

LG Electronics Inc.

Interim condensed separate financial statements
for the nine-month period ended September 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 September 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 nine-month periods ended September 30, 2024, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for the nine-month period ended September 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 and interim condensed separate statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2023, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for the nine-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 November 14, 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 purposes, is not different, in all material respects, from the above audited separate statement of financial position.

Ernst & Young Han Young

November 14, 2024

This review report is effective as of November 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 nine-month periods ended September 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 September 30, 2024 and December 31, 2023

(in millions of Korean won)

	Notes	September 30, 2024 (unaudited)	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	4,29	1,601,047	2,349,705
Deposits held by financial institutions	4,29	-	20,863
Trade receivables	4,5,29	6,265,970	5,393,204
Other receivables	4,5,29	1,004,388	458,642
Other financial assets	4,6,29	44,967	19,106
Inventories	7	1,512,439	1,369,524
Current tax assets		22,710	23,395
Contract assets	8	978,407	741,957
Other current assets		679,580	381,541
		<u>12,109,508</u>	<u>10,757,937</u>
Non-current assets			
Deposits held by financial institutions	4,29	120,661	120,652
Trade receivables	4,5,29	1,338,497	617,892
Other receivables	4,5,29	678,802	1,169,185
Other financial assets	4,6,29	305,928	268,906
Property, plant and equipment	9	5,990,659	6,030,130
Intangible assets	9	2,408,998	2,097,399
Deferred tax assets		1,677,237	1,616,968
Investments in subsidiaries, associates and joint ventures	10	9,005,457	8,391,013
Investment properties		77,237	80,507
Net defined benefit assets	13	17,356	347,307
Contract assets	8	164,671	177,510
Other non-current assets		68,005	72,147
		<u>21,853,508</u>	<u>20,989,616</u>
Total assets		<u>33,963,016</u>	<u>31,747,553</u>
Liabilities			
Current liabilities			
Trade payables	4,29	6,634,003	5,808,472
Borrowings	4,11,29	780,796	1,604,369
Lease liabilities	4,12,29	50,798	74,853
Other payables	4,29	2,088,081	2,156,944
Other financial liabilities	4,6,29	10,164	13,466
Current tax liabilities		22,517	14,515
Provisions	14	1,019,122	597,772
Contract liabilities	8	1,087,169	821,195
Other current liabilities		2,279,572	2,141,883
		<u>13,972,222</u>	<u>13,233,469</u>
Non-current liabilities			
Borrowings	4,11,29	8,351,053	7,620,242
Lease liabilities	4,12,29	62,102	80,611
Other payables	4,29	11,890	11,960
Other financial liabilities	4,6,29	81,832	63,437
Provisions	14	79,692	83,556
Contract liabilities	8	4,245	5,432
Other non-current liabilities		139,468	133,299
		<u>8,730,282</u>	<u>7,998,537</u>
Total liabilities		<u>22,702,504</u>	<u>21,232,006</u>
Equity			
Paid-in capital:	15		
Share capital		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	16	7,300,130	6,566,223
Accumulated other comprehensive income (loss)	17	853	(10,205)
Other components of equity	18	(32,819)	(32,819)
Total equity		<u>11,260,512</u>	<u>10,515,547</u>
Total liabilities and equity		<u>33,963,016</u>	<u>31,747,553</u>

LG Electronics Inc.
Interim condensed separate statements of profit or loss
for each of the three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)
(In millions of Korean won except for earnings (loss) per share)

Notes	Period ended September 30				
	2024		2023		
	Three-month	Nine-month	Three-month	Nine-month	
Continuing operations					
Net sales	19	7,482,191	23,371,711	7,412,651	22,115,112
Cost of sales	20	5,624,792	16,940,012	5,283,468	15,943,200
Gross profit		1,857,399	6,431,699	2,129,183	6,171,912
Selling expenses	20,21	1,107,112	3,069,825	934,095	2,683,292
Administrative expenses	20,21	238,397	673,460	195,730	578,246
Research and development expenses	20,21	492,291	1,443,837	448,862	1,277,967
Service costs	20,21	173,347	517,398	212,874	528,198
Operating profit (loss)		(153,748)	727,179	337,622	1,104,209
Financial income	22	93,782	385,448	161,284	522,631
Financial expenses	22	158,497	460,046	175,664	623,867
Other non-operating income	23	212,919	1,756,441	637,078	2,199,620
Other non-operating expenses	23	208,601	791,636	318,615	960,786
Profit (loss) before income tax		(214,145)	1,617,386	641,705	2,241,807
Income tax expense (benefit)		(40,756)	219,589	99,358	375,453
Profit (loss) from continuing operations		(173,389)	1,397,797	542,347	1,866,354
Discontinued operations					
Profit (loss) from discontinued operations	30	(258,171)	(274,519)	22,360	(106,235)
Profit (loss) for the period		(431,560)	1,123,278	564,707	1,760,119
Earnings (losses) per share during the period					
<i>(in Korean won):</i>					
Earnings (losses) per ordinary share	24				
From continuing operations		(964)	7,759	3,010	10,361
From discontinued operations		(1,433)	(1,524)	125	(590)
		(2,397)	6,235	3,135	9,771
Earnings (losses) per preferred share					
From continuing operations		(951)	7,797	3,023	10,399
From discontinued operations		(1,434)	(1,525)	125	(590)
		(2,385)	6,272	3,148	9,809

LG Electronics Inc.

Interim condensed separate statements of comprehensive income

for each of the three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)

(In millions of Korean won)

	Notes	Period ended September 30			
		2024		2023	
		Three-month	Nine-month	Three-month	Nine-month
Profit (loss) for the period		(431,560)	1,123,278	564,707	1,760,119
Other comprehensive income (loss), net of tax					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurements of the net defined benefit liability	13	(79,016)	(154,426)	57,640	23,625
Financial assets at fair value through other comprehensive income	6	(3,842)	17,806	(3,331)	869
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Cash flow hedges	29	(14,062)	(6,748)	6,576	(2,442)
Other comprehensive income(loss) for the period, net of tax		(96,920)	(143,368)	60,885	22,052
Total comprehensive income (loss) for the period, net of tax		(528,480)	979,910	625,592	1,782,171

LG Electronics Inc.

Interim condensed separate statements of changes in equity

for each of the nine-month periods ended September 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
Balance as of January 1, 2023		3,992,348	5,890,737	38,763	(32,819)	9,889,029
Total comprehensive income (loss):						
Profit (loss) for the period		-	1,760,119	-	-	1,760,119
Remeasurements of the net defined benefit liability	13	-	23,625	-	-	23,625
Financial assets at fair value through other comprehensive income	6	-	-	869	-	869
Cash flow hedges	29	-	-	(2,442)	-	(2,442)
Total comprehensive income (loss)		-	1,783,744	(1,573)	-	1,782,171
Transactions with owners:						
Dividends	16	-	(126,905)	-	-	(126,905)
Total transactions with owners		-	(126,905)	-	-	(126,905)
Balance as of September 30, 2023 (unaudited)		3,992,348	7,547,576	37,190	(32,819)	11,544,295
Balance as of January 1, 2024		3,992,348	6,566,223	(10,205)	(32,819)	10,515,547
Total comprehensive income (loss):						
Profit (loss) for the period		-	1,123,278	-	-	1,123,278
Remeasurements of the net defined benefit liability	13	-	(154,426)	-	-	(154,426)
Financial assets at fair value through other comprehensive income	6	-	-	17,806	-	17,806
Cash flow hedges	29	-	-	(6,748)	-	(6,748)
Total comprehensive income (loss)		-	968,852	11,058	-	979,910
Transactions with owners:						
Dividends	16	-	(234,945)	-	-	(234,945)
Total transactions with owners		-	(234,945)	-	-	(234,945)
Balance as of September 30, 2024 (unaudited)		3,992,348	7,300,130	853	(32,819)	11,260,512

LG Electronics Inc.**Interim condensed separate statements of cash flows****for each of the nine-month periods ended September 30, 2024 and 2023 (unaudited)***(in millions of Korean won)*

	Notes	Nine-month period ended September 30	
		2024	2023
Cash flows from operating activities			
Cash generated from (used in) operations	25	687,475	268,712
Interest received		114,802	76,014
Interest paid		(235,187)	(208,423)
Dividend received		1,061,590	1,375,449
Income tax paid		(129,038)	(197,043)
Net cash provided by (used in) operating activities		1,499,642	1,314,709
Cash flows from investing activities			
Decrease in deposits held by financial institutions		44,579	89,901
Decrease in other receivables		42,479	48,714
Proceeds from withdrawal and disposal of other financial assets		351	4,972
Proceeds from disposal of property, plant and equipment		14,568	9,073
Proceeds from disposal of intangible assets		9,882	549
Proceeds from withdrawal and disposal of investments in subsidiaries, associates and joint ventures	10	1,796	61,852
Proceed from disposal of business unit		6,252	-
Increase in deposits held by financial institutions		(43,725)	(134,095)
Increase in other receivables		(47,340)	(1,051,801)
Acquisition of other financial assets		(23,848)	(13,621)
Acquisition of property, plant and equipment		(471,969)	(325,366)
Acquisition of intangible assets		(751,707)	(519,496)
Acquisition of investments in subsidiaries, associates and joint ventures	10	(645,388)	(108,943)
Net cash provided by (used in) investing activities		(1,864,070)	(1,938,261)
Cash flows from financing activities			
Increase in borrowings		1,422,114	2,516,342
Repayments of borrowings		(1,512,221)	(1,015,232)
Dividend paid	16	(234,945)	(126,905)
Repayments of lease liabilities		(57,108)	(55,549)
Net cash provided by (used in) financing activities		(382,160)	1,318,656
Effects of exchange rate changes on cash and cash equivalents		(2,070)	3,380
Net increase (decrease) in cash and cash equivalents		(748,658)	698,484
Cash and cash equivalents at the beginning of the period		2,349,705	1,941,615
Cash and cash equivalents at the end of the period		1,601,047	2,640,099

LG Electronics Inc.

