b>-</b>	<b>131,655</b>	<b>135,543</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	103,869	-	441,922	545,791	98,789	-	154,210	252,999
	LG Uplus Corp and its subsidiaries	341	-	236	577	189	-	389	578
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	25	-	20	45	-	-	44	44
	HS Ad Inc. and its subsidiaries	29	-	-	29	-	-	142,527	142,527
	<b>Subtotal</b>	<b>104,264</b>	<b>-</b>	<b>442,178</b>	<b>546,442</b>	<b>98,978</b>	<b>-</b>	<b>297,170</b>	<b>396,148</b>
	<b>Total</b>	<b>4,985,264</b>	<b>1,000,000</b>	<b>901,780</b>	<b>6,887,044</b>	<b>4,671,106</b>	<b>-</b>	<b>769,752</b>	<b>5,440,858</b>

(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 Company	LG Corp.	480	-	29,911	30,391	-	-	33,391	33,391
Subsidiaries	LG Innotek Co., Ltd.	125,845	-	3,345	129,190	23,295	-	41,578	64,873
	Hiplaza Co., Ltd.	164,730	-	31,168	195,898	-	-	732	732

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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(in millions of Korean won)

		December 31, 2023							
		Receivables				Payables			
Classification	Company	Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>4</sup>	Total
	LG Electronics U.S.A., Inc.	403,836	-	474	404,310	-	644,700	23,372	668,072
	LG Electronics Vietnam Hai Phong Co., Ltd	427,290	-	229	427,519	722,885	-	2,870	725,755
	LG Electronics Mlawa Sp. Z.O.O.	87,074	-	133	87,207	713,516	-	76	713,592
	LG Electronics Canada, Inc.	72,340	-	-	72,340	-	-	1,018	1,018
	LG Electronics European Shared Service Center B.V.	36,197	-	-	36,197	-	-	7	7
	LG Electronics Nanjing New Technology co.,LTD	111,580	-	21	111,601	444,960	-	272	445,232
	LG Electronics Vehicle Components Europe GmbH	549,598	-	66,032	615,630	-	-	12,696	12,696
	LG ELECTRONICS INDIA PRIVATE LIMITED	49,642	-	1,307	50,949	3,958	-	721	4,679
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	55,289	-	20,705	75,994	32,723	-	3,251	35,974
	LG Electronics do Brasil Ltda.	55,355	-	21,414	76,769	-	-	243	243
	P.T. LG Electronics Indonesia	13,882	-	42	13,924	559,778	-	45	559,823
	LG Electronics Vehicle Components U.S.A., LLC.	192,914	-	197	193,111	-	-	6,162	6,162
	LG Electronics Mexico S.A. DE C.V.	169,363	-	75	169,438	-	-	198	198
	LG Electronics RUS, LLC	70,801	-	94,214	165,015	-	-	207	207
	LG Electronics (Tianjin) Appliances Co., Ltd.	36,107	-	112	36,219	242,125	-	19	242,144
	LG Electronics U.K. Ltd	82,193	-	7,308	89,501	-	-	801	801
	Taizhou LG Electronics Refrigeration Co., Ltd.	24,076	-	758	24,834	255,390	-	37	255,427
	LG Electronics Almaty Kazakhstan	96,594	-	93	96,687	-	-	41	41
	LG Electronics Colombia Ltda.	73,203	-	68	73,271	-	-	3	3
	Hi-Caresolution Corp	8,067	-	-	8,067	3,830	-	23,429	27,259
	LG Electronics Deutschland GmbH	95,287	-	85	95,372	-	-	4,484	4,484
	LG Electronics Egypt S.A.E	84,324	-	2,635	86,959	21,110	-	63	21,173
	LG Electronics Africa Logistics FZE	17,891	-	-	17,891	-	-	111	111

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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

<sup>2</sup> The Company has been liquidated completely 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.

# LG Electronics Inc.

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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	Name	Six-month period ended June 30, 2024						
		Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions <sup>2</sup>	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp.	-	44,076	-	-	-	-	14,710
Subsidiaries	LG Innotek Co., Ltd.	25,195	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	88	-	-	-	-
	LG Electronics Fund II LLC	-	-	10,458	-	-	-	-
	LG Electronics U.S.A., Inc.	535,400	-	-	-	-	-	644,560
	NanJing LG-Panda Appliances Co., Ltd.	19,196	-	-	-	-	-	-
	LG Electronics Thailand Co., Ltd.	41,676	-	-	-	-	-	-
	LG Electronics TAISTAR TAIWAN	29,769	-	-	-	-	-	-
	LG Electronics Huizhou Ltd.	5,885	-	-	-	-	-	-
	LG Electronics Philippines, Inc.	5,669	-	-	-	-	-	-
	LG Electronics HK Ltd.	13,690	-	-	-	-	-	-
	LG Electronics Nanjing New Technology co.,LTD	23,760	-	-	-	-	-	-
	LG Electronics (Tianjin) Appliances Co., Ltd.	53,974	-	-	-	-	-	-
	LG ELECTRONICS AUSTRALIA PTY LIMITED	30,542	-	-	-	-	-	-
	LG Electronics Mlawa Sp. z.O.O.	68,807	-	-	-	-	-	-
	P.T. LG Electronics Indonesia	38,586	-	-	-	-	-	-
	LG Electronics Vietnam Hai Phong Co., Ltd	79,748	-	-	-	-	-	-
	LG Electronics Canada, Inc.	48,664	-	-	-	-	-	-
	LG Electronics Overseas Trading FZE	-	-	6,558	-	-	-	-
	Cybellum Technologies Ltd.	-	-	10,973	-	-	-	-
	<b>Subtotal</b>	<b>1,020,561</b>	<b>-</b>	<b>28,077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>644,560</b>
Associates	LG Display Co., Ltd. <sup>1</sup>	-	-	436,031	-	-	-	-
	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	-	-	-	-
	<b>Subtotal</b>	<b>20,484</b>	<b>-</b>	<b>448,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	5,330	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	5,330	-	-	-	-



# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

(in millions of Korean won)

		Six-month period ended June 30, 2024						
Classification	Name	Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions <sup>2</sup>	
					Loans	Collections	Borrowings	Repayments
	<b>Subtotal</b>	-	-	10,660	-	-	-	-
Other related parties	D&O Corp.	-	-	-	-	-	99	633
	<b>Subtotal</b>	-	-	-	-	-	99	633
	<b>Total</b>	1,041,045	44,076	487,478	-	-	99	659,903

(in millions of Korean won)

		Six-month period ended June 30, 2023						
Classification	Name	Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions <sup>2</sup>	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp.	-	38,566	-	-	-	-	13,777
Subsidiaries	LG Innotek Co., Ltd.	40,061	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	684	-	-	-	-
	LG Electronics Fund II LLC	-	-	3,442	-	-	-	-
	NOVA Prime Fund I, LP	-	-	8,503	-	-	-	-
	LG Magna e-Powertrain Co., Ltd.	-	-	-	-	-	-	2,415
	PT.LGE Indonesia Research and Development Center	-	-	58,230	-	-	-	-
	LG Electronics U.S.A., Inc.	-	-	-	-	-	706,790	-
	LG Electronics European Shared Service Center B.V.	-	-	-	-	-	-	266,948
	NanJing LG-Panda Appliances Co., Ltd.	18,868	-	-	-	-	-	-
	LG Electronics Thailand Co., Ltd.	160,680	-	-	-	-	-	-
	LG Electronics Huizhou Ltd.	5,381	-	-	-	-	-	-
	LG Electronics Middle East Co., Ltd.	12,996	-	-	-	-	-	-
	LG Electronics Singapore PTE LTD.	25,359	-	-	-	-	-	-
	LG Soft India Private Limited.	13,014	-	-	-	-	-	-
	LG Electronics Nanjing New Technology co.,LTD	26,982	-	-	-	-	-	-
	LG Electronics (Tianjin) Appliances Co., Ltd.	39,379	-	-	-	-	-	-
	LG ELECTRONICS AUSTRALIA PTY LIMITED	30,174	-	-	-	-	-	-
	LG Electronics Mlawa Sp. z.O.O.	79,167	-	-	-	-	-	-

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

(in millions of Korean won)