Notes to the interim condensed separate financial statements

September 30, 2024 and 2023

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 September 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 September 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 (presented as “Korean won” or “W”) 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 nine-month period ended September 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 September 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

September 30, 2024 and 2023

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 a 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 September 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 will have a material impact on the interim condensed separate financial statements.

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Notes to the interim condensed separate financial statements

September 30, 2024 and 2023

2.2 Application of Accounting Policies

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

2.2.1 Income Tax Expense

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

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Notes to the interim condensed separate financial statements

September 30, 2024 and 2023

(a) Revenue Recognition

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

(b) Impairment of Goodwill

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

(c) Income Taxes

The Company recognizes 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.

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Notes to the interim condensed separate financial statements

September 30, 2024 and 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, 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 made 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 September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	September 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	1,601,047	-	-	-	1,601,047
Deposits held by financial institutions	120,661	-	-	-	120,661
Trade receivables	5,951,922	218,757	-	1,433,788	7,604,467
Other receivables	1,683,190	-	-	-	1,683,190
Other financial assets and others	-	90,431	126,389	148,777	365,597
Total	9,356,820	309,188	126,389	1,582,565	11,374,962

LG Electronics Inc.

Notes to the interim condensed separate financial statements

September 30, 2024 and 2023

September 30, 2024

<i>(in millions of Korean won)</i>	September 30, 2024			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	6,634,003	-	-	6,634,003
Borrowings	9,131,849	-	-	9,131,849
Lease liabilities	-	-	112,900	112,900
Other payables	2,099,971	-	-	2,099,971
Other financial liabilities	-	18,304	73,692	91,996
Total	17,865,823	18,304	186,592	18,070,719

December 31, 2023

<i>(in millions of Korean won)</i>	December 31, 2023				
	Financial assets at amortized cost	Financial assets at fair value through 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
Total	9,308,958	279,699	80,702	763,498	10,432,857

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
Total	17,201,987	18,304	214,063	17,434,354

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Notes to the interim condensed separate financial statements

September 30, 2024 and 2023

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 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	113,829	-	-	-	113,829
Exchange differences	158,426	-	-	-	158,426
Bad debt expenses	801	-	-	(5,274)	(4,473)
Gain (loss) on disposal of trade receivables	-	(198)	-	-	(198)
Dividend income	-	257	347	-	604
Profit (loss) for the period from discontinued operations	2,027	-	-	-	2,027
Fair value gain (loss), net of tax (through other comprehensive income)	-	17,806	-	-	17,806
Gain (loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	(9,936)	(9,936)
Others	(2,346)	-	-	-	(2,346)

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expenses	(247,666)	-	43,495	(204,171)
Exchange differences	(146,791)	-	(19,051)	(165,842)
Profit (Loss) for the period from discontinued operations	(31,737)	-	-	(31,737)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	3,188	3,188
Others	(2,589)	-	819	(1,770)

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<i>(in millions of Korean won)</i>	Nine-month period ended September 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	80,994	-	-	-	80,994
Exchange differences	333,747	-	-	-	333,747
Reversal of bad debt expenses	(3,068)	-	-	-	(3,068)
Gain (Loss) on disposal of trade receivables	-	(523)	-	-	(523)
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	(5,106)	-	-	-	(5,106)
Fair value gain (loss), net of tax (through other comprehensive income)	-	869	-	-	869
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	5,553	5,553
Others	(9,628)	-	-	-	(9,628)

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2023			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expenses	(231,711)	-	37,268	(194,443)
Exchange differences	(411,178)	-	75,853	(335,325)
Gain (Loss) on derivatives (through profit or loss)	-	(2,350)	-	(2,350)
Profit (Loss) for the period from discontinued operations	(30,452)	-	-	(30,452)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	(7,995)	(7,995)
Others	(9,549)	-	1,017	(8,532)

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5. Trade Receivables and Other Receivables

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

<i>(in millions of Korean won)</i>	September 30, 2024			December 31, 2023		
	Original amount	Allowance for doubtful accounts	Carrying amount	Original amount	Allowance for doubtful accounts	Carrying amount
Trade receivables						
Current	6,311,653	(45,683)	6,265,970	5,434,267	(41,063)	5,393,204
Non-current	1,340,977	(2,480)	1,338,497	619,389	(1,497)	617,892
Other receivables						
Current	1,006,856	(2,468)	1,004,388	462,061	(3,419)	458,642
Non-current	678,817	(15)	678,802	1,169,199	(14)	1,169,185

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024			
	January 1	Addition (Reversal)	Write-off and other	September 30
Trade receivables				
Current	41,063	4,599	21	45,683
Non-current	1,497	994	(11)	2,480
Other receivables				
Current	3,419	(951)	-	2,468
Non-current	14	1	-	15

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2023			
	January 1	Addition (Reversal)	Write-off and other	September 30
Trade receivables				
Current	36,264	5,238	-	41,502
Other receivables				
Current	7,579	(2,102)	-	5,477
Non-current	12	2	-	14

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

<i>(in millions of Korean won)</i>	September 30, 2024				
	Trade receivables		Other receivables		Total
	Current	Non-current	Current	Non-current	
Receivables not past due	5,743,798	1,340,977	953,593	678,817	8,717,185
Past due but not impaired					
Up to 6 months	228,694	-	40,411	-	269,105
7 to 12 months	43,122	-	8,152	-	51,274
Over 1 year	222,167	-	2,365	-	224,532
Subtotal	493,983	-	50,928	-	544,911
Impaired	73,872	-	2,335	-	76,207
Total	6,311,653	1,340,977	1,006,856	678,817	9,338,303

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

- (d) Some of trade receivables have been discounted through collateralized borrowing agreements with banks for the nine-month period ended September 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 September 30, 2024 amount to ₩65,582 million (December 31, 2023: ₩60,269 million).

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6. Other Financial Assets and Liabilities

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

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Other financial assets		
Derivatives	171,367	155,086
Financial assets at fair value through other comprehensive income	90,431	66,926
Financial assets at fair value through profit or loss	89,097	66,000
Total	350,895	288,012
Current	44,967	19,106
Non-current	305,928	268,906

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Other financial liabilities		
Derivatives	84,520	65,762
Financial guarantee liabilities	7,476	11,141
Total	91,996	76,903
Current	10,164	13,466
Non-current	81,832	63,437

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

<i>(in millions of Korean won)</i>	September 30, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Current				
Cross-currency swap	22,377	-	19,033	6,610
Interest rate swap	-	-	73	-
option	22,590	5,858	-	-
Subtotal	44,967	5,858	19,106	6,610
Non-current				
Cross-currency swap	119,276	51,184	122,779	30,515
Interest rate swap	7,124	15,032	13,201	10,333
option	-	12,446	-	18,304
Subtotal	126,400	78,662	135,980	59,152
Total	171,367	84,520	155,086	65,762

The details of major derivative contracts at the end of the reporting period are presented in Note 29.

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024					
	January 1	Acquisition	Disposals	Transfer	Valuation	September 30
Marketable equity securities	18,311	-	-	30	23,105	41,446
Unmarketable equity securities	48,615	400	-	(30)	-	48,985
Total	66,926	400	-	-	23,105	90,431

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2023					
	January 1	Acquisition	Disposals	Transfer	Valuation	September 30
Marketable equity securities	18,271	-	(1,562)	-	339	17,048
Unmarketable equity securities	43,260	7,277	(1,667)	-	834	49,704
Total	61,531	7,277	(3,229)	-	1,173	66,752

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024					
	January 1	Acquisition	Disposals	Transfer	Valuation	September 30
Unmarketable equity securities	64,867	11,310	(351)	500	-	76,326
Debt securities	1,133	12,138	-	(500)	-	12,771
Total	66,000	23,448	(351)	-	-	89,097

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2023					
	January 1	Acquisition	Disposals	Transfer	Valuation	September 30
Unmarketable equity securities	70,841	3,115	(875)	(2,000)	(17)	71,064
Debt securities	24,025	500	-	-	-	24,525
Total	94,866	3,615	(875)	(2,000)	(17)	95,589

7. Inventories

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

<i>(in millions of Korean won)</i>	September 30, 2024			December 31, 2023		
	Cost	Valuation allowance	Carrying amount	Cost	Valuation allowance	Carrying amount
Finished products and merchandise	869,187	(37,045)	832,142	758,746	(28,653)	730,093
Work-in-process	63,030	(1,524)	61,506	66,352	(2,656)	63,696
Raw materials and supplies	577,951	(69,561)	508,390	541,547	(57,900)	483,647
Others	135,697	(25,296)	110,401	148,293	(56,205)	92,088
Total	1,645,865	(133,426)	1,512,439	1,514,938	(145,414)	1,369,524

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8. Contract Assets and Contract Liabilities

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

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Due from customers	772,352	542,849
(Less: allowance for doubtful accounts)	(7)	(5)
Right to recover returned products	1,313	838
Costs to fulfil contracts and others	369,420	375,785
Total	1,143,078	919,467
Current	978,407	741,957
Non-current	164,671	177,510

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

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Expected promotional incentives for customers	31,628	66,844
Expected returns from customers	103,050	47,353
Customer loyalty program	82,291	55,843
Rendering of warranty services	10,350	10,506
Due to customers and others	864,095	646,081
Total	1,091,414	826,627
Current	1,087,169	821,195
Non-current	4,245	5,432

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Revenue recognized that was included in the contract liability amount at the beginning of the period:		
Due to customers and others	375,262	295,621
Customer loyalty program	44,478	38,989
Rendering of warranty services	5,892	6,148
Total	425,632	340,758
Revenue recognized from performance obligations satisfied in previous periods	44,349	2,949

(d) Unsatisfied long-term contracts

The total amount of transaction price allocated to the unsatisfied or partially unsatisfied performance obligations as of September 30, 2024 is ₩1,262,287 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.