		Six-month period ended June 30, 2023						
Classification	Name	Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions <sup>2</sup>	
					Loans	Collections	Borrowings	Repayments
	P.T. LG Electronics Indonesia	28,698	-	-	-	-	-	-
	LG Electronics Vietnam Hai Phong Co., Ltd	39,047	-	-	-	-	-	-
	LG Electronics Canada, Inc.	66,378	-	-	-	-	-	-
	LG ELECTRONICS INDIA PRIVATE LIMITED	378,551	-	-	-	-	-	-
	<b>Subtotal</b>	964,735	-	70,859	-	-	706,790	269,363
Associates	LG Display Co., Ltd. <sup>1</sup>	-	-	-	1,000,000	-	-	-
	Ericsson-LG Co., Ltd.	11,250	-	-	-	-	-	-
	<b>Subtotal</b>	11,250	-	-	1,000,000	-	-	-
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	6,022	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	6,022	-	-	-	-
	GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	-	-	320	-	-	-	-
	<b>Subtotal</b>	-	-	12,364	-	-	-	-
Other related parties	LG CNS Co., Ltd.	-	-	-	-	-	-	60
	D&O Corp.	-	-	-	-	-	409	538
	<b>Subtotal</b>	-	-	-	-	-	409	598
	<b>Total</b>	975,985	38,566	83,223	1,000,000	-	707,199	283,738

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

<sup>2</sup> Financing borrowing transactions include borrowing and repayment of the principal amount of lease liabilities.

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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- (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>	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
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 Company's business plans, operations and control.

- (c) The payment guarantees for the financial support of related parties as of June 30, 2024 are presented in Note 28.
- (d) There is no collateral provided by the Company for the financial support of related parties as of June 30, 2024.
- (e) The Company has not recognized any bad debt expense or allowance for receivables from related parties as of June 30, 2024.

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 31. Risk Management

#### 31.1 Financial Risk Management

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

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

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

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

#### (a) Market risk

##### i) Foreign exchange risk

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

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

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

The following table demonstrates the impact on profit (loss) before tax for monetary assets and liabilities denominated in major foreign currencies other than the functional currency as of 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>	<b>June 30, 2024</b>		<b>December 31, 2023</b>	
	<b>10% increase</b>	<b>10% decrease</b>	<b>10% increase</b>	<b>10% decrease</b>
USD/KRW	20,169	(20,169)	10,147	(10,147)
EUR/KRW	23,289	(23,289)	24,171	(24,171)

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### ii) Interest rate risk

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

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

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

<i>(in millions of Korean won)</i>	June 30, 2024		June 30, 2023	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Interest income	11,334	(11,334)	9,837	(9,837)
Interest expenses	208	(208)	1,856	(1,856)

### iii) Details of derivative contracts are as follows:

#### *Derivatives for hedging purposes*

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

Details of hedging instruments are as follows:

Contract	Contractor	Contracted amount <i>(in millions)</i>	Contracted currency rate	Interest rate (paid) (%)	Starting date	Expiration date	Carrying amount <i>(in millions of Korean won)</i>	
							Assets	Liabilities
Cross-currency swap	KEB Hana Bank and others	USD 1,294	1,067.9 ~ 1,319.3	1.88 ~ 4.56	2017. 10. 23 ~ 2024. 1. 8	2025. 4. 23 ~ 2031. 7. 28	217,941	-
	Citi Bank	EUR 95	1,312	3.84	2022. 7. 15	2028. 1. 14	11,171	-
	Citi Bank and others	JPY 22,000	8.7 ~ 10.0	4.06 ~ 4.38	2023. 4. 4 ~ 2023. 11. 24	2029. 4. 4 ~ 2029. 5. 24	-	22,851
Interest rate swap	Woori Bank and others	KRW 1,017,893	-	2.75 ~ 4.87	2014. 4. 30 ~ 2024. 3. 29	2027. 1. 15 ~ 2032. 11. 16	11,970	7,874

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

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

Details of hedged items are as follows:

<i>(in millions of Korean won)</i>	<b>Hedged items</b>	<b>Carrying amount</b>	<b>Changes in fair value (net of tax)</b>
Cross-currency swap	Borrowings	2,807,938	(99,573)
Interest rate swap	Borrowings	1,017,893	(4,278)

The results of hedge accounting are as follows:

<i>(in millions of Korean won)</i>	<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 income (net of tax)</b>	<b>Accumulated other comprehensive income</b>
Cross-currency swap	99,573	Interest expense and exchange differences	(93,284)	6,289	4,554
Interest rate swap	4,278	Interest expense	(3,253)	1,025	1,921

### *Derivatives for trading purposes*

#### Stock purchase contracts

According to the put options granted to employees to whom stock options of Cybellum Technologies Ltd. were granted, the Company recognized ₩18,304 million of derivative liabilities and no gain or loss on derivatives transaction was recognized during the six-month period ended June 30, 2024. The Company also recognized derivative assets of ₩ 22,590 million as it acquired a call option to acquire preferred shares in Bear Robotics, Inc. during the six-month period ended June 30, 2024.

#### iv) Price risk

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

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

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

<i>(in millions of Korean won)</i>	<b>June 30, 2024</b>		<b>December 31, 2023</b>	
	<b>30% increase</b>	<b>30% decrease</b>	<b>30% increase</b>	<b>30% decrease</b>
KOSDAQ	20,834	(20,834)	4,556	(4,556)
NASDAQ	91	(91)	98	(98)
NYSE	1,957	(1,957)	2,252	(2,252)

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

(b)

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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### (c) Credit risk

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

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

As of June 30, 2024, trade receivable balance of the Company, excluding the trade receivables from the subsidiaries, is ₩2,835,310 million (December 31, 2023: ₩2,101,072 million) and its risk is managed appropriately within insurer's credit limit of ₩2,999,130 million (December 31, 2023: ₩2,842,702 million). Therefore, the Company determined that credit risk exposed to the Company is limited.

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

### (d) Liquidity risk

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

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

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

#### i) Cash flow information on maturity of financial liabilities as of June 30, 2024 are as follows:

<i>(in millions of Korean won)</i>	June 30, 2024				
	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade payables	6,935,606	6,935,606	-	-	-
Borrowings	10,932,743	1,092,490	1,248,181	5,422,241	3,169,831
Lease liabilities	136,534	61,522	33,848	36,174	4,990
Other payables	1,879,251	1,867,361	-	11,690	200
Other financial liabilities	18,304	5,858	-	12,446	-
<b>Total</b>	<b>19,902,438</b>	<b>9,962,837</b>	<b>1,282,029</b>	<b>5,482,551</b>	<b>3,175,021</b>

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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<i>(in millions of Korean won)</i>	December 31, 2023				
	<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>
Trade payables	5,808,472	5,808,472	-	-	-
Borrowings	10,788,370	1,922,504	1,090,785	3,793,284	3,981,797
Lease liabilities	164,000	76,369	35,362	46,020	6,249
Other payables	2,168,904	2,156,944	100	11,660	200
Other financial liabilities	18,304	-	5,858	12,446	-
<b>Total</b>	<b>18,948,050</b>	<b>9,964,289</b>	<b>1,132,105</b>	<b>3,863,410</b>	<b>3,988,246</b>

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

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

<i>(in millions of Korean won)</i>	<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	4,131,630	4,131,630	-	-	-

Financial guarantee contracts provided to subsidiaries were classified by maturity according to the remaining period. In addition, for financial guarantee contracts provided to third-party companies, the maximum amounts of such guarantees were allocated to the earliest period in which the guarantee could be requested.



# LG Electronics Inc.

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### 31.2 Capital Risk Management

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

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

<i>(in millions of Korean won, except for ratios)</i>	June 30, 2024	December 31, 2023
Liability (A)	22,246,643	21,232,006
Equity (B)	11,879,025	10,515,547
Cash and cash equivalents (C)	2,262,250	2,349,705
Borrowings and lease liabilities (D)	9,387,821	9,380,075
Liability to equity ratio (A/B)	187.3%	201.9%
Net borrowings ratio ((D-C)/B)	60%	66.9%

### 31.3 Fair Value Estimation

(a) The carrying amount and fair value of the Company'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	22,590	22,590	98,182	98,182
Financial assets at fair value through other comprehensive income				
Trade receivables	256,438	1	-	-
Other financial assets	-	-	95,415	1
Derivatives for hedging purposes				
Other financial assets	-	-	241,082	241,082
<b>Assets at amortized cost</b>				
Financial assets at amortized cost				
Cash and cash equivalents	2,262,250	1	-	-
Deposits held by financial institutions	-	1	120,736	1
Trade receivables	5,953,423	1	122,031	122,031
Other receivables	820,485	1	928,817	926,609
<b>Other assets</b>				
Trade receivables	172,548	1	943,257	943,257
<b>Total</b>	<b>9,487,734</b>		<b>2,549,520</b>	