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- (e) For the nine-month period ended September 30, 2024, the Company recognized an impairment loss amounting to ₩2 million (September 30, 2023: ₩1 million) in relation to due from customers, and amortization and other costs of ₩121,189 million (September 30, 2023: ₩78,026 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 nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
January 1	6,030,130	6,007,599
Acquisitions	455,995	333,660
Transfer	-	(58)
Disposals and others	(17,684)	(11,068)
Depreciation	(458,074)	(486,781)
Impairment losses ¹	(19,708)	(15,824)
September 30	5,990,659	5,827,528

¹ For the nine-month period ended September 30, 2024, impairment loss on property, plant, and equipment from discontinued operations of Battery pack business amounting to ₩818 million (September 30, 2023: nil) is included.

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Continuing operations		
Cost of sales	333,989	363,631
Selling expenses	22,279	28,338
Administrative expenses	50,012	46,309
Research and development expenses	29,856	28,443
Service costs	19,337	14,645
Other non-operating expenses	2,601	5,401
Subtotal	458,074	486,767
Discontinued operations	-	14
Total	458,074	486,781

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
January 1	154,141	115,297
Acquisitions	18,698	24,903
Disposals and others	(2,463)	(5,825)
Depreciation	(59,042)	(58,232)
September 30	111,334	76,143

The amount recognized as lease income in relation to sublease of the above right-of-use assets for the nine-month period ended September 30, 2024 is ₩3,338 million (September 30, 2023: ₩4,504 million).

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
January 1	2,097,399	1,715,271
Acquisitions	363,195	294,550
Acquisitions by internal development	316,812	256,010
Transfer	-	(111)
Disposals and others	(27,354)	(35,733)
Amortization	(329,859)	(322,554)
Impairment losses ¹	(11,195)	(1,591)
September 30	2,408,998	1,905,842

¹ For the nine-month period ended September 30, 2024, impairment loss on intangible assets from discontinued operations of Battery pack business amounting to ₩120 million (September 30, 2023: nil) is included.

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- (e) Line items including amortization of intangible assets in the interim condensed separate financial statements of profit or loss for each of the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Continuing operations		
Cost of sales	252,618	245,778
Selling expenses	9,993	8,040
Administrative expenses	26,778	25,096
Research and development expenses	41,385	40,224
Service costs	5,062	2,425
Other non-operating expenses	(5,993)	6
Subtotal	329,843	321,569
Discontinued operations	16	985
Total	329,859	322,554

10. Investments in Subsidiaries, Associates and Joint Ventures

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

<i>(in millions of Korean won)</i>	Location	Closing month	Percentage of ownership (%)	Carrying amount	
				September 30, 2024	December 31, 2023
Subsidiaries					
LG Electronics U.S.A., Inc.(LGEUS)	USA	December	100.0	955,542	955,542
LG Innotek Co., Ltd. ⁵	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	90.0	97,608	97,608
P.T. LG Electronics Indonesia(LGEIN)	Indonesia	December	100.0	94,118	94,118
LG Electronics Vietnam Hai Phong Co., Ltd(LGEVH)	Vietnam	December	100.0	84,784	84,784

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(in millions of Korean won)	Location	Closing month	Percentage of ownership (%)	Carrying amount	
				September 30, 2024	December 31, 2023
LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	Poland	December	100.0	70,014	70,014
Athom Holding B.V. ²	Netherlands	December	80.0	69,205	-
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 ^{1,3,7}	USA	December	100.0	48,112	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) ⁶	China	December	45.0	41,984	41,984
LG Electronics Nanjing New Technology Co.,Ltd(LGENT) ⁶	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 Fund II LLC ¹	USA	December	100.0	31,801	13,771
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 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) ¹	UAE	December	100.0	6,558	-
Others				147,081	147,081
Associates					
LG Display Co., Ltd. ¹	Korea	December	36.7	3,247,981	2,811,950
Robostar Co., Ltd.	Korea	December	33.4	88,112	88,112
BEAR ROBOTICS, INC. ²	USA	December	25.0	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 ^{1,3}	Korea	December	50.0	36,552	28,023
Rinse, Inc.	USA	December	23.3	18,184	18,184
NOVA Prime Fund I, LP ¹	USA	December	88.0	15,486	11,305
Mo-Sys Holding Ltd. ^{2,4}	UK	December	11.9	11,458	-
ROBOTIS Co., Ltd. ⁴	Korea	December	7.3	9,000	9,000
SideChef Group Limited ⁴	Hong Kong	December	15.4	7,702	7,702
GOQUAL Inc. ⁴	Korea	December	7.2	5,000	5,000
Acryl Inc. ⁴	Korea	December	12.1	2,000	2,000
TheWaveTalk Co., Ltd. ⁴	Korea	December	3.7	2,000	2,000
AiM Future, Inc. ⁴	Korea	December	11.7	800	800
Joint ventures					

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<i>(in millions of Korean won)</i>	Location	Closing month	Percentage of ownership (%)	Carrying amount	
				September 30, 2024	December 31, 2023
LG-LHT Aircraft Solutions GmbH ¹	Germany	December	49.0	42,755	37,425
LG-LHT Passenger Solutions GmbH ¹	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. ⁸	Korea	December	51.0	-	-
Total				9,005,457	8,391,013

¹ It was additionally acquired during the nine-month period ended September 30, 2024.

² It was newly acquired during the nine-month period ended September 30, 2024.

³ A portion of the investments were recovered during the nine-month period ended September 30, 2024.

⁴ 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.

⁵ 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.

⁶ 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.

⁷ It was impaired during the nine-month period ended September 30, 2024.

⁸ It was liquidated during the nine-month period ended September 30, 2024.

(b) Changes in investments in subsidiaries, associates and joint ventures for each of the nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
January 1	8,391,013	9,004,775
Acquisitions	645,388	108,943
Transfer	(22,591)	2,000
Impairment	(6,557)	-
Disposals	(1,796)	(2,949)
September 30	9,005,457	9,112,769

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

September 30, 2024					
	Type	Shares held (Unit: shares)	Price per share (in Korean won)	Market value (in millions of Korean won)	Carrying amount
LG Display Co., Ltd.	Associate	183,593,206	10,940	2,008,510	3,247,981
LG Innotek Co., Ltd.	Subsidiary	9,653,181	218,000	2,104,393	541,538
Robostar Co., Ltd.	Associate	3,256,500	23,000	74,900	88,112
ROBOTIS Co., Ltd.	Associate	961,550	19,500	18,750	9,000

December 31, 2023					
	Type	Shares held (Unit: shares)	Price per share (in Korean won)	Market value (in millions of Korean won)	Carrying amount
LG Display Co., Ltd.	Associate	135,625,000	12,740	1,727,863	2,811,950
LG Innotek Co., Ltd.	Subsidiary	9,653,181	239,500	2,311,937	541,538
Robostar Co., Ltd.	Associate	3,256,500	29,800	97,044	88,112
ROBOTIS Co., Ltd.	Associate	961,550	30,600	29,423	9,000

11. Borrowings

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

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Current		
Short-term borrowings	65,582	704,969
Current portion of long-term borrowings	445,275	252,710
Current portion of debentures	269,939	646,690
Subtotal	780,796	1,604,369
Non-current		
Long-term borrowings	2,941,543	3,130,153
Debentures	5,409,510	4,490,089
Subtotal	8,351,053	7,620,242
Total	9,131,849	9,224,611

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

<i>(in millions of Korean won)</i>	Maturity date	Annual interest rate(%) as of September 30, 2024	Carrying amount	
			September 30, 2024	December 31, 2023
Short-term borrowings in foreign currency				
SC Bank and others ¹	-	4.11 ~ 11.60	65,582	704,969
Long-term borrowings in local currency				
The Export-Import Bank of Korea and others	2035. 1. 9	2.49 ~ 4.82	2,283,107	2,302,465
Long-term borrowings in foreign currency				
The Export-Import Bank of Korea and others	2031. 7. 28	0.67 ~ 7.17	1,103,711	1,080,398
Local currency debentures				
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
Foreign currency debentures				
Public, non-guaranteed bonds	2029. 4. 24	5.63	1,055,680	-
Private, non-guaranteed bonds	2031. 1. 8	0.94 ~ 7.18	695,516	688,442
Less: discount on debentures			(21,747)	(11,663)
Total			9,131,849	9,224,611

¹ The above short-term borrowings in foreign currency include the short-term borrowings collateralized by trade receivables amounting to ₩65,582 million (December 31, 2023: ₩60,269 million) as of September 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 29).

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12. Lease Liabilities

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

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Lease liabilities		
Current	50,798	74,853
Non-current	62,102	80,611
Total	112,900	155,464

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Continuing operations		
Interest expense relating to lease liabilities	3,468	2,950
Short-term lease payments (included in cost of sales, Selling and administrative expenses, and others)	22,109	19,419
Payments for leases of low-value assets that are not short-term leases (included in cost of sales, Selling and administrative expenses, and others)	15,182	11,762
Subtotal	40,759	34,131
Discontinued operations	1,932	1,887
Total	42,691	36,018

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 nine-month period ended September 30, 2024 are ₩99,619 million (September 30, 2023: ₩91,026 million).

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13. Retirement Benefits

13.1 Defined Benefit Plan

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

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Present value of funded obligations	3,766,322	3,419,800
Fair value of plan assets	(3,783,678)	(3,767,107)
Net defined benefit liabilities (assets)	(17,356)	(347,307)

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Current service cost	234,608	205,990
Net interest cost	(11,618)	(20,564)
Operating management cost	2,044	1,858
Total	225,034	187,284

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Continuing operations		
Cost of sales	106,313	87,729
Selling expenses	31,276	26,078
Administrative expenses	21,436	17,692
Research and development expenses	45,756	36,807
Service costs	20,142	17,090
Other non-operating expenses	77	1,826
Subtotal	225,000	187,222
Discontinued operations	34	62
Total	225,034	187,284

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
January 1	3,419,800	2,937,364
Current service cost	234,608	205,990
Interest expense	111,586	113,808
Remeasurements for:		
- Actuarial loss (gain) arising from changes in financial assumptions	189,244	(30,672)
Benefits paid	(188,916)	(186,307)
September 30	3,766,322	3,040,183

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
January 1	3,767,107	3,454,693
Interest income	123,204	134,372
Remeasurements of plan assets	(11,129)	877
Employer contributions	100,000	100,000
Benefits paid	(193,460)	(190,919)
Operating management cost	(2,044)	(1,858)
September 30	3,783,678	3,497,165

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Discount rate	3.9%	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 September 30, 2024 is as follows:

<i>(in millions of Korean won)</i>	<u>1%p increase</u>	<u>1%p decrease</u>
Discount rate	(300,593)	343,545
Expected salary growth rate	358,913	(318,196)

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

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13.2 Defined Contribution Plan

The expense recognized for the nine-month period ended September 30, 2024 in relation to the defined contribution plan is ₩11,421 million (September 30, 2023: ₩8,064 million).

14. Provisions

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024			
	Warranty	Restoration	Litigation and others	Total
January 1	528,100	8,868	144,360	681,328
Additions (reversal) ¹	748,532	1,165	2,619	752,316
Utilizations	(319,932)	(269)	(14,629)	(334,830)
September 30	956,700	9,764	132,350	1,098,814
Current	916,083	7,062	95,977	1,019,122
Non-current	40,617	2,702	36,373	79,692

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2023			
	Warranty	Restoration	Litigation and others	Total
January 1	1,079,839	9,360	57,771	1,146,970
Additions (reversal) ¹	503,090	112	88,944	592,146
Utilizations	(987,772)	(711)	(5,930)	(994,413)
September 30	595,157	8,761	140,785	744,703
Current	547,645	6,494	6,451	560,590
Non-current	47,512	2,267	134,334	184,113

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

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15. Paid-in Capital

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

	Par value per share (in Korean won)	September 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
Total		180,833,806	904,169	180,833,806	904,169

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

- (b) Share premium balance as of September 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 September 30, 2024 and December 31, 2023 are as follows:

(in millions of Korean won)	September 30, 2024	December 31, 2023
Legal reserve ¹	282,795	259,300
Voluntary reserve	6,147,421	5,504,433
Unappropriated retained earnings ²	869,914	802,490
Total	7,300,130	6,566,223

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

² Dividend for the year ended December 31, 2023 of ₩144,912 million was approved at the annual general meeting held on March 26, 2024 and paid in April 2024 (payments in 2023: ₩126,905 million). The interim dividend of ₩90,033 million, for which the dividend base date is June 30, 2024, was decided at the meeting of the Board of directors held on July 24, 2024, and was paid in August 2024.

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17. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Cash flow hedge	(7,586)	(838)
Financial assets at fair value through other comprehensive income (loss)	8,439	(9,367)
Total	853	(10,205)

18. Other Components of Equity

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

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Treasury shares ¹	(44,893)	(44,893)
Consideration for conversion rights	9,891	9,891
Gain on disposal of treasury shares	2,183	2,183
Total	(32,819)	(32,819)

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

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19. Net Sales

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

<i>(in millions of Korean won)</i>	2024		2023	
	Three months	Nine months	Three months	Nine months
Continuing operations				
Revenue from contracts with customers:				
Sales of goods	6,571,618	20,847,308	6,743,329	20,343,679
Rendering of services and others	466,072	1,335,554	417,960	1,086,885
Subtotal	7,037,690	22,182,862	7,161,289	21,430,564
Revenue from other sources:				
Rental income and others	444,501	1,188,849	251,362	684,548
Subtotal	7,482,191	23,371,711	7,412,651	22,115,112
Discontinued operations	-	-	131	517
Total	7,482,191	23,371,711	7,412,782	22,115,629

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

<i>(in millions of Korean won)</i>	Nine-month period	Nine-month period
	ended September 30, 2024	ended September 30, 2023
By type of products:		
Refrigerator/ washing machine/ air conditioner and others	12,396,285	12,158,346
TV/AV and others	2,541,147	2,602,158
In-vehicle infotainment and others	3,645,420	3,082,020
Monitor/PC and others	2,011,461	1,976,416
Others ¹	1,588,549	1,611,624
Domestic/Export:		
Domestic	8,041,190	7,871,221
Export	14,141,672	13,559,343
Timing of revenue recognition:		
At a point in time	19,466,247	18,786,887
Over time	2,716,615	2,643,677
Total	22,182,862	21,430,564

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

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

Due to the factors causing the changes in the costs during the nine-month period ended September 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 nine-month period ended September 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 September 30, 2024	Impact on profit or loss for the subsequent periods
	146,814	86,275	32,105	28,434

20. Expenses by Nature

Expenses that are recorded by nature for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
	Three months	Nine months	Three months	Nine months
Continuing operations				
Changes in finished goods and work-in-process	32,572	(144,718)	(69,909)	(15,025)
Raw materials and merchandise used	4,122,243	12,710,092	4,020,844	11,751,390
Employee benefit expense	1,211,237	3,597,155	1,155,955	3,475,441
Depreciation and amortization	272,113	794,587	258,961	806,248
Advertising expense	235,411	630,185	217,891	528,569
Promotion expense	36,792	108,154	36,074	109,183
Freight expense	261,711	659,249	185,953	619,675
Commission expense	751,278	2,124,275	621,243	1,761,533
Other expenses	712,582	2,165,553	648,017	1,973,889
Subtotal¹	7,635,939	22,644,532	7,075,029	21,010,903
Discontinued operations	344,432	346,584	(46,561)	107,472
Total	7,980,371	22,991,116	7,028,468	21,118,375

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

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

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

<i>(in millions of Korean won)</i>	2024		2023	
	Three months	Nine months	Three months	Nine months
Continuing operations				
Salaries	434,858	1,398,660	433,880	1,273,840
Retirement benefits	41,659	136,524	51,655	160,916
Employee welfare benefits	95,674	243,903	85,440	243,950
Freight expense	258,601	650,494	182,617	610,704
Rental expense	8,625	25,957	7,886	23,656
Commission expense	591,530	1,675,688	473,664	1,343,779
Depreciation	41,846	124,763	41,029	121,054
Amortization	29,478	83,218	26,098	75,785
Advertising expense	235,411	630,185	217,891	528,569
Promotion expense	36,792	108,154	36,074	109,183
R&D expense	88,499	241,797	85,174	214,387
Direct service costs	56,580	121,575	83,242	146,930
Bad debts expense	2,339	5,406	2,487	5,176
Others	89,255	258,196	64,424	209,774
Subtotal	2,011,147	5,704,520	1,791,561	5,067,703
Discontinued operations	344,431	346,532	(46,597)	106,000
Total	2,355,578	6,051,052	1,744,964	5,173,703

22. Financial Income and Expenses

(a) Financial income for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
	Three months	Nine months	Three months	Nine months
Continuing operations				
Interest income	38,938	113,829	36,378	80,994
Exchange differences	53,294	269,131	122,622	438,447
Others	1,550	2,488	2,284	3,190
Subtotal	93,782	385,448	161,284	522,631
Discontinued operations	578	2,157	1,082	2,898
Total	94,360	387,605	162,366	525,529

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- (b) Financial expenses for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
	Three months	Nine months	Three months	Nine months
Continuing operations				
Interest expense	69,231	204,171	68,375	194,443
Exchange differences	88,711	249,074	99,468	407,551
Loss on disposal of trade receivables	60	198	152	523
Others	495	6,603	7,669	21,350
Subtotal	158,497	460,046	175,664	623,867
Discontinued operations	11,223	34,377	12,101	32,730
Total	169,720	494,423	187,765	656,597

23. Other Non-operating Income and Expenses

- (a) Other non-operating income for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
	Three months	Nine months	Three months	Nine months
Continuing operations				
Dividend income	799	1,042,101	404,927	1,382,057
Exchange differences	201,008	683,969	225,519	791,112
Gain on derivatives	-	-	722	1,093
Gain on disposal of property, plant and equipment	233	1,745	2,064	4,363
Gain on disposal of intangible assets	2,929	2,929	338	338
Others	7,950	25,697	3,508	20,657
Subtotal	212,919	1,756,441	637,078	2,199,620
Discontinued operations	21	1,900	40	174
Total	212,940	1,758,341	637,118	2,199,794

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(b) Other non-operating expenses for each of the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
	Three months	Nine months	Three months	Nine months
Continuing operations				
Exchange differences	193,174	715,048	248,700	809,537
Loss on derivatives	-	-	-	3,443
Loss on disposal of property, plant and equipment	2,193	3,160	32	944
Impairment loss on property, plant and equipment	2,304	18,890	4,768	14,843
Loss on disposal of intangible assets	4,345	19,456	12,679	35,438
Impairment loss on intangible assets	-	11,075	429	1,591
Impairment loss on investments in subsidiaries, associates and joint ventures	-	6,557	-	-
Loss on valuation of financial assets at fair value through profit or loss	-	-	-	17
Others	6,585	17,450	52,007	94,973
Subtotal	208,601	791,636	318,615	960,786
Discontinued operations	213	300	5,714	5,929
Total	208,814	791,936	324,329	966,715

24. 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 nine-month periods ended September 30, 2024 and 2023 are as follows:

	2024		2023	
	Three months	Nine months	Three months	Nine months
Profit (loss) attributable to ordinary shares <i>(in millions of Korean won)</i>	(390,576)	1,015,515	510,630	1,591,591
Continuing operations	(157,039)	1,263,841	490,404	1,687,690
Discontinued operations	(233,537)	(248,326)	20,226	(96,099)
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>	(2,397)	6,235	3,135	9,771
Continuing operations	(964)	7,759	3,010	10,361
Discontinued operations	(1,433)	(1,524)	125	(590)

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

	2024		2023	
	Three months	Nine months	Three months	Nine months
Profit (loss) attributable to preferred shares <i>(in millions of Korean won)</i>				
Continuing operations	(40,984)	107,762	54,077	168,528
Discontinued operations	(16,350)	133,956	51,943	178,664
Weighted average number of preferred shares outstanding <i>(in number of shares)</i>	(24,634)	(26,194)	2,134	(10,136)
Basic earnings (losses) per preferred share <i>(in Korean won)</i>	17,181,299	17,181,299	17,181,299	17,181,299
Continuing operations	(2,385)	6,272	3,148	9,809
Discontinued operations	(951)	7,797	3,023	10,399
	(1,434)	(1,525)	125	(590)

25. 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 nine-month periods ended September 30, 2024 and 2023 are as follows:

(a) Cash generated from (used in) operations

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Profit (loss) for the period	1,123,278	1,760,119
Adjustments:		
Interest expense (income), net	90,342	113,449
Exchange differences, net	(28,446)	72,324
Depreciation	458,074	486,767
Amortization	329,843	321,569
Loss (gain) on disposal of property, plant and equipment and intangible assets, net	17,942	31,681
(Reversal of) Impairment loss on property, plant and equipment and intangible assets, net	29,965	16,434
Provisions for retirement benefits	225,000	195,286
Additional provisions, net	252,451	243,684
Dividend income	(1,042,101)	(1,382,057)
Income tax expense	219,589	375,453
(Reversal of) Impairment loss on investments in subsidiaries, associates and joint ventures	6,557	-
Others	10,229	23,769
Discontinued operations	429,426	340,356
	998,871	838,715
Changes in operating assets and liabilities:		
Decrease (increase) in trade receivables	(1,680,946)	(1,929,428)
Decrease (increase) in other receivables	(61,146)	(156,091)

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<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Decrease (increase) in inventories	(152,737)	23,887
Decrease (increase) in contract assets	(225,834)	(301,067)
Decrease (increase) in other assets	(297,154)	127,520
Increase (decrease) in trade payables	944,085	861,192
Increase (decrease) in other payables	69,753	(269,711)
Increase (decrease) in provisions	(334,830)	(994,413)
Increase (decrease) in contract liabilities	264,786	120,704
Increase (decrease) in other liabilities	134,805	290,737
Payment of defined benefit liabilities	4,544	(10,900)
Decrease (increase) in plan assets, net	(100,000)	(92,552)
	<u>(1,434,674)</u>	<u>(2,330,122)</u>
Cash generated from (used in) operations	687,475	268,712

(b) Changes in liabilities from financing activities

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024					
	January 1	Net cash flows from financing activities	Effects of other changes			September 30
			Additions	Exchange differences (profit/loss)	Amortization and others	
Borrowings	4,087,832	(680,002)	-	44,570	-	3,452,400
Debentures	5,136,779	554,453	-	(14,726)	2,943	5,679,449
Lease liabilities	155,464	(57,108)	14,399	(35)	180	112,900
Net derivative liabilities (assets)	(104,687)	35,442	-	(16,355)	(4,869)	(90,469)
Total	9,275,388	(147,215)	14,399	13,454	(1,746)	9,154,280

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2023					
	January 1	Net cash flows from financing activities	Effects of other changes			September 30
			Additions	Exchange differences (profit/loss)	Amortization and others	
Borrowings	3,090,435	844,231	-	105,606	-	4,040,272
Debentures	4,455,595	656,879	-	32,091	1,741	5,146,306
Lease liabilities	116,509	(55,549)	15,408	117	541	77,026
Net derivative liabilities (assets)	(123,424)	-	-	(75,885)	(2,659)	(201,968)
Total	7,539,115	1,445,561	15,408	61,929	(377)	9,061,636

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(c) Material non-cash transactions

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Reclassification of construction-in-progress to property, plant and equipment	58,650	92,123
Reclassification of construction-in-progress to intangible assets	424,486	169,727
Reclassification of current portion of borrowings	685,209	957,587
Other payables to acquire property, plant and equipment	63,311	37,474
Other payables to acquire intangible assets	104,958	10,887
Acquisition of right-of-use assets	18,398	24,903

26. Contingencies

- (a) As of September 30, 2024, the Company is provided with payment guarantees of ₩329,330 million (December 31, 2023: ₩322,915 million) from Seoul Guarantee Insurance and others relating to the performance guarantees.
- (b) As of September 30, 2024, the amount of payment guarantees provided by the Company for its subsidiaries is ₩3,926,096 million (December 31, 2023: ₩3,695,867 million). Details are as follows:

Subsidiary guaranteed	Beneficiaries	Payment guaranteed ¹	
		September 30, 2024	December 31, 2023
LG Electronics European Shared Service Center B.V.(LGESC)	Citibank and others	882,209	875,568
LG Electronics U.S.A., Inc.(LGEUS)	Citibank and others	666,398	651,147
LG Electronics (China) Co., Ltd(LGECH)	Citibank and others	296,101	287,212
ZKW Holding GmbH	The Export-Import Bank of Korea	294,812	285,318
LG Electronics Vehicle Components U.S.A., LLC.(LGEVU)	Citibank and others	277,116	-
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Scotiabank and others	260,592	285,933
LG Electronics Peru S.A.(LGEPR)	Scotiabank and others	209,446	205,582
LG Electronics Mlawa Sp. z.O.O.(LGEMA), LG Electronics Polska Sp. Z.O.O.(LGEPL), LG Electronics Wrocław Sp. z.O.O.(LGEWR)	Citibank and others	167,497	183,227
LG Electronics Morocco S.A.R.L.(LGEMC)	Citibank and others	104,897	100,323
LG Electronics Inc Chile Limitada(LGECL)	Scotiabank and others	104,623	103,657
LG Electronics do Brasil Ltda.(LGEBR)	Citibank	99,656	98,837
LG Electronics Algeria SARL(LGEAS)	Citibank and others	94,539	91,689
LG Electronics Vehicle Components Europe GmbH(LGEVG)	SMBC and others	81,073	78,462
LG Electronics Colombia Limitada(LGECEB)	Citibank and others	79,920	82,418
LG Electronics Almaty Kazakhstan(LGEAK)	Citibank	52,784	51,576
LG Electronics Saudi Arabia LLC	JPM and others	52,769	51,578

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Subsidiary guaranteed	Beneficiaries	Payment guaranteed ¹	
		September 30, 2024	December 31, 2023
LG Electronics Egypt S.A.E(LGEEG)	Credit Agricole and others	45,040	44,608
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	ING	36,852	35,665
LG Electronics Ticaret A.S.(LGETK)	Citibank and others	30,253	30,157
LG Electronics S.A. (Pty) Ltd.(LGESA)	Citibank and others	27,502	24,780
PT LGE Indonesia Research and Development Center (LGERC)	Citibank and others	25,072	24,499
LG ELECTRONICS HELLAS SINGLE MEMBER SA (LGEHS)	Citibank	14,741	14,266
Other overseas subsidiaries	BBVA and others	22,204	89,365
Total		3,926,096	3,695,867

¹ 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.

(c) As of September 30, 2024, the Company is providing 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.

27. Commitments

(a) As of September 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 ₩856,842 million (December 31, 2023: ₩852,463 million).

(b) As of September 30, 2024, the Company has sales agreements for receivables with various banks including Hana Bank amounting to ₩2,747,858 million (December 31, 2023: ₩2,691,837 million).

(c) As of September 30, 2024, the Company has corporate electronic settlement services contracts and vendor prepayment services contracts with various banks including Shinhan Bank for up to ₩1,245,774 million (December 31, 2023: ₩1,243,811 million) in connection with the payment of trade payables.

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(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>	September 30, 2024	December 31, 2023
Property, plant and equipment	117,434	226,522
Intangible assets	178,615	39,000
Investments in subsidiaries, associates and joint ventures	72,773	96,975
Total	368,822	362,497

The Company agreed to tender offers based on fair value at a certain time in relation to the shares of Cybellum Technologies Ltd. and the shares to be issued by the exercise of stock options. As of September 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:

<i>(in millions of Korean Won)</i>	September 30, 2024					Total lease payments
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	More than 4 years	
Home appliance rental	155,143	72,531	19,767	1,796	-	249,237
Real estate rental	4,700	4,700	4,694	1,282	15	15,391
Total	159,843	77,231	24,461	3,078	15	264,628

- ii) The Company recognized ₩259,772 million (September 30, 2023: ₩362,689 million) in lease income for the nine-month period ended September 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 September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	September 30, 2024		December 31, 2023	
	Gross investment in the lease ¹	Net investment in the lease	Gross investment in the lease ¹	Net investment in the lease
Within 1 year	317,409	223,744	134,141	96,240
Between 1 and 2 years	328,839	252,117	134,610	103,408
Between 2 and 3 years	332,987	274,890	131,139	106,981
Between 3 and 4 years	322,660	284,749	134,926	118,442
Later than 4 years	423,911	401,483	195,713	184,827
Total	1,725,806	1,436,983	730,529	609,898

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

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

<i>(in millions of Korean won)</i>	September 30, 2024	December 31, 2023
Gross investment in the lease	1,725,806	730,529
Net investment in the lease	1,436,983	609,898
Unrealized interest income	288,823	120,631

- iii) For the nine-month period ended September 30, 2024, the Company recognized income amounting to ₩919,604 million (September 30, 2023: ₩311,697 million) in relation to financial lease contracts, and financial income of net investment in the lease amounting to ₩50,551 million (September 30, 2023: ₩13,764 million) is included.