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<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	5,858	5,858	12,446	12,446
Derivatives for hedging purposes				
Other financial liabilities	-	-	30,725	30,725
<b>Liabilities at amortized cost</b>				
Financial liabilities at amortized cost				
Trade payables	6,935,606	1	-	-
Borrowings	750,558	1	8,507,846	8,715,521
Other payables	1,867,361	1	11,890	10,386
<b>Other liabilities</b>				
Lease liabilities	60,393	2	69,024	2
Other financial liabilities	6,903	3	7,498	3
<b>Total</b>	<b>9,626,679</b>		<b>8,639,429</b>	

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

# LG Electronics Inc.

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

### (b) Fair value measurements of assets and liabilities

#### i) Fair value hierarchy and measurement method

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

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

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

- 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

# LG Electronics Inc.

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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 Company is the closing price at the end of the reporting period. These instruments are included in 'level 1'. Instruments included in 'level 1' comprise primarily listed equity securities classified as financial assets at fair value through other comprehensive income.

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

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

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ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value as of June 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	June 30, 2024			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Other financial assets and others				
Financial assets at fair value through other comprehensive income	46,430	-	48,985	95,415
Financial assets at fair value through profit or loss	-	22,590	98,182	120,772
Derivatives for hedging purposes	-	241,082	-	241,082
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	18,304	-	18,304
Derivatives for hedging purposes	-	30,725	-	30,725

<i>(in millions of Korean won)</i>	December 31, 2023			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Other financial assets and others				
Financial assets at fair value through other comprehensive income	18,311	-	48,615	66,926
Financial assets at fair value through profit or loss	-	-	80,702	80,702
Derivatives for hedging purposes	-	155,086	-	155,086
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	18,304	-	18,304
Derivatives for hedging purposes	-	47,458	-	47,458

The above fair value amounts are recurring fair value measurements.

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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

Valuation technique and inputs for fair value measurements categorized within 'level 2' as of 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				
Financial assets at fair value through profit or loss	22,590	-	Binomial model	Share price and volatility
Derivatives for hedging purposes	241,082	155,086	Discounted cash flow	Discount rate and exchange rate
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	18,304	18,304	Binomial model	Share price and volatility
Derivatives for hedging purposes	30,725	47,458	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 and debt securities and are measured using discounted cash flow considering discount rate and others as inputs.

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

Financial instruments not measured at fair value but for which the fair value is disclosed as of 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	-	-	1,065,289	1,065,289
Non-current other receivables	-	-	926,609	926,609
<b>Liabilities</b>				
Non-current borrowings	-	-	8,715,521	8,715,521
Non-current other payables	-	-	10,386	10,386

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

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

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

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	1,065,289	1,065,289	617,892	617,892	Discounted cash flow	Discount rate	Discount rate	5.3%~6.1%
Non-current other receivables	928,817	926,609	1,169,185	1,163,774	Discounted cash flow	Discount rate and exchange rate	Discount rate	4.0%~5.1%
<b>Liabilities</b>								
Non-current borrowings	8,507,846	8,715,521	7,620,242	7,288,520	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.8%~5.2%
Non-current other payables	11,890	10,386	11,960	10,158	Discounted cash flow	Discount rate	Discount rate	3.6%~4.6%

# LG Electronics Inc.

## Notes to the interim condensed separate financial statements

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

### 32. Discontinued Operation

In 2022, the Company discontinued the operations of energy business in order to focus on the Company's core business through firmwide resource efficiency 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>	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Revenue	-	382
Operating profit (loss)	-	655
Profit (loss) before income tax	-	703
Income tax expense (benefit)	-	178
Profit (loss) for the period, net of tax	-	525

- (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>	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Net cash inflow (outflow) from operating activities	-	(2,816)
Net cash inflow (outflow) from investing activities	-	279
Net cash inflow (outflow) from financing activities	-	2,537

### 33. Events after the Reporting Period

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

	Ordinary shares	Preferred shares
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	