- (g) License agreements including patent and trademark

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

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

28. Related Party

- (a) Major transactions for each of the nine-month periods ended September 30, 2024 and 2023, and balances of receivables and payables from transaction with related parties as of September 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	Nine-month period ended September 30, 2024					
		Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others⁴	Total
Significantly influencing the Company	LG Corp.	996	-	996	-	104,885	104,885
Subsidiaries	LG Innotek Co., Ltd.	89,336	12,882	102,218	64,454	360	64,814
	Hiplaza Co., Ltd.	1,029,948	9,903	1,039,851	93,211	13,359	106,570
	LG Electronics U.S.A., Inc.	3,677,616	2,856	3,680,472	19,193	74,465	93,658
	LG Electronics Vietnam Hai Phong Co., Ltd	1,747,380	3,672	1,751,052	122,621	16,557	139,178
	LG Electronics Mlawa Sp. Z.O.O.	824,328	534	824,862	1,287	2,121	3,408
	LG Electronics Canada, Inc.	440,802	13	440,815	281	11,531	11,812
	LG Electronics European Shared Service Center B.V.	309,751	367	310,118	1,665	24,737	26,402
	LG Electronics Nanjing New Technology co.,LTD	256,522	75	256,597	435,929	569	436,498

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	LG Electronics Vehicle Components Europe GmbH	292,918	10,650	303,568	3,921	81,435	85,356
	LG ELECTRONICS INDIA PRIVATE LIMITED	314,660	415	315,075	4,867	3,623	8,490
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	110,704	221	110,925	5,590	272	5,862
	LG Electronics do Brasil Ltda.	150,722	144	150,866	81	1,368	1,449
	P.T. LG Electronics Indonesia	157,297	1,694	158,991	386,162	191	386,353
	LG Electronics Vehicle Components U.S.A., LLC.	53,592	24,148	77,740	5,208	29,303	34,511
	LG Electronics Mexico S.A. DE C.V.	234,499	267	234,766	-	2,192	2,192
	LG Electronics RUS, LLC	96,945	1,074	98,019	87	2,092	2,179
	LG Electronics (Tianjin) Appliances Co., Ltd.	127,899	240	128,139	536,969	2,745	539,714
	LG Electronics U.K. Ltd	212,091	557	212,648	1,090	10,178	11,268
	Taizhou LG Electronics Refrigeration Co., Ltd.	86,566	3,093	89,659	323,728	331	324,059
	LG Electronics Almaty Kazakhstan	58,912	76	58,988	7	559	566
	LG Electronics Colombia Ltda.	64,698	45	64,743	1	260	261
	Hi-Caresolution Corp	34,290	-	34,290	235,990	163	236,153
	LG Electronics Deutschland GmbH	87,624	105	87,729	584	15,381	15,965
	LG Electronics Egypt S.A.E	47,890	647	48,537	-	757	757
	LG Electronics Africa Logistics FZE	252,228	3,949	256,177	-	421	421
	Zenith Electronics Corporation	42,348	1	42,349	-	267,317	267,317
	LG Electronics Panama, S.A.	136,588	342	136,930	1	1,291	1,292
	Others	2,718,429	11,864	2,730,293	261,327	372,841	634,168
	Subtotal	13,656,583	89,834	13,746,417	2,504,254	936,419	3,440,673
Associates	LG Display Co., Ltd. and its subsidiaries	225,615	79,645	305,260	260,035	523	260,558
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	202	-	202	2,817	-	2,817
	Robostar Co., Ltd.	7	-	7	5,447	715	6,162
	ROBOTIS Co., Ltd.	-	-	-	-	63	63
	Acryl Inc.	-	-	-	681	1,119	1,800
	The Wave Talk Co., Ltd	-	-	-	-	30	30
	Goqual Co., Ltd	-	-	-	-	78	78
	Subtotal	225,824	79,645	305,469	268,980	2,528	271,508
Other related parties	LG CNS Co., Ltd. and its subsidiaries	50,536	2,408	52,944	78,800	558,389	637,189
	D&O Corp. and its subsidiaries	57	-	57	3	16,243	16,246
	LG Management Development Institute	38	-	38	8	57,161	57,169
	LG SPORTS Ltd.	6	18	24	280	11,835	12,115
	Subtotal	50,637	2,426	53,063	79,091	643,628	722,719
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	947,039	13,815	960,854	173,931	434	174,365
	LG Uplus Corp and its subsidiaries	42,784	1,824	44,608	5,370	28	5,398

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LG HOUSEHOLD & HEALTH						
CARE LTD and its subsidiaries	508	1,831	2,339	-	6	6
HS Ad Inc. and its subsidiaries	100	-	100	37	225,394	225,431
XI C&A Co., Ltd. and its subsidiaries ³	1,100	-	1,100	-	14,343	14,343
S&I Corp. and its subsidiaries ³	677	-	677	111	24,402	24,513
Subtotal	992,208	17,470	1,009,678	179,449	264,607	444,056
Total	14,926,248	189,375	15,115,623	3,031,774	1,952,067	4,983,841

(in millions of Korean won)

		Nine-month period ended September 30, 2023					
		Income transactions			Expense transactions		
Classification	Company	Sales	Others	Total	Purchases	Others ⁴	Total
Significantly influencing the Company	LG Corp.	2,616	-	2,616	-	98,005	98,005
Subsidiaries	LG Innotek Co., Ltd.	244,204	9,577	253,781	62,809	841	63,650
	Hiplaza Co., Ltd.	1,245,383	10,179	1,255,562	15,126	14,349	29,475
	LG Electronics U.S.A., Inc.	4,145,595	15,391	4,160,986	7,187	75,133	82,320
	LG Electronics Vietnam Hai Phong Co., Ltd	1,662,107	224	1,662,331	105,203	17,213	122,416
	LG Electronics Mlawa Sp. Z.O.O.	666,176	79	666,255	2,349	5,455	7,804
	LG Electronics Canada, Inc.	456,501	14	456,515	1	12,391	12,392
	LG Electronics European Shared Service Center B.V.	320,326	1,612	321,938	3,605	26,974	30,579
	LG Electronics Nanjing New Technology co.,LTD	299,529	327	299,856	501,602	559	502,161
	LG Electronis Reynosa, S.A. De C.V.	199,323	66	199,389	957	2,096	3,053
	LG Electronics Vehicle Components Europe GmbH	137,511	11,162	148,673	97,639	75,245	172,884
	LG ELECTRONICS INDIA PRIVATE LIMITED	233,655	33,689	267,344	5,219	3,415	8,634
	LG ELECTRONICS AUSTRALIA PTY LIMITED	159,406	57	159,463	159	3,415	3,574
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	156,670	-	156,670	7,012	2,365	9,377
	LG Electronics do Brasil Ltda.	145,396	124	145,520	1,450	2,304	3,754
	P.T. LG Electronics Indonesia	172,267	2,672	174,939	374,360	691	375,051
	LG Electronics Vehicle Components U.S.A., LLC.	181,759	11,438	193,197	4,674	48,338	53,012
	LG Electronics Mexico S.A. DE C.V.	291,922	262	292,184	-	2,325	2,325
	LG Electronics RUS, LLC	51,206	1,334	52,540	305	2,969	3,274
	LG Electronics (Tianjin) Appliances Co., Ltd.	121,369	91	121,460	451,244	565	451,809
	LG Electronics U.K. Ltd	130,673	50	130,723	5,482	11,651	17,133
	Taizhou LG Electronics Refrigeration Co., Ltd.	67,203	3,105	70,308	256,022	476	256,498
	LG Electronics Almaty Kazakhstan	87,120	174	87,294	-	480	480

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		Nine-month period ended September 30, 2023					
		Income transactions			Expense transactions		
Classification	Company	Sales	Others	Total	Purchases	Others ⁴	Total
	LG Electronics Colombia Ltda.	31,457	79	31,536	-	464	464
	Hi-Caresolution Corp	34,652	-	34,652	197,237	38,732	235,969
	Others	2,443,036	91,685	2,534,721	273,463	522,808	796,271
	Subtotal	13,684,446	193,391	13,877,837	2,373,105	871,254	3,244,359
Associates	LG Display Co., Ltd. and its subsidiaries	309,143	91,417	400,560	165,823	3,115	168,938
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	181	-	181	38,055	180	38,235
	Robostar Co., Ltd. and its subsidiaries	7	-	7	14,051	1,075	15,126
	ROBOTIS Co., Ltd.	-	-	-	-	15	15
	Acryl Inc.	-	-	-	-	1,640	1,640
	SideChef Group Limited	-	-	-	-	1,193	1,193
	Subtotal	309,331	91,417	400,748	217,929	7,218	225,147
Joint ventures	LG-LHT Passenger Solution GmbH	495	-	495	-	-	-
	Subtotal	495	-	495	-	-	-
Other related parties	LG CNS Co., Ltd. and its subsidiaries	87,632	2,412	90,044	73,952	339,206	413,158
	D&O Corp. and its subsidiaries	22	-	22	-	11,135	11,135
	LG Management Development Institute	33	-	33	141	47,589	47,730
	LG SPORTS Ltd.	5	16	21	-	12,503	12,503
	LG-MRI LLC ²	15,853	-	15,853	-	-	-
	Subtotal	103,545	2,428	105,973	74,093	410,433	484,526
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	785,879	34,576	820,455	213,470	17	213,487
	LG Uplus Corp and its subsidiaries	17,974	1,846	19,820	4,728	1,890	6,618
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	625	1,686	2,311	-	37	37
	HS Ad Inc. and its subsidiaries	104	-	104	54	188,784	188,838
	XI C&A Co., Ltd. and its subsidiaries ³	15,118	-	15,118	-	15,191	15,191
	S&I Corp. and its subsidiaries ³	2,252	-	2,252	447	72,230	72,677
	Subtotal	821,952	38,108	860,060	218,699	278,149	496,848
	Total	14,922,385	325,344	15,247,729	2,883,826	1,665,059	4,548,885

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

² The entity has been liquidated completely during the nine-month period ended September 30, 2024.

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

⁴ Others include acquisition amounts of right-of-use assets and interest expenses of lease liabilities.

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

(in millions of Korean won)

		September 30, 2024							
		Receivables				Payables			
Classification	Company	Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
Significantly influencing the Company	LG Corp.	118	-	27,645	27,763	-	-	12,900	12,900
Subsidiaries	LG Innotek Co., Ltd.	38,175	-	5,853	44,028	22,244	-	26,517	48,761
	Hiplaza Co., Ltd.	139,473	-	31,561	171,034	-	-	598	598
	LG Electronics U.S.A., Inc.	436,460	-	-	436,460	-	-	8,103	8,103
	LG Electronics Vietnam Hai Phong Co., Ltd	374,049	-	360	374,409	775,137	-	2,245	777,382
	LG Electronics Mlawa Sp. Z.O.O.	123,940	-	-	123,940	768,977	-	114	769,091
	LG Electronics Canada, Inc.	79,471	-	-	79,471	-	-	1,429	1,429
	LG Electronics European Shared Service Center B.V.	38,645	-	-	38,645	-	-	7	7
	LG Electronics Nanjing New Technology co.,LTD	73,594	-	28	73,622	431,142	-	155	431,297
	LG Electronics Vehicle Components Europe GmbH	761,040	-	9,732	770,772	-	-	7,824	7,824
	LG ELECTRONICS INDIA PRIVATE LIMITED	54,816	-	3	54,819	12,825	-	1,049	13,874
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	44,859	-	33,196	78,055	2,460	-	682	3,142
	LG Electronics do Brasil Ltda.	60,420	-	-	60,420	5	-	266	271
	P.T. LG Electronics Indonesia	12,764	-	51	12,815	674,079	-	6	674,085
	LG Electronics Vehicle Components U.S.A., LLC.	131,002	-	8,536	139,538	-	-	14,633	14,633
	LG Electronics Mexico S.A. DE C.V.	239,703	-	-	239,703	-	-	257	257
	LG Electronics RUS, LLC	169,912	-	107,912	277,824	-	-	451	451
	LG Electronics (Tianjin) Appliances Co., Ltd.	32,984	-	159	33,143	330,643	-	25	330,668
	LG Electronics U.K. Ltd	109,369	-	531	109,900	-	-	2,403	2,403
	Taizhou LG Electronics Refrigeration Co., Ltd.	10,174	-	1,243	11,417	351,600	-	81	351,681
	LG Electronics Almaty Kazakhstan	95,923	-	-	95,923	-	-	152	152

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		September 30, 2024							
Classification	Company	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
	LG Electronics Colombia Ltda.	75,871	-	28	75,899	-	-	134	134
	Hi-Caresolution Corp	7,273	-	-	7,273	-	-	23,362	23,362
	LG Electronics Deutschland GmbH	141,297	-	18	141,315	-	-	1,841	1,841
	LG Electronics Egypt S.A.E	25,667	-	3,173	28,840	16,731	-	82	16,813
	LG Electronics Africa Logistics FZE	52,008	-	-	52,008	-	-	11	11
	Zenith Electronics Corporation	-	-	5,103	5,103	-	-	118,331	118,331
	LG Electronics Panama, S.A.	124,749	-	-	124,749	-	-	100	100
	Others	1,172,130	-	55,746	1,227,876	1,006,278	-	101,418	1,107,696
	Subtotal	4,625,768	-	263,233	4,889,001	4,392,121	-	312,276	4,704,397
Associates	LG Display Co., Ltd. and its subsidiaries	57,430	1,000,000	77,940	1,135,370	150,804	-	47,845	198,649
	Hitachi-LG Data Storage Inc. and its subsidiaries	-	-	-	-	2,482	-	3	2,485
	Robostar Co., Ltd.	-	-	-	-	171	-	5,045	5,216
	Subtotal	57,430	1,000,000	77,940	1,135,370	153,457	-	52,893	206,350
Other related parties	LG CNS Co., Ltd. and its subsidiaries	17,711	-	348	18,059	2,861	-	266,003	268,864
	D&O Corp. and its subsidiaries	2	-	-	2	-	-	4,566	4,566
	LG Management Development Institute	8	-	-	8	-	-	1,616	1,616
	LG SPORTS Ltd.	-	-	-	-	-	-	828	828
	Subtotal	17,721	-	348	18,069	2,861	-	273,013	275,874
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	174,470	-	528,100	702,570	71,052	-	108,459	179,511
	LG Uplus Corp and its subsidiaries	9,359	-	233	9,592	126	-	88	214
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	41	-	19	60	-	-	160	160
	HS Ad Inc. and its subsidiaries	19	-	-	19	-	-	195,434	195,434
	Subtotal	183,889	-	528,352	712,241	71,178	-	304,141	375,319
	Total	4,884,926	1,000,000	897,518	6,782,444	4,619,617	-	955,223	5,574,840

(in millions of Korean won)

		December 31, 2023							
Classification	Company	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
Significantly influencing	LG Corp.	480	-	29,911	30,391	-	-	33,391	33,391

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

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(in millions of Korean won)

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

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

² The entity has been liquidated completely during the nine-month period ended September 30, 2024.

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

⁴ Other payables include lease liabilities.

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

(in millions of Korean won)		Nine-month period ended September 30, 2024						
		Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ²	
Classification	Name				Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp.	-	71,623	-	-	-	-	22,279
Subsidiaries	LG Innotek Co., Ltd.	25,195	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	273	-	-	-	-
	LG Electronics Fund II LLC	-	-	18,030	-	-	-	-
	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	-	-	-	-
	Subtotal	1,020,561	-	35,834	-	-	-	644,560
Associates	LG Display Co., Ltd. ¹	-	-	436,031	-	-	-	-
	Ericsson-LG Co., Ltd.	17,500	-	-	-	-	-	-
	Mirae Asset-LG Electronics New Growth Fund I	3,436	-	8,529	-	-	-	-
	NOVA Prime Fund I, LP	-	-	4,181	-	-	-	-

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(in millions of Korean won)

		Nine-month period ended September 30, 2024						
Classification	Name	Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ²	
					Loans	Collections	Borrowings	Repayments
	Subtotal	20,936	-	448,741	-	-	-	-
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	5,330	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	5,330	-	-	-	-
	Subtotal	-	-	10,660	-	-	-	-
Other related parties	D&O Corp.	-	-	-	-	-	99	965
	Subtotal	-	-	-	-	-	99	965
	Total	1,041,497	71,623	495,235	-	-	99	667,804

(in millions of Korean won)

		Nine-month period ended September 30, 2023						
Classification	Name	Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ²	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp.	-	38,566	-	-	-	-	20,736
Subsidiaries	LG Innotek Co., Ltd.	40,061	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	(2,073)	-	-	-	-
	LG Electronics Fund II LLC	-	-	3,865	-	-	-	-
	NOVA Prime Fund I, LP	-	-	8,503	-	-	-	-
	LG Magna e-Powertrain Co., Ltd.	-	-	-	-	-	-	3,636
	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.	227,920	-	-	-	-	-	-
	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	-	-	-	-	-	-

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Nine-month period ended September 30, 2023

Classification	Name	Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ²	
					Loans	Collections	Borrowings	Repayments
	LG ELECTRONICS AUSTRALIA PTY LIMITED	30,174	-	-	-	-	-	-
	LG Electronics Mlawá Sp. z.O.O.	181,228	-	-	-	-	-	-
	P.T. LG Electronics Indonesia	175,776	-	-	-	-	-	-
	LG Electronics Vietnam Hai Phong Co., Ltd	39,047	-	-	-	-	-	-
	LG Electronics Canada, Inc.	66,378	-	-	-	-	-	-
	LG ELECTRONICS INDIA PRIVATE LIMITED	378,551	-	-	-	-	-	-
	Taizhou LG Electronics Refrigeration Co., Ltd.	44,172	-	-	-	-	-	-
	LG Electronics do Brasil Ltda.	44,376	-	-	-	-	-	-
	HIEVCHARGER CO., LTD.	-	-	7,200	-	-	-	-
	Subtotal	1,369,662	-	75,725	-	-	706,790	270,584
Associates	LG Display Co., Ltd. ¹	-	-	-	1,000,000	-	-	-
	Ericsson-LG Co., Ltd.	11,250	-	-	-	-	-	-
	Subtotal	11,250	-	-	1,000,000	-	-	-
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	8,805	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	10,197	-	-	-	-
	GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	-	-	320	-	-	-	-
	FITNESSCANDY Co., Ltd.	-	-	1,377	-	-	-	-
	Subtotal	-	-	20,699	-	-	-	-
Other related parties	LG CNS Co., Ltd.	-	-	-	-	-	-	121
	D&O Corp.	-	-	-	-	-	409	830
	Subtotal	-	-	-	-	-	409	951
	Total	1,380,912	38,566	96,424	1,000,000	-	707,199	292,271

¹ As of September 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 September 30, 2024, ₩1,000,000 million has been executed.

² Financing borrowing transactions include borrowing and repayment of the principal amount of lease liabilities.

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Salaries and other short-term benefits	14,428	9,833
Retirement benefits	1,680	1,568
Other long-term benefits	2	2
Total	16,110	11,403

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 September 30, 2024 are presented in Note 26.
- (d) There is no collateral provided by the Company for the financial support of related parties as of September 30, 2024.
- (e) The Company has not recognized any bad debt expense or allowance for receivables from related parties as of September 30, 2024.

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29. Risk Management

29.1 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 September 30, 2024 and December 31, 2023 due to possible changes in foreign exchange rate of the functional currency against USD or EUR by 10% with all other variables held constant:

<i>(in millions of Korean won)</i>	September 30, 2024		December 31, 2023	
	10% increase	10% decrease	10% increase	10% decrease
USD/KRW	(5,749)	5,749	10,147	(10,147)
EUR/KRW	27,421	(27,421)	24,171	(24,171)

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ii) Interest rate risk

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

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

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

<i>(in millions of Korean won)</i>	September 30, 2024		September 30, 2023	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Interest income	12,037	(12,037)	19,800	(19,800)
Interest expenses	492	492	2,934	(2,934)

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	Hana Bank and others	USD 1,794	1,067.9 ~ 1,377.9	1.88 ~ 4.56	2017. 10. 23 ~ 2024. 4. 24	2025. 4. 23 ~ 2031. 7. 28	127,836	37,182
	Citi Bank	EUR 95	1,312.5	3.84	2022. 7. 15	2028. 1. 14	11,465	-
	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	2,352	14,002
Interest rate swap	Woori Bank and others	KRW 1,166,821	-	2.75 ~ 4.87	2014. 4. 30 ~ 2024. 3. 29	2027. 1. 15 ~ 2032. 11. 16	7,124	15,032

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

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Details of hedged items are as follows:

<i>(in millions of Korean won)</i>	Hedged items	Carrying amount	Changes in fair value (net of tax)
Cross-currency swap	Borrowings	2,696,631	(18,366)
Interest rate swap	Borrowings	988,107	3,633

The results of hedge accounting are as follows:

<i>(in millions of Korean won)</i>	Changes in fair value of derivatives (net of tax)	Line items in profit or loss	Reclassified to profit or loss (net of tax)	Other comprehensive income (net of tax)	Accumulated other comprehensive income
Cross-currency swap	18,366	Interest expense and exchange differences	(17,173)	1,193	(542)
Interest rate swap	(3,633)	Interest expense	(4,308)	(7,941)	(7,045)

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 nine-month period ended September 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 nine-month period ended September 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>	September 30, 2024		December 31, 2023	
	30% increase	30% decrease	30% increase	30% decrease
KOSDAQ	18,764	(18,764)	4,556	(4,556)
NASDAQ	50	(50)	98	(98)
NYSE	1,347	(1,347)	2,252	(2,252)

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

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(b) Credit risk

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

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

As of September 30, 2024, trade receivable balance of the Company, excluding the trade receivables from the subsidiaries, is ₩3,079,087 million (December 31, 2023: ₩2,101,072 million) and its risk is managed appropriately within insurer's credit limit of ₩2,821,843 million (December 31, 2023: ₩2,842,702 million). Therefore, the Company determined that credit risk exposed to the Company is limited.

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

(c) Liquidity risk

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

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

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

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

September 30, 2024					
<i>(in millions of Korean won)</i>	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade payables	6,634,003	6,634,003	-	-	-
Borrowings	10,831,523	1,126,797	1,509,327	5,153,487	3,041,912
Lease liabilities	118,782	51,539	32,228	30,602	4,413
Other payables	2,099,971	2,088,081	-	11,690	200
Other financial liabilities	18,304	5,858	-	12,446	-
Total	19,702,583	9,906,278	1,541,555	5,208,225	3,046,525

December 31, 2023					
<i>(in millions of Korean won)</i>	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade payables	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	-
Total	18,948,050	9,964,289	1,132,105	3,863,410	3,988,246

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 September 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>	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Financial guarantee contracts	3,972,096	3,972,096	-	-	-

The maximum amounts of financial guarantee contracts provided to subsidiaries and third-party companies were allocated to the earliest period in which the guarantees could be called.

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29.2 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 September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won, except for ratios)</i>	September 30, 2024	December 31, 2023
Liability (A)	22,702,504	21,232,006
Equity (B)	11,260,512	10,515,547
Cash and cash equivalents (C)	1,601,047	2,349,705
Borrowings and lease liabilities (D)	9,244,749	9,380,075
Liability to equity ratio (A/B)	201.6%	201.9%
Net borrowings ratio ((D-C)/B)	67.9%	66.9%

29.3 Fair Value Estimation

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

<i>(in millions of Korean won)</i>	September 30, 2024			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets at fair value				
Financial assets at fair value through profit or loss				
Other financial assets and others	22,590	22,590	103,799	103,799
Financial assets at fair value through other comprehensive income				
Trade receivables	218,757	1	-	-
Other financial assets	-	-	90,431	1
Derivatives for hedging purposes				
Other financial assets	22,377	22,377	126,400	126,400
Assets at amortized cost				
Financial assets at amortized cost				
Cash and cash equivalents	1,601,047	1	-	-
Deposits held by financial institutions	-	1	120,661	1
Trade receivables	5,824,197	1	127,725	127,725
Other receivables	1,004,388	1	678,802	676,402
Other assets				
Trade receivables	223,016	1	1,210,772	1,210,772
Total	8,916,372		2,458,590	

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<i>(in millions of Korean won)</i>	September 30, 2024			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities at fair value				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	5,858	5,858	12,446	12,446
Derivatives for hedging purposes				
Other financial liabilities	-	-	66,216	66,216
Liabilities at amortized cost				
Financial liabilities at amortized cost				
Trade payables	6,634,003	1	-	-
Borrowings	780,796	1	8,351,053	8,630,221
Other payables	2,088,081	1	11,890	10,568
Other liabilities				
Lease liabilities	50,798	2	62,102	2
Other financial liabilities	4,306	3	3,170	3
Total	9,563,842		8,506,877	

<i>(in millions of Korean won)</i>	December 31, 2023			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets at fair value				
Financial assets at fair value through profit or loss				
Other financial assets and others	-	-	80,702	80,702
Financial assets at fair value through other comprehensive income				
Trade receivables	212,773	1	-	-
Other financial assets	-	-	66,926	66,926
Derivatives for hedging purposes				
Other financial assets	19,106	19,106	135,980	135,980
Assets at amortized cost				
Financial assets at amortized cost				
Cash and cash equivalents	2,349,705	1	-	-
Deposits held by financial institutions	20,863	1	120,652	1
Trade receivables	5,084,191	1	105,720	105,720
Other receivables	458,642	1	1,169,185	1,163,774
Other assets				
Trade receivables	96,240	1	512,172	512,172
Total	8,241,520		2,191,337	

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<i>(in millions of Korean won)</i>	December 31, 2023			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities at fair value				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	-	-	18,304	18,304
Derivatives for hedging purposes				
Other financial liabilities	6,610	6,610	40,848	40,848
Liabilities at amortized cost				
Financial liabilities at amortized cost				
Trade payables	5,808,472	¹	-	-
Borrowings	1,604,369	¹	7,620,242	7,288,520
Other payables	2,156,944	¹	11,960	10,158
Other liabilities				
Lease liabilities	74,853	²	80,611	²
Other financial liabilities	6,856	³	4,285	³
Total	9,658,104		7,776,250	

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

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

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

(b) Fair value measurements of assets and liabilities

i) Fair value hierarchy and measurement method

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

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

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

<i>(in millions of Korean won)</i>	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets and others				
Financial assets at fair value through other comprehensive income	41,446	-	48,985	90,431
Financial assets at fair value through profit or loss	-	22,590	103,799	126,389
Derivatives for hedging purposes	-	148,777	-	148,777
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	18,304	-	18,304
Derivatives for hedging purposes	-	66,216	-	66,216
December 31, 2023				
<i>(in millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets and others				
Financial assets at fair value through other comprehensive income	18,311	-	48,615	66,926
Financial assets at fair value through profit or loss	-	-	80,702	80,702
Derivatives for hedging purposes	-	155,086	-	155,086
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	18,304	-	18,304
Derivatives for hedging purposes	-	47,458	-	47,458

The above fair value amounts are recurring fair value measurements.

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

Valuation technique and inputs for fair value measurements categorized within 'level 2' as of September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	Fair value		Valuation techniques	Inputs
	September 30, 2024	December 31, 2023		
Assets				
Other financial assets				
Financial assets at fair value through profit or loss	22,590	-	Binomial model	Share price and volatility
Derivatives for hedging purposes	148,777	155,086	Discounted cash flow	Discount rate and exchange rate
Liabilities				
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	66,216	47,458	Discounted cash flow	Discount rate and exchange rate

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

As of September 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 September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Non-current trade receivables	-	-	1,338,497	1,338,497
Non-current other receivables	-	-	676,402	676,402
Liabilities				
Non-current borrowings	-	-	8,630,221	8,630,221
Non-current other payables	-	-	10,568	10,568

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

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

As of September 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 September 30, 2024 and December 31, 2023 are as follows:

<i>(in millions of Korean won)</i>	September 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				
Assets								
Non-current trade receivables	1,338,497	1,338,497	617,892	617,892	Discounted cash flow	Discount rate	Discount rate	5.4%~6.2%
Non-current other receivables	678,802	676,402	1,169,185	1,163,774	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.7%~5.0%
Liabilities								
Non-current borrowings	8,351,053	8,630,221	7,620,242	7,288,520	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.2%~4.3%
Non-current other payables	11,890	10,568	11,960	10,158	Discounted cash flow	Discount rate	Discount rate	3.3%~4.2%

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30. Discontinued Operation

The Company discontinued the operations of energy business and battery pack business in 2022 and 2024, respectively, 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 nine-month periods ended September 30, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Net sales	-	517
Operating profit (loss)	(346,584)	(106,955)
Profit (loss) before income tax	(377,204)	(142,542)
Income tax expense (benefit)	(102,685)	(36,307)
Profit (loss) for the period, net of tax	(274,519)	(106,235)

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

<i>(in millions of Korean won)</i>	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Net cash inflow (outflow) from operating activities	49,982	(326,927)
Net cash inflow (outflow) from investing activities	1,193	(209)
Net cash inflow (outflow) from financing activities	(51,175)	327,